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

In re	)	Case No. 2:16-bk-13575-ER
)	
LIBERTY ASSET MANAGEMENT	)	Chapter 11
CORPORATION)	
Debtor and Debtor in Possession.	)	DEBTOR'S MOTION FOR ENTRY OF
	)	AN ORDER (1) AUTHORIZING SALE OF
	)	RESIDENTIAL REAL PROPERTY FREE
	)	AND CLEAR OF CERTAIN LIENS,
	)	CLAIMS AND INTERESTS; (2)
	)	APPROVING PROPOSED OVERBID
	)	PROCEDURES; (3) AUTHORIZING
	)	PAYMENTS OF COSTS OF SALE AND
	)	COMMISSION OUT OF SALE
	)	PROCEEDS; (4) FINDING THAT BUYER
	)	IS GOOD FAITH PURCHASER UNDER
	)	11 U.S.C. § 363(m); AND (5)
	)	AUTHORIZING REPRESENTATIVE OF
	)	DEBTOR TO EXECUTE QUITCLAIM
	)	DEED TRANSFERRING PROPERTY
	)	FROM RH INVESTMENT LLC TO THE
	)	DEBTOR; MEMORANDUM OF POINTS
	)	AND AUTHORITIES; DECLARATIONS
	)	OF THOMAS B. BLUEMEL, LAWRENCE
	)	PERKINS AND DAVID B. GOLUBCHIK
	)	IN SUPPORT THEREOF
)	
	)	<u>Hearing</u>
	)	Date: March 8, 2017
	)	Time: 11:00 a.m.
	)	Place: Courtroom 1568
	)	255 E. Temple Street
	)	Los Angeles, CA

Liberty Asset Management Corporation (“Liberty” or the “Debtor”), the debtor and debtor in possession in the above-captioned chapter 11 case, hereby files this motion (the “Motion”) for entry of an order of the Court pursuant to 11 U.S.C. §§ 105(a), 363(b) and (f), Local Bankruptcy Rule 9013-1 for an order:

(1) authorizing the Debtor to: (a) sell all of its rights, title and interests in 1916 Los Padres Drive, Rowland Heights, CA 91748-3657 (the “Property”) for the purchase price of \$460,000, subject to overbid, on an “as-is” basis, without any warranties or representations, free and clear of any liens, claims and interests to Litchi LLC (the “Buyer”), or to any person who appears at the hearing and submits a higher acceptable bid;

(2) approving the proposed overbid procedures set forth herein (“Overbid Procedures”);

(3) authorizing the Debtor to pay, through escrow: (a) brokerage commissions, (b) ordinary and customary costs of sale (including title and escrow fees), (c) real property taxes, and (d) related costs associated with the sale of the Property;

(4) finding that the Buyer, or any person who appears at the hearing and submits a higher acceptable bid and becomes the purchaser is a good faith purchaser under 11 U.S.C. § 363(m); and

(5) authorizing representative of Debtor (or some other person as the Court may designate) to execute quitclaim deed transferring Property from RH investment LLC to the Debtor.

The following disclosures are made pursuant to Local Bankruptcy Rule 6004-1(c)(3):

Hearing Time and Location: The hearing on this Motion and the sale will take place on March 8, 2017 at 11:00 a.m. in Courtroom 1568, 255 E. Temple St., Los Angeles California.

Proposed Buyer: The proposed buyer is Litchi LLC.

Property to be sold: All right, title and interest in the property located at 1916 Los Padres Drive, Rowland Heights, CA 91748-3657.

Terms and Conditions of Proposed Sale: Subject to overbids, the sales price will be \$460,000. The sale will be on an “as is,” “where is” and “with all faults” basis, with no warranties, representations or recourse whatsoever. All terms and conditions of the proposed

1 sale are set forth in the Counter-offer and related sale documents (the “Sale Agreement”)
2 attached to the Declaration of Lawrence Perkins (“Perkins Declaration”) as **Exhibit “E.”** All of
3 the Buyer’s contingencies have been waived or removed.

4 **Sale free and clear of liens, claims and interests:** The proposed sale is free and clear of
5 any and all liens, claims, interests and encumbrances. Other than potential real property taxes,
6 the Debtor is not aware of any other asserted liens, claims, interests or encumbrances with
7 respect to the Property, as evidenced by the Preliminary Title Report attached to the Perkins
8 Declaration as **Exhibit “A”**.

9 **Proposed Overbid Procedures:** The proposed sale is subject to overbids. In this Motion,
10 the Debtor is requesting that the Court approve the following Overbid Procedures:

- 11 1. Minimum overbid: Any initial overbid for the Property shall be in an amount at least
12 \$5,000 higher than the initial purchase price of \$460,000.
- 13 2. Overbidding increments: All subsequent overbids with respect to the Property shall
14 be in increments of \$5,000.
- 15 3. Qualification for overbidding: At or before the time for hearing, any party wishing to
16 overbid at the hearing must, at or before the time for hearing, (a) deliver a cashier’s
17 check payable to “Liberty Asset Management Corporation” in the amount of \$46,000;
18 and (b) on the record, confirm that the this is an as-is, where-is transaction with no
19 representation or warranties and, if the bidder is the successful bidder at the Auction,
20 the deposit shall immediately become non-refundable to the bidder. All bidding shall
21 be conducted at the hearing on this Motion, and no bids shall be tendered or accepted
22 after the hearing has concluded. The balance of the purchase price shall be paid prior
23 to the Closing, which shall occur no later than the first business day after fourteenth
24 calendar days following entry of an order approving the sale.
- 25 4. No break-up fees, costs or expenses shall be paid to any bidder.

26 **Identity of Brokers to be paid commission:** Pursuant to the Court’s order entered on
27 December 8, 2016 [Doc. No. 298], the Debtor employed Coldwell Banker as its real estate
28 brokers. The aggregate commission to be paid by the Debtor is an amount equal to 6% of the

gross sales price.

Date by which any objections must be filed and served: February 22, 2017 (14 days before the scheduled hearing).

Pursuant to a stipulation approved by the Court, as discussed in detail below, the Debtor acquired a 100% ownership interest in the Property from RH Investments, LLC (“RH”), an affiliate of the Debtor. In order for an effective closing of the sale transaction, a grant deed must be recorded formally transferring the Property from RH to the Debtor. While the Debtor is hopeful that RH will execute such deed, in the event that it does not cooperate, then, pursuant to 11 U.S.C. § 105(a), the Debtor seeks authority for Mr. Perkins, Debtor’s Chief Restructuring Officer, to be granted authority to execute a quitclaim deed on behalf of RH to effectuate a formal transfer of the Property to the Debtor.

Dated: February 13, 2017

LIBERTY ASSET MANAGEMENT CORPORATION

By: _____



DAVID B. GOLUBCHIK

LEVENE, NEALE, BENDER, YOO

& BRILL L.L.P.

Attorneys for Debtor and Debtor in Possession

MEMORANDUM OF POINTS AND AUTHORITIES

I.

STATEMENT OF FACTS

A. Background.

1. On March 21, 2016 (the “Petition Date”), the Debtor filed a voluntary petition under chapter 11 of the Bankruptcy Code in the Bankruptcy Court, bearing case number 2:16-bk-13575-TD. The Debtor is managing its financial affairs and operating its bankruptcy estate as a debtor in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

2. On April 27, 2016, the Office of the United States Trustee (the “UST”) appointed an Official Committee of Unsecured Creditors (the “Committee”), who has been very active in this case.

3. Prior to cessation of operations, the Debtor was a real estate management company. The Debtor’s mission was to seek out real estate opportunities throughout Northern and Southern California, invest in such opportunities, and manage them.

4. Due to certain pre-petition disputes among its principals, litigation with certain third parties and, in order to preserve the value of its assets, the Debtor determined that the commencement of this bankruptcy case was necessary and proper. Upon commencement of this case, the Debtor has already initiated certain adversary proceedings for a determination as to the ownership of the various properties and entities.

5. The Debtor’s goal for this bankruptcy is to maximize the value of its assets in light of the circumstances of this case and generate funds to pay its creditors.

B. Acquisition of the Property and Turnover to the Estate

6. In the ordinary course of business, when the Debtor would acquire properties, it did so in the name of special purpose entities which were controlled by Lucy Gao.

7. In 2014, the Debtor, through an affiliate known as RH Investment LLC (“RH”), acquired that certain real property located at 1916 Los Padres Drive, Rowland Heights, CA 91748-3657 (the “Property”). In fact, the original purchaser of record was Lucy Gao who promptly transferred it to RH, with herself as the sole member. The Property consists of a

1 single family residence. A true and correct copy of the Preliminary Title Report is attached to
2 the accompanying Declaration of Lawrence Perkins (“Perkins Declaration”) as **Exhibit “A”**.
3 As evidenced by the Preliminary Title Report, there are no secured claims encumbering the
4 Property (other than statutory property taxes which will be paid at closing).

5 8. Based on certain disputes associated with assets held by affiliates and actions
6 related thereto, upon commencement of this case, an action was commenced against RH and
7 Ms. Gao to protect and preserve the Property. In connection with the foregoing, a *Notice of Lis*
8 *Pendens* was recorded in the Property’s chain of title. A true and correct copy of the recorded
9 *Notice of Lis Pendens* is attached hereto as **Exhibit “B”**.

10 9. Subsequently, the parties engaged in discussions to resolve numerous outstanding
11 disputes. In connection with the foregoing, the Debtor, on the one hand, and Lucy Gao and RH,
12 among others, on the other hand, entered into that certain “Stipulation Re: Turnover of Certain
13 Assets”) (“Stipulation”) [Doc. No. 210]. The Stipulation was approved pursuant to this Court’s
14 order (“Turnover Order”) entered on September 13, 2016 [Doc. No. 215]. True and correct
15 copies of the Stipulation and Turnover Order are attached hereto as **Exhibits “C” and “D”**,
16 respectively.

17 10. Although the Turnover Order was entered, to date, a quitclaim deed or other
18 document effectuating the transfer of the Property from RH to the Debtor has not been
19 executed.

20 **C. Marketing and Sale of Property**

21 11. Upon entry of the Turnover Order, the Debtor engaged William Friedman and
22 Thomas B. Bluemel of Coldwell Banker Residential Brokerage (“Coldwell”) to market and sell
23 the Property to the highest bidder.

24 12. Coldwell commenced extensive marketing efforts with respect to the Property. In
25 addition to listing the property with the Multiple Listing Service (MLS), the Property was
26 marketed through Loopnet and Co-Star. Coldwell also engaged in a marketing campaign via-
27 email and other means through its extensive network of brokers, agents, buyers and other
28 interested parties. Coldwell also posted signage at the Property and elsewhere which generated

1 a lot of interest in the Property.

2 13. As a result of Coldwell's efforts, the Debtor received over 30 offers expressing an
3 interest in purchasing the Property, many of which exceeded the listing price. After
4 consideration of the offers with Coldwell and the Official Committee of Unsecured Creditors
5 ("Committee"), and after counteroffers and negotiations related thereto, the Debtor selected
6 Litchi LLC ("Buyer") as having provided the highest and best offer in the amount of \$460,000.
7 A true and correct copy of the sale agreement with the Buyer is attached to the Perkins
8 Declaration as **Exhibit "E"**. Pursuant to the sale agreement with Buyer, all contingencies have
9 been removed and the Buyer agreed that the sale will be subject to overbid.

10 14. To the best of the Debtor's knowledge, based on discussions with Coldwell,
11 Buyer has no prior connections to the Debtor or Debtor's insiders and that the sale transaction
12 herein was negotiated and entered into at arm's length, with broker representation, and no
13 collusion of any kind.

14 **D. Overbid Procedures**

15 15. The Debtor has not sought pre-approval of overbid procedures for the sale so,
16 accordingly, any such procedures shall be in the Court's discretion. The Debtor intends to make
17 the following recommendations for procedures for overbidding at the time of the hearing on this
18 Motion:

- 19 a. An auction ("Auction") will be held at the Court at 255 E. Temple St., Los
20 Angeles, California, in Courtroom 1568, on March 8, 2017 at 11:00 a.m., or
21 such time as may be otherwise scheduled by the Court. The highest and best
22 bid satisfying the bidding procedures recommended below may participate in
23 the Auction.
- 24 b. Minimum overbid: Any initial overbid for the Property shall be in an amount
25 at least \$5,000 higher than the initial purchase price of \$460,000.
- 26 c. Overbidding increments: All subsequent overbids with respect to the Property
27 shall be in increments of \$5,000.
- 28 d. Qualification for overbidding: At or before the time for hearing, any party

1 wishing to overbid at the hearing must, at or before the time for hearing, (a)
2 deliver a cashier's check payable to "Liberty Asset Management Corporation"
3 in the amount of \$46,000; and (b) on the record, confirm that the this is an as-
4 is, where-is transaction with no representation or warranties and, if the bidder
5 is the successful bidder at the Auction, the deposit shall immediately become
6 non-refundable to the bidder. All bidding shall be conducted at the hearing on
7 this Motion, and no bids shall be tendered or accepted after the hearing has
8 concluded. The balance of the purchase price shall be paid prior to the
9 Closing, which shall occur no later than the first business day after fourteenth
10 calendar days following entry of an order approving the sale.

- 11 e. The acceptance of any overbid from a qualified bidder shall be in the Debtor's
12 sole discretion and may be made prior to or at the time of the Auction.
- 13 f. If qualified overbids are received and accepted by the Debtor, the Auction will
14 be held at the time of the hearing on this Motion. At the conclusion of the
15 auction, the Debtor will have the right, based solely on its business judgment
16 and sole discretion, to recommend to the Court for confirmation the offer that
17 the Debtor determines is the best overall offer.
- 18 g. If the Court approves a sale to the highest and best offer made by a bidder as
19 recommended by the Debtor (the "Successful Bidder"), the Successful Bidder
20 will be bound by all of the terms of the Sale Agreement except as to price,
21 without contingencies (including any financing contingency). The Successful
22 Bidder's Deposit will be retained by the Debtor and will be applied to the sale
23 price. The Deposit will be non-refundable in the event that, for any reason
24 whatsoever, the Successful Bidder fails to close the sale timely.
- 25 h. The closing will take place as soon as practicable after entry of the Court's
26 order approving the sale (the "Sale Order"), but no later than the first business
27 day after fourteen calendar days following entry of the Sale Order. The Debtor
28 and the Successful Bidder may mutually agree in writing to extend the time

1 for closing.

2 i. In its sole discretion, the Debtor may request that the Court confirm a “Back-
3 Up Bidder” so that if the Successful Bidder does not close timely, the Debtor
4 may sell the Property to the Back-Up Bidder for the amount of such Back-Up
5 Bidder’s last bid. The Back-Up Bidder’s Deposit will be retained by the
6 Debtor. If the sale to the Successful Bidder does not close timely, the Debtor
7 will advise the Back-Up Bidder accordingly. The closing will take place on or
8 before fourteen calendar days following the date on which the Debtor gives
9 notice of the Successful Bidder’s failure to close. The Back-Up Bidder will be
10 bound by all of the terms of the Sale Agreement except as to price, without
11 contingencies (including any financing contingency). The Back-Up Bidder’s
12 Deposit will be retained by the Debtor and will be applied to the sale price.
13 The Deposit will be non-refundable in the event that the Back-Up Bidder fails
14 to close the sale timely.

15 j. If a qualified over bidder is not the Successful Bidder or a Back-Up Bidder,
16 the over bidder’s Deposit will be returned to the over bidder within ten court
17 days from the date of the Auction. If the sale to the Successful Bidder closes,
18 the Back-Up Bidder’s Deposit will be returned to the Back-Up Bidder within
19 ten court days from the date of the closing.

20 k. If the sale closes to a Successful Bidder or Back-Up Bidder, the 6% brokerage
21 commission will be split as follows: 3% to Coldwell and 3% to the broker(s)
22 of the Successful Bidder or Back-Up Bidder.

23 l. No break-up fees, costs or expenses shall be paid to any bidder.

24 m. All contingencies are deemed waived at the time of the conclusion of the

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1 II.

2 **THE PROPOSED SALE IS IN THE BEST INTERESTS OF THE ESTATE**

3 A. **The Debtor Has Complied With All Applicable Notice Requirements.**

4 Section 363(b)(1) of the Bankruptcy Code provides that the trustee (or debtor in
5 possession), “after notice and a hearing, may use, sell or lease, other than in the ordinary course
6 of business, property of the estate.” 11 U.S.C. § 363(b)(1). Section 102(1) defines “after notice
7 and a hearing” as after such notice as is appropriate in the particular circumstances, and such
8 opportunity for hearing as is appropriate in the particular circumstances. 11 U.S.C. §
9 102(1)(A).

10 Bankruptcy Rule 6004(a) provides, in pertinent part, that notice of a proposed sale not in
11 the ordinary course of business must be given pursuant to Bankruptcy Rules 2002(a)(2), (c)(1),
12 (i) and (k), and, if applicable, in accordance with section 363(b)(2) of the Bankruptcy Code.
13 Fed. R. Bankr. P. 6004(a). Bankruptcy Rule 2002(a)(2) requires at least 21 days’ notice by mail
14 of a proposed sale of property of the estate other than in the ordinary course of business, unless
15 the Court for cause shown shortens the time or directs another method of giving notice. Fed. R.
16 Bankr. P. 2002(a)(2). Bankruptcy Rule 2002(c)(1) requires that the notice of a proposed sale
17 include the date, time and place of any public sale, the terms and conditions of any private sale,
18 and the time fixed for filing objections. It also provides that the notice of sale or property is
19 sufficient if it generally describes the property. Fed. R. Bankr. P. 2002(c)(1). Bankruptcy Rule
20 2002(k) requires that the notice be given to the United States Trustee. Fed. R. Bankr. P.
21 2002(k).

22 In addition, Local Bankruptcy Rule 6004-1 requires that the Notice contain the
23 information specified in Local Bankruptcy Rule 6004-1(c)(3) and that an additional copy of the
24 Notice be submitted to the Clerk of the Bankruptcy Court together with a Form 6004-2 at the
25 time of filing for purposes of publication. L.B.R. 6004-1(c)(3) and (f).

26 The Debtor has complied with all of the above provisions of the Bankruptcy Code, the
27 Bankruptcy Rules and the Local Bankruptcy Rules. The Debtor has complied with Bankruptcy
28 Rules 6004(a) and 2002(a)(2), (c)(1), (i) and (k), as well as Local Bankruptcy Rule 6004-

1 1(c)(3), because the notice of the Motion that has been filed contemporaneously herewith (the
2 “Notice”) includes all of the required information, including, without limitation, the date, time
3 and place of the Auction and Sale Hearing and the deadline for objecting to this Motion, and has
4 been served on the Office of the United States Trustee, the Debtor, all of the Debtor’s known
5 creditors and interest holders, all parties that are known or reasonably believed to have asserted
6 any lien, encumbrance, claim or other interest in the Property, all applicable taxing authorities,
7 all non-debtor parties to any permits held by the Debtor for the Property, and all parties
8 requesting special notice. The Debtor has also complied with the requirements of Local
9 Bankruptcy Rule 6004-1(f) because the Debtor has filed the Notice and Form 6004-2 with the
10 Clerk of the Bankruptcy Court for purposes of publication.

11 **B. The Sale Of The Property Should Be Approved Because Good Business Reasons**
12 **Exist, The Purchase Price For The Assets Is Fair And Reasonable, And The**
13 **Proposed Sale Is In The Best Interests Of The Estate And Creditors.**

14 As a general matter, a Court considering a motion to approve a sale under Bankruptcy
15 Code Section 363(b) should determine from the evidence presented before it that a “good
16 business reason” exists to grant such a motion. *In re Lionel Corp.*, 722 F.2d 1063, 1071 (2d Cir.
17 1983). In addition, the Court must further find it is in the best interest of the estate. To make
18 this determination, a Court should consider whether:

- 19 (1) the sale is fair and reasonable, *i.e.*, the price to be paid is
20 adequate;
- 21 (2) the property has been given adequate marketing;
- 22 (3) the sale is in good faith, *i.e.*, there is an absence of any
23 lucrative deals with insiders; and
- 24 (4) adequate notice has been provided to creditors.

25 *In re Wilde Horse Enterprises, Inc.*, 136 B.R. 830, 841-2 (Bankr. C.D. Cal. 1991); *In re The*
26 *Landing*, 156 B.R. 246, 249 (Bankr. E.D. Mo. 1993); *In re Mama’s Original Foods, Inc.*, 234
27 B.R. 500, 502-505 (C.D. Cal. 1999). The Debtor submits that the proposed sale of the Property,
28 pursuant to the terms of the APA, satisfies each of these requirements.

1 1. Sound Business Purpose.

2 The Ninth Circuit Bankruptcy Appellate Panel in *Walter v. Sunwest Bank (In re Walter)*,
3 83 B.R. 14, 19 (9th Cir. BAP 1988) has adopted a flexible case-by-case test to determine
4 whether the business purpose for a proposed sale justifies disposition of property of the estate
5 under Section 363(b). The facts pertaining to the sale at issue here substantiate the Debtor's
6 business decision that the contemplated sale of the Property, pursuant to the terms of the APA,
7 serves the best interests of the Estate and merits the approval of this Court.

8 The Debtor has ceased operations and its goal in the bankruptcy case is to liquidate its
9 assets to maximize recoveries for creditors. The Debtor believes that the liquidation of its assets
10 will generate sufficient proceeds to permit the Debtor to pay its creditors a significant
11 distribution. The proposed sale of the Property to the Buyer is anticipated to result in sale
12 proceeds of approximately \$460,000 (subject to increase by overbid), which will facilitate the
13 goal of liquidating assets to pay creditors. On the other hand, if the Debtor is not able to
14 consummate a sale of the Property to the Buyer (or a successful overbidder) as proposed herein,
15 the Debtor will not generate the sale proceeds that could be used to pay creditors. The Debtor
16 also will be saddled with the obligations and expenses of an owner of real property. Based on the
17 foregoing, the Debtor submits that the proposed sale of the Property is in the best interests of the
18 Estate and therefore represents a sound exercise of the Debtor's business judgment.

19 2. Fair and Reasonable Price.

20 In order for a sale to be approved under Bankruptcy Code Section 363(b), the purchase
21 price must be fair and reasonable. *See generally In re Canyon Partnership*, 55 B.R. 520 (Bankr.
22 S.D. Cal. 1985). The debtor in possession is given substantial discretion in this regard. *Id.* In
23 addition, Courts have broad discretion with respect to matters under section 363(b). *See Big*
24 *Shanty Land Corp. v. Comer Properties, Inc.*, 61 B.R. 272, 278 (Bankr. N.D. Ga. 1985). In any
25 sale of estate assets, the ultimate purpose is to obtain the highest price for the property sold.
26 *Wilde Horse Enterprises, Inc.*, 136 B.R. at 841 (citing *In re Chung King, Inc.*, 753 F.2d 547 (7th
27 Cir. 1985)), *In re Alpha Industries, Inc.*, 84 B.R. 703, 705 (Bankr. Mont. 1988).

1 As an initial matter, based on recommendation of Coldwell, the Debtor listed the
2 Property for sale. Over 30 offers were received, many of which were in excess of the listing
3 price. The offer from Buyer herein is one such offer substantially in excess of the listing price.

4 Moreover, the auction process proposed herein is specifically designed to ensure that the
5 highest price possible is obtained for the Property. Although the Debtor will not know the
6 results of the Auction (if one is conducted) until the Auction has been completed, the Debtor
7 submits that, based upon the marketing efforts of the Debtor and Coldwell, the Property will
8 have been exposed to those parties who are most likely to be interested in acquiring the
9 Property, and the highest and best bid obtained for the Property (whether it is the bid offered by
10 the Buyer or an overbid submitted by a successful overbidder) will constitute fair and
11 reasonable value for the Property.

12 3. Adequate Marketing.

13 The Debtor and Coldwell have worked diligently to attract buyers for the Property and to
14 negotiate the terms of a sale of the Property. As set forth in the accompanying Declaration of
15 William Friedman, Mr. Friedman and Coldwell engaged in widespread marketing efforts with
16 respect to the Property, including online listings and direct calls and solicitations to brokers,
17 agents, buyers and other interested parties.

18 Over 30 offers and expressions of interests were received, many of which were in excess of
19 the listing price. Coldwell communicated all such expressions of interest to the Debtor as well as
20 to the Committee. Coldwell held multiple calls and conferences with the Debtor and the
21 Committee to ensure the continuation of proper and efficient marketing efforts and maximizing
22 value of the Property. After extensive marketing and offer and counter-offer process, the highest
23 and best offer was received from the Buyer based on the combination of the purchase price, the
24 short due diligence contingency period, which was waived, the nonrefundable deposit currently
25 held by escrow, and ability to close the sale transaction.

26 However, in an effort to maximize the value obtained for the Property, the Debtor is
27 inviting overbids for the Property, in accordance with the proposed procedures herein. Based on
28 the foregoing, the Debtor submits that the Property has been, and will be, adequately marketed.

1 4. Good Faith.

2 When a Bankruptcy Court authorizes a sale of assets pursuant to Bankruptcy Code
3 Section 363(b)(1), it is required to make a finding with respect to the “good faith” of the
4 purchaser. *In re Abbotts Dairies*, 788 F.2d 143, 149-50 (3d Cir. 1989). Such a procedure
5 ensures that Section 363(b)(1) will not be employed to circumvent creditor protections. *Id.* at
6 150. With respect to the Debtor’s conduct in conjunction with the sale of the Property, the good
7 faith requirement focuses principally on whether there is any evidence of “fraud, collusion
8 between the purchaser and other bidders or the trustee, or an attempt to take grossly unfair
9 advantage of other bidders.” *Id.* at 147; *Wilde Horse Enterprises*, 136 B.R. at 842.

10 As set forth in the accompanying Declarations, the Buyer has no prior connections with
11 the Debtor or its insiders. The Buyer was procured through the efforts of Coldwell. All
12 negotiations with respect to the sale of the Property to Buyer included communication with, and
13 input from, the Committee. There are no agreements or representations with any insiders of the
14 Debtor in connection with the proposed transaction herein.

15 The Debtor submits that there has been no fraud or collusion in connection with the
16 proposed sale of the Property – the Debtor, with the assistance of a third party broker, has sought
17 competitive bids for the Property from those who are most likely to be interested in purchasing
18 the Property. No offer to purchase the Property received by the Debtor has been ignored, and
19 the Debtor has taken reasonable steps to try to obtain the highest price possible for the Property.
20 Based on the foregoing, the Debtor submits that the good faith requirement has been satisfied,
21 and that the Buyer (or a successful overbidder) should be deemed a “good faith” purchaser under
22 11 U.S.C. § 363(m).

23 5. Accurate and Reasonable Notice.

24 The purpose of the notice is to provide an opportunity for objections and hearing before
25 the Court if there are objections. *In re Karpe*, 84 B.R. 926, 930 (Bankr. M.D. Pa. 1988). A
26 notice is sufficient if it includes the terms and conditions of the sale and if it states the time for
27 filing objections. *Id.*

As set forth in detail in Section II.A of this Memorandum, the Debtor has complied with all of the applicable notice provisions of the Bankruptcy Code, the Bankruptcy Rules and the Local Bankruptcy Rules. Thus, the debtor submits that the notice of the Motion (and proposed sale of the Property) should be deemed adequate, accurate and reasonable by the Court.

C. The Court Should Approve The Sale Of The Assets, Free And Clear Of Liens, Claims And Interests.

The Bankruptcy Court has the power to authorize the sale of property free and clear of liens or interests. *See* 11 U.S.C. § 363(f); *In re Gerwer*, 898 F.2d 730, 733 (9th Cir. 1990).

Section 363(f) of the Bankruptcy Code permits a sale of property “free and clear of any interest in such property of an entity other than the estate” if any one of the following five conditions is met:

- (1) applicable nonbankruptcy law permits sale of such property free and clear of such interest;
- (2) such entity consents;
- (3) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;
- (4) such interest is in bona fide dispute; or
- (5) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

11 U.S.C. § 363(f). Section 363(f) is written in the disjunctive; thus, satisfaction of any one of the five conditions is sufficient to sell property free and clear of liens. *See e.g., Citicorp Homeowners Services, Inc. v. Elliot (In re Elliot)*, 94 B.R. 343, 345 (Bankr. E.D. Pa. 1988); *Mutual Life Ins. Co. of New York v. Red Oak Farms, Inc. (In re Red Oak Farms, Inc.)*, 36 B.R. 856, 858 (Bankr. W.D. Mo. 1984).

As discussed above and in the Preliminary Title Report (**Exhibit “A”** hereto), the Property is not encumbered by any secured debts other than statutory real property taxes which

are less than \$5,000. Based on the fact that all such taxes will be paid in full from the sale process, the Debtor submits that Section 363(f) is satisfied.

D. Authority To Execute Quitclaim Deed Conveying Property From RH To Debtor.

As discussed above, the Property was initially held in the name of RH. Pursuant to the Stipulation and Turnover Order (**Exhibits “B” and “C”** hereto), RH and Ms. Gao have agreed to transfer the Property to the Debtor. While the Debtor will request Ms. Gao to execute a simple quitclaim deed to transfer the Property from RH to the Debtor, in an overabundance of caution, the Debtor respectfully requests express authority from the Court to authority Mr. Perkins, Debtor’s CRO, or some other person as the Court may designate, to execute such quitclaim deed solely to effectuate the title holder of the Property from RH to the Debtor.

11 U.S.C. § 541(a) provides, in relevant part, as follows:

The commencement of a case under section 301, 302 or 303 of this title creates an estate. Such estate is comprised of all the following property, wherever located, and by whomever held:

(1) . . . all legal or equitable interests of the debtor in property as of the commencement of the case.

11 U.S.C. § 541(a). As a result, all property owned by the Debtor, whether through legal or equitable means, is property of the Debtor’s bankruptcy estate. The Debtor has asserted, since the Petition Date, that the Property is property of the Debtor’s bankruptcy estate.

11 U.S.C. § 542 provides, in relevant part, as follows:

(a) . . . other than a custodian, in possession, custody, or control, during the case, of property that the trustee may use, sell or lease under section 363 of this title . . . shall deliver to the trustee, and account for, such property or the value of such property, unless such property is of inconsequential value or benefit to the estate.

11 U.S.C. § 542. Pursuant to Section 542, RH and Ms. Gao required to turn over property of the Debtor’s estate back to the Debtor. In this case, RH and Ms. Gao have confirmed, through the Stipulation, and this Court has ordered, through the Turnover Order, that the Property is property of the Debtor’s bankruptcy estate and that it be turned over to the Debtor.

The Debtor recently learned that the title company overseeing the sale closing requires a

1 separate deed transferring the Property from RH to the Debtor so that the Debtor can
2 consummate its sale of the Property from the Debtor to the Buyer or a successful over bidder.
3 The Debtor has requested that Ms. Gao execute a quitclaim deed, but received no response.
4 However, in an overabundance of caution, and based on recent lack of communication, the
5 Debtor requires an alternative means of effectuating such transfer. Based on the foregoing, the
6 Debtor respectfully requests that the Court authorize a representative of the Debtor to execute a
7 quitclaim deed to effectuate such transfer.

8 Section 105(a) of the Bankruptcy Code provides that the bankruptcy court "may issue any
9 order, process, or a judgment that is necessary or appropriate to carry out the provisions of this
10 title." 11 U.S.C. § 105(a). Section 105(a) of the Bankruptcy Code thus empowers the Court to
11 grant injunctive relief to prevent harm to the debtor, its estate, and its creditors. See In re
12 Chateaugay Corp., 109 B.R. 613, 622 (S.D.N.Y. 1990). Courts have repeatedly held that a
13 bankruptcy court "has authority under section 105 broader than the automatic stay provisions of
14 Section 362 and may use its equitable powers to assure the orderly conduct of the reorganization
15 proceedings." See In re Baldwin-United Corp. Lit., 765 F.2d 343, 348 (2nd Cir. 1985) (emphasis
16 added); In re Chateaugay Corp., 93 B.R. 26, 29 (S.D.N.Y. 1988).

17 In this case, the Turnover Order already exists authorizing the transfer of the Property to
18 the Debtor. It is only that the mechanism for such transfer is lacking. Pursuant to Section 105(a)
19 of the Bankruptcy Code, the Debtor submits that this Court can fashion a remedy by authorizing
20 Mr. Perkins or some other individual to execute a quitclaim deed to effectuate the transfer.

21 III.

22 **REQUEST FOR WAIVER OF 14-DAY STAY PERIODS SET FORTH IN** 23 **BANKRUPTCY RULES 6004(h) AND 6006(d)**

24 Bankruptcy Rule 6004(h) provides, among other things, that an order authorizing the use,
25 sale or lease of property . . . is stayed until the expiration of fourteen days after entry of the Court
26 order, unless the Court orders otherwise.

27 The Debtor and its estate continue to incur administrative expenses for postpetition
28 expenses obligations as owner of the Property. To prevent the increase of such administrative

1 expenses and maximize the potential recovery to creditors of the estate, the Debtor and the Buyer
2 (or a successful overbidder) must be permitted to consummate the sale of the Property as soon as
3 possible after entry of an order granting this Motion. To facilitate the most expeditious sale
4 closing possible, the Debtor requests that the order granting this Motion be effective immediately
5 upon entry by providing that the fourteen-day stay periods provided by Bankruptcy Rule 6004(h)
6 and 6006(d) are waived.

7 **IV.**

8 **CONCLUSION**

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

10 1. finding that the notice given by the Debtor in connection with the sale of the
11 Property and the hearing on the Motion is adequate, sufficient, proper and complies with all
12 applicable provisions of the Bankruptcy Code, Federal Rules of Bankruptcy Procedure, and
13 Local Bankruptcy Rules for the Central District of California;

14 2. granting the Motion in its entirety;

15 3. approving the proposed overbid procedures for an in-court Auction of the
16 Property;

17 4. authorizing the Debtor to sell the Property to the Buyer (or to a successful
18 overbidder), free and clear of all liens, claims and interests, pursuant to the terms and conditions
19 set forth in the Sale Agreement;

20 5. finding that the Buyer (or a successful overbidder) is a good faith buyer entitled
21 to all of the protections afforded by Section 363(m) of the Bankruptcy Code;

22 6. authorizing the Debtor to execute and deliver, on behalf of the estate, any and all
23 documents that may be reasonably necessary to consummate the sale of the Property, including,
24 without limitation, a quitclaim deed conveying the Property from RH to the Debtor;

25 7. waiving the 14-day stay periods set forth in Bankruptcy Rules 6004(h) and
26 6006(d); and

27 8. granting such other and further relief as may be necessary or appropriate under
28 the circumstances.

Dated: February 13, 2017

LIBERTY ASSET MANAGEMENT CORPORATION



By: _____

DAVID B. GOLUBCHIK

EVE H. KARASIK

JEFFREY S. KWONG

LEVENE, NEALE, BENDER, YOO

& BRILL L.L.P.

Attorneys for the Debtor and Debtor in Possession

DECLARATION OF THOMAS B. BLUEMEL

I, Thomas B. Bluemel, hereby declare as follows:

1. Except as otherwise noted, I have personal knowledge of the matters set forth herein.

2. I am real estate agent employed by Coldwell Banker Residential Brokerage ("Coldwell") in its Arcadia office. William Friedman and I have been the primary individuals at Coldwell responsible for marketing the single family residence located at 1916 Los Padres Drive, Rowland Heights, CA 91748-3657 (the "Property").

3. Upon its employment, myself and other members of Coldwell commenced extensive marketing efforts with respect to the Property. In addition to listing the property with the Multiple Listing Service (MLS), the Property was marketed through Loopnet and Co-Star. I also engaged in a marketing campaign via-email and other means through Coldwell's extensive network of brokers, agents, buyers and other interested parties. I also posted signage at the Property and elsewhere which generated a lot of interest in the Property.

4. As a result of our efforts, we received over 30 offers expressing an interest in purchasing the Property, many of which exceeded the listing price. After consideration of the offers with representatives of the Debtor and the creditors' committee, and after counteroffers and negotiations related thereto, Litchi LLC ("Buyer") was selected as having provided the highest and best offer in the amount of \$460,000. Pursuant to the sale agreement with Buyer, all contingencies have been removed and the Buyer agreed that the sale will be subject to overbid.

5. To the best of the my knowledge, based on discussions with representative of the Buyer, Buyer has no prior connections to the Debtor or Debtor's insiders (Benjamin Kirk or Lucy Gao). Further, the sale transaction herein was negotiated and entered into at arm's length, with broker representation, and no collusion of any kind.

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DECLARATION OF LAWRENCE PERKINS

I, Lawrence Perkins, hereby declare as follows:

1. I am Co-Founder, and Chief Executive Officer of Sierra Constellation Partners, LLC. ("SCP"), which maintains offices at 400 S. Hope St. Suite 1050, Los Angeles, California 90071. Except as otherwise noted, I have personal knowledge of the matters set forth herein.

2. Liberty Asset Management Corporation, the debtor and debtor in possession herein, commenced its Chapter 11 bankruptcy case by filing a Voluntary Petition on March 21, 2016. I am the Chief Restructuring Officer of Liberty Asset Management Corporation.

3. Liberty filed its *Application For An Order Pursuant To Sections 105(a) and 363(b) Of The Bankruptcy Code Authorizing And Approving (I) Employment And Retention Of Lawrence R. Perkins As Chief Restructuring Officer, and (II) Employment Of Sierra Constellation Partners, LLC, Effective as of March 28, 2016* (the "Application"). Mr. Kirk executed the Application. Based on the foregoing and Court approval of the Application, I am the Chief Restructuring Officer ("CRO"), and the person in charge of, Liberty.

4. I make this declaration in support of the Debtor's¹ motion (the "Motion") for the sale of the property located at 1916 Los Padres Drive, Rowland Heights, CA 91748-3657 (the "Property").

5. On March 21, 2016 (the "Petition Date"), the Debtor filed a voluntary petition under chapter 11 of the Bankruptcy Code in the Bankruptcy Court, bearing case number 2:16-bk-13575-TD. The Debtor is managing its financial affairs and operating its bankruptcy estate as a debtor in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

¹ Capitalized terms used and not defined herein have the meanings set forth in the preceding Motion and Memorandum of Points and Authorities.

1 6. On April 27, 2016, the Office of the United States Trustee (the “UST”) appointed
2 an Official Committee of Unsecured Creditors (the “Committee”), who has been very active in
3 this case.

4 7. Based on my review of the Debtor’s records and past discussions with Mr. Kirk, I
5 understand that, prior to cessation of operations, the following operating procedures were
6 employed by the Debtor and its management:

8 a. The Debtor was a real estate management company. The Debtor’s mission
9 was to seek out real estate opportunities throughout Northern and Southern
10 California, invest in such opportunities, and manage them.

11 b. In the ordinary course of business, when the Debtor would acquire properties,
12 it did so in the name of special purpose entities which were controlled by
13 Lucy Gao.

14 c. In 2014, the Debtor, through an affiliate known as RH Investment LLC
15 (“RH”), acquired that certain real property located at 1916 Los Padres Drive,
16 Rowland Heights, CA 91748-3657 (the “Property”).

17 8. Based on certain disputes associated with assets held by affiliates and actions
18 related thereto, upon commencement of this case, an action was commenced against RH and Ms.
19 Gao to protect and preserve the Property. In connection with the foregoing, a *Notice of Lis*
20 *Pendens* was recorded in the Property’s chain of title. A true and correct copy of the recorded
21 *Notice of Lis Pendens* is attached hereto as **Exhibit “B”**.

22 9. Subsequently, the parties engaged in discussions to resolve numerous outstanding
23 disputes. In connection with the foregoing, the Debtor, on the one hand, and Lucy Gao and RH,
24 among others, on the other hand, entered into that certain “Stipulation Re: Turnover of Certain
25 Assets”) (“Stipulation”) [Doc. No. 210]. The Stipulation was approved pursuant to this Court’s
26
27
28

1 order (“Turnover Order”) entered on September 13, 2016 [Doc. No. 215]. True and correct
2 copies of the Stipulation and Turnover Order are attached hereto as **Exhibits “C” and “D”**,
3 respectively.

4 10. Although the Turnover Order was entered, to the best of my knowledge, a
5 quitclaim deed or other document effectuating the transfer of the Property from RH to the Debtor
6 has not been executed.

7 11. Upon entry of the Turnover Order, the Debtor engaged Coldwell Banker
8 Residential Brokerage (“Coldwell”) to market and sell the Property to the highest bidder.

9 12. Based on my discussions with representatives of Coldwell, I understand that
10 Coldwell commenced extensive marketing efforts with respect to the Property. The Debtor
11 received over 30 offers expressing an interest in purchasing the Property, many of which
12 exceeded the listing price. After consideration of the offers with Coldwell and the Official
13 Committee of Unsecured Creditors (“Committee”), and after counteroffers and negotiations
14 related thereto, the Debtor selected Litchi LLC (“Buyer”) as having provided the highest and
15 best offer in the amount of \$460,000. A true and correct copy of the sale agreement with the
16 Buyer is attached to the Perkins Declaration as **Exhibit “E”**. Pursuant to the sale agreement
17 with Buyer, all contingencies have been removed and the Buyer agreed that the sale will be
18 subject to overbid.

19 13. Once escrow was opened, I was provided with a Preliminary Title Report for the
20 Property, which confirms that there is no secured debt other than statutory property taxes owing.

21 14. To the best of my knowledge, there are no agreements or representations with any
22 insiders of the Debtor in connection with the proposed transaction herein. There has been no
23 fraud or collusion in connection with the proposed sale of the Property – the Debtor, with the
24 assistance of a third party broker, has sought competitive bids for the Property from those who
25
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1 are most likely to be interested in purchasing the Property. No offer to purchase the Property
2 received by the Debtor has been ignored, and we have taken reasonable steps to try to obtain the
3 highest price possible for the Property, subject to overbid.

4
5 15. Based on the extensive interest in the Property, I believe that an auction is
6 appropriate so that the highest and best value may be obtained. I believe that the following
7 procedures would be appropriate to conduct such auction:

8 a. An auction (“Auction”) will be held at the Court at 255 E. Temple St., Los
9 Angeles, California, in Courtroom 1568, on March 8, 2017 at 11:00 a.m., or
10 such time as may be otherwise scheduled by the Court. The highest and best
11 bid satisfying the bidding procedures recommended below may participate in
12 the Auction.

13
14 b. Minimum overbid: Any initial overbid for the Property shall be in an amount
15 at least \$5,000 higher than the initial purchase price of \$460,000.

16 c. Overbidding increments: All subsequent overbids with respect to the Property
17 shall be in increments of \$5,000.

18 d. Qualification for overbidding: At or before the time for hearing, any party
19 wishing to overbid at the hearing must, at or before the time for hearing, (a)
20 deliver a cashier’s check payable to “Liberty Asset Management Corporation”
21 in the amount of \$46,000; and (b) on the record, confirm that the this is an as-
22 is, where-is transaction with no representation or warranties and, if the bidder
23 is the successful bidder at the Auction, the deposit shall immediately become
24 non-refundable to the bidder. All bidding shall be conducted at the hearing on
25 this Motion, and no bids shall be tendered or accepted after the hearing has
26 concluded. The balance of the purchase price shall be paid prior to the
27
28

Closing, which shall occur no later than the first business day after fourteenth calendar days following entry of an order approving the sale.

e. The acceptance of any overbid from a qualified bidder shall be in the Debtor's sole discretion and may be made prior to or at the time of the Auction.

f. If qualified overbids are received and accepted by the Debtor, the Auction will be held at the time of the hearing on this Motion. At the conclusion of the auction, the Debtor will have the right, based solely on its business judgment and sole discretion, to recommend to the Court for confirmation the offer that the Debtor determines is the best overall offer.

g. If the Court approves a sale to the highest and best offer made by a bidder as recommended by the Debtor (the "Successful Bidder"), the Successful Bidder will be bound by all of the terms of the Sale Agreement except as to price, without contingencies (including any financing contingency). The Successful Bidder's Deposit will be retained by the Debtor and will be applied to the sale price. The Deposit will be non-refundable in the event that, for any reason whatsoever, the Successful Bidder fails to close the sale timely.

h. The closing will take place as soon as practicable after entry of the Court's order approving the sale (the "Sale Order"), but no later than the first business day after fourteen calendar days following entry of the Sale Order. The Debtor and the Successful Bidder may mutually agree in writing to extend the time for closing.

i. The Debtor may request that the Court confirm a "Back-Up Bidder" so that if the Successful Bidder does not close timely, the Debtor may sell the Property to the Back-Up Bidder for the amount of such Back-Up Bidder's last bid. The

1 Back-Up Bidder's Deposit will be retained by the Debtor. If the sale to the
2 Successful Bidder does not close timely, the Debtor will advise the Back-Up
3 Bidder accordingly. The closing will take place on or before fourteen calendar
4 days following the date on which the Debtor gives notice of the Successful
5 Bidder's failure to close. The Back-Up Bidder will be bound by all of the
6 terms of the Sale Agreement except as to price, without contingencies
7 (including any financing contingency). The Back-Up Bidder's Deposit will be
8 retained by the Debtor and will be applied to the sale price. The Deposit will
9 be non-refundable in the event that the Back-Up Bidder fails to close the sale
10 timely.
11

12 j. If a qualified over bidder is not the Successful Bidder or a Back-Up Bidder,
13 the over bidder's Deposit will be returned to the over bidder within ten court
14 days from the date of the Auction. If the sale to the Successful Bidder closes,
15 the Back-Up Bidder's Deposit will be returned to the Back-Up Bidder within
16 ten court days from the date of the closing.
17

18 k. If the sale closes to a Successful Bidder or Back-Up Bidder, the 6% brokerage
19 commission will be split as follows: 3% to Coldwell and 3% to the broker(s)
20 of the Successful Bidder or Back-Up Bidder.
21

22 l. No break-up fees, costs or expenses shall be paid to any bidder.

23 m. All contingencies are deemed waived at the time of the conclusion of the

24 I declare under penalty of perjury that the foregoing is true and correct.

25 Executed this ____ day of February 2017, at Los Angeles, California.

26 

27 LAWRENCE PERKINS
28

DECLARATION OF DAVID B. GOLUBCHIK

I, DAVID B. GOLUBCHIK, HEREBY DECLARE AS FOLLOWS:

1. I have personal knowledge of the facts set forth below and, if called to testify, would and could competently testify thereto.

2. I am a partner with the law firm of Levene, Neale, Bender, Yoo & Brill L.L.P. ("LNBYB"), bankruptcy counsel to Liberty Asset Management Corporation (the "Debtor").

3. I have personally sent an email to Lucy Gao requesting that she execute a quitclaim deed on behalf of RH Investment LLC to transfer the underlying property to the Debtor. I have not received a response. I will continue with my efforts and will advise the Court at the time of the hearing on the Motion to which this Declaration is attached.

I declare and verify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge.

Executed on this 13th day of February 2017 at Los Angeles, California.



DAVID B. GOLUBCHIK

EXHIBIT “A”

TITLE SNAPSHOT GRADE

TITLE365

4195 East Thousand Oaks Boulevard, Suite 107, Westlake Village, CA 91362
Toll Free: (877)365-9365 | Direct: (805) 367-5628

D

Title is Vested in

- RH Investment, LLC, a California Limited Liability Company, Subject to Item(s) No. 8, 10 and 12

What does this grade mean?

A = No title curative issues

B = Issues to pay or clear

C = Liens to clear

D = Title curative issues

REO transactions only:

E = REO curative issues

R = IRS curative issues

Issues to Pay or Clear at Closing

Issue	Description
■ Delinquent Real Estate Taxes	The record reflects unpaid Real Estate taxes and/or assessments that are delinquent for the current or prior tax year(s).

Liens to Clear/Potential Failure of Title

Issue	Description
■ Pending Litigation	The record reflects one or more court actions affecting the property such as a quiet title action or action to foreclose. Additional documentation may be required.
■ Corporation, LLC, Partnership	The vesting is in the name of a Corporation, LLC or Partnership. Additional documentation may be required.
■ No Open Deed of Trust or Mortgages of Record	We find no open Deeds of Trust or Mortgages of record. Please verify whether or not we have overlooked something or confirm property is free and clear. Title365 will be unable to provide a "Clear-To-Close" until this investigation is complete.

Prepared On

January 6, 2017

Order Number

CA0610-17000019-60

Loan Number

Property Address

1916 Los Padres Drive
Rowland Heights, CA 91748

Questions

For questions regarding this

Title Snapshot, please contact:

Mindy Beckham / Steve Lopez

(805) 367-5628

WLVTitle@Title365.com

The Title Snapshot is intended for informational purposes only. It is not intended as a guaranty, affirmation, indemnification, or certification of any fact, insurance coverage or conclusion of law to any insured or party to a transaction. No liability for reliance thereon is inferred, implied or expressed.

TITLE365

4195 East Thousand Oaks Boulevard, Suite 107, Westlake Village, CA 91362

Toll Free: (877)365-9365 | Direct: (805) 367-5628

PRELIMINARY REPORT

A & A Escrow Services, Inc.
415 N. Crescent Drive, Suite 320
Beverly Hills, CA 90210
Attn: Antonia Delgado

Our Order: CA0610-17000019-60
Escrow Ref:
Listing Agent Ref: 1916 Los Padres
When Replying Please Contact:
Title365 Company
4195 East Thousand Oaks Boulevard, Suite 107
Westlake Village, CA 91362
Attn: Mindy Beckham / Steve Lopez
(805) 367-5628

Today's Date: January 6, 2017

Property Address: 1916 Los Padres Drive, Rowland Heights, CA 91748

In response to the application for a Policy of Title Insurance, Title365 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 and/or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

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

Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Exhibit B 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 Policy or Policies of Title Insurance 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 or Policies of Title Insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a Policy or Policies of Title Insurance, a Binder or Commitment should be requested.

Dated as of December 13, 2016, at 07:30 AM.



Mindy Beckham / Steve Lopez
Title Officer / Title Officer
WLVTitle@Title365.com

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

ALTA Loan Policy 2006 with ALTA Endorsement-Form 1 Coverage ALTA Homeowner's Policy (1/1/08) Underwritten by:
First American Title Insurance Company

SCHEDULE A

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

A Fee

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

RH Investment, LLC, a California Limited Liability Company, Subject to Item(s) No. 8, 10 and 12

The land hereinafter referred to is situated in the Area of Rowland Heights, County of Los Angeles, State of CA, and is described as follows:

Lot(s) 8 of Tract No. 25120, in the County of Los Angeles, State of California, as per Map recorded in Book 652 Page(s) 15 to 17 inclusive of Maps, in the Office of the County Recorder of said County.

Except therefrom an undivided one-half interest in all oil, gas, minerals, and other hydrocarbon substances lying below a depth of 500 feet, but with no right of surface entry, as provided in Deed recorded August 31, 1955, in Book 48821 Page 211, Official Records.

APN: 8253-006-004

SCHEDULE B

At the date hereof, Exceptions to coverage, in addition to the printed Exception and Exclusions contained in said policy form would be as follows:

1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes, to be levied for the fiscal year 2017 - 2018 which are a lien not yet payable.
2. General and Special City and/or County taxes, including any personal property taxes and any assessments collected with taxes, for the fiscal year 2016 - 2017:
1st Installment: \$2,735.41 Delinquent
Penalty: \$273.54
2nd Installment: \$2,735.39 Open
Penalty: \$283.53
Exemption: Not Set Out
Code Area: 12018
Assessment No. 8253-006-004
3. Said property has been declared tax defaulted for non-payment of delinquent taxes for the fiscal year: 2015 - 2016
Default No.: 8253-006-004
Amounts to redeem for the above stated fiscal year (and subsequent years, if any) are:

Amount: \$3,226.73
By: December 2016

Amount: \$3,267.09
By: January 2017

Amount: \$3,307.44
By: February 2017
4. Assessments, if any, for community facility districts affecting said land which may exist by virtue of assessment maps or notices filed by said districts. Said assessments are collected with the County Taxes.
5. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (commencing with Section 75) of the revenue and taxation code of the State of California.
6. Water rights, claims or title to water in or under said land, whether or not shown by the public records.
7. Covenants, conditions, and restrictions as set forth in instrument recorded in Book 48821 and Page 211, of Official Records, but omitting any covenant, condition or restriction, if any, based on race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that the covenant, condition or restriction (a) is exempt under Title 42 of the United States Code, or (b) relates to handicap, but does not discriminate against handicapped persons.
8. Notice of Lis Pendens recorded March 22, 2016 as Instrument Number 20160314047 of Official Records, reflecting that suit entitled Notice of Pendency of Action (Lis Pendens), under Case or Docket No. 2:16-bk-13575, and any claims or rights that may be reflected by, or judgments or orders rendered pursuant to, the Notice or suit.
9. We find no open Deeds of Trust of record. Please verify by inquiry of escrow personnel and/or agents whether or not we have overlooked something and advise the title department accordingly prior to close of escrow.

10. The fact that there is an Office Information (OI) posted on property run of said real property.

The transaction contemplated in connection with the report is subject to the review and approval of the company's management,
the company reserves the right to add additional items or make further requirements after such review.

11. Prior to the issuance of any policy of title insurance, the Company will require the following with respect to RH Investment, LLC, a California limited liability company:
- (1) A copy of its operating agreement and any amendments thereto must be submitted to the Company for review.
 - (2) A certified copy of its articles of organization (LLC-1), any certificate of correction (LLC-11), certificate of amendment (LLC-2), or restatement of articles of organization (LLC-10) must be submitted to the Company for review.
 - (3) With respect to any deed, deed of trust, lease, subordination agreement or other document or instrument executed by such limited liability company and presented to the Company for recording or upon which the Company is asked to rely, such document or instrument must be executed in accordance with the following:
 - (a) If the limited liability company properly operates through officers appointed or elected pursuant to the terms of the written operating agreement, such document or instrument must be executed by at least two duly elected or appointed officers as follows: the chairman of the board, the president, vice president, and any secretary, assistant secretary, the chief financial officer or any assistant treasurer.
 - (b) If the limited liability company properly operates through a manager or managers identified in the articles of organization and/or duly elected pursuant to the terms of a written operating agreement, such document or instrument must be executed by at least two such managers or by one manager if the limited liability company properly operates with the existence of only one manager.
 - (4) Other requirements which the Company may impose following its review of the material required herein and other information which the Company may require.

12. This 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 named below.
Suspended Corporation: RH Investment, LLC, a California limited liability company:

- (a) A Certificate of Revivor,
- (b) A Certificate of Relief from Voidability; and
- (c) Confirmation that there now in good standing and authorized to do business in the State or Country where the said Corporation was formed.

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

13. In order to complete this report, this Company requires a Statement of Information to be completed by the following party(ies),

Party(ies): All Parties

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

END OF SCHEDULE B



4195 East Thousand Oaks Boulevard, Suite 107, Westlake Village, CA 91362
Toll Free: (877)365-9365 | Direct: (805) 367-5628

Attn:

Borrower:

Lenders Supplemental Report

The above numbered report (including any supplements or amendments thereto) is hereby modified and/or supplemented in order to reflect the following additional items relating to the issuance of an American Land Title Association loan policy form as follows:

- A. This report is preparatory to this issuance of an American Land Title Association loan policy of title insurance . This report discloses nothing, which would preclude the issuance of said American Land Title Association loan policy of title insurance with endorsement No. 100 attached thereto.
- B. The improvements on said land are designated as:

Single Family (*Residential*)
1916 Los Padres Drive, in the Area of Rowland Heights, County of Los Angeles, State of California.
- C. Pursuant to information provided to Title365 Company as of the date hereinabove, the proposed insured loan amount is \$1.00 with the proposed insured lender being .
- D. The only conveyance(s) affecting said land recorded with 24 months of the date of this report are as follows:

Deed Type: Grant Deed
Grantor: Lucy Gao, an unmarried woman
Grantee: RH Investment, LLC, a California Limited Liability Company
Recorded: December 23, 2014 as Instrument Number 20141399042, of Official Records.



4195 East Thousand Oaks Boulevard, Suite 107, Westlake Village, CA 91362
Toll Free: (877)365-9365 | Direct: (805) 367-5628

Notes and Requirements Section

Note 1: On July 1, 1985, Assembly Bill 3132 became effective. Assembly Bill 3132 adds and repeals portions of Sections 480.3 and 480.4 of the Revenue and Taxation Code of the State of California.

The act requires the County Assessor and/or Recorder to make available a statutorily prescribed form entitled "Preliminary Change of Ownership Report". Said report must be completed by the buyer and filed concurrently with the recordation of the documents evidencing the change of ownership. Failure to present the Change of Ownership Report at the time of recordation will cause the County Recorder to charge an additional \$20.00 penalty recording fee. The fee cannot be charged if the transfer document is accompanied by the affidavit stating that the buyer/transferee is not a resident of the State of California. This report is for official use only and is not open to public inspection.

For further information, contact the Change of Ownership Section in the Assessor's Office located in the County of said property or the County Recorder's Office located in the County of said property.

Note 2: Attached are Privacy Policy Notices in compliance with the Gramm-Leach-Bliley Act (GLBA) effective July 1, 2001. Please review said Notices regarding personal information.

Note 3: The map attached hereto may or may not be a survey of the land depicted thereon. You should not rely upon it for any purpose other than orientation to the general location of the parcel or parcels depicted. This company expressly disclaims any liability for alleged loss or damage which may result from reliance upon this map.

Note 4: Part of the RESPA Rule to simply and improve the process of obtaining mortgages and reduce consumer settlement costs requires the settlement agent to disclose the agent and underwriter split of title premiums, including endorsements as follows:

Line 1107 is used to record the amount of the total title insurance premium, including endorsements, that is retained by the title agent. Title365 Company retains 87% of the total premium and endorsements.

Line 1108 is used to record the amount of the total title insurance premium, including endorsements, that is retained by the title underwriter. First American Title Insurance Company retains 13% of the total premium and endorsements.

TITLE365

4195 East Thousand Oaks Boulevard, Suite 107, Westlake Village, CA 91362
Toll Free: (877)365-9365 | Direct: (805) 367-5628

Notice Regarding Your Deposit of Funds

California Insurance Code Sections 12413 *et. Seq.* Regulates the disbursement of escrow and sub-escrow funds by title companies. The law requires that funds be deposited in the title company escrow and sub-escrow accounts and be 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 checks drawn on a California based bank may be disbursed the next business day after the day of deposit. If funds are deposited with by other methods, recording or disbursement may be delayed. All escrow and sub-escrow funds received by the Company will be deposited with other funds in one or more non-interest bearing escrow accounts of the Company in a financial institution selected by the Company. The Company and/or its parent 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 the 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 such party, any benefit received by the Company and/or its parent Company. Those benefits may include, without limitation, credits allowed by such financial institution on loans to the Company and/or its parent company and earnings on investments made on 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. If funds are to be deposited with **Title365 Company** by wire transfer, they should be wired to the following bank/account:

Wiring Instructions for this Office

Wire To:	City National Bank 1801 West Olympic Blvd. Los Angeles, CA 90006 Attn: Wire Department
ABA/Routing No.:	122016066
Bank Account:	555270860
Account Name:	Title 365 Company
Reference Order No.:	CA0610-17000019-60
Property Address:	1916 Los Padres Drive Rowland Heights, CA 91748
Attention:	Mindy Beckham / Steve Lopez



4195 East Thousand Oaks Boulevard, Suite 107, Westlake Village, CA 91362
Toll Free: (877)365-9365 | Direct: (805) 367-5628

WIRE INSTRUCTIONS

For incoming wire transfers please use the following information for the transfer of funds to
Title365 Company

Wire To:	City National Bank 1801 West Olympic Blvd. Los Angeles, CA 90006 Attn: Wire Department
ABA/Routing No.:	122016066
Bank Account:	555270860
Account Name:	Title 365 Company
Reference Order No.:	CA0610-17000019-60
Property Address:	1916 Los Padres Drive Rowland Heights, CA 91748
Attention:	Mindy Beckham / Steve Lopez

PLEASE NOTE: OUR OFFICE DOES NOT ACCEPT ACH TRANSFERS, THESE INSTRUCTIONS ARE FOR THE PURPOSE OF SENDING WIRE TRANSFERS ONLY.

ALL INCOMING WIRE TRANSFERS MUST CONTAIN OUR ORDER NUMBER, PROPERTY ADDRESS OR PRINCIPAL'S NAME FOR IDENTIFICATION PURPOSES.

Do not hesitate to contact the undersigned should you or your financial institution have any questions with regards to the information provided above.

Sincerely,
Title365 Company

Handwritten signatures of Mindy Beckham and Steve Lopez.

Mindy Beckham / Steve Lopez
Title Officer / Title Officer
WLVTitle@Title365.com
(805) 367-5628

PRIVACY POLICY NOTICE

We are committed to safeguarding customer information;

When we request information from you or about you, it is for our own legitimate business purposes and not for the benefit of any unaffiliated party;

We use personal consumer information only for legitimate business purposes in a manner consistent with title insurance and escrow practices in compliance with applicable laws and regulations;

We will obey the laws governing the collection, use, and dissemination of personal data; and

We will endeavor to educate our employees on the responsible collection and use of personal information.

PURPOSE OF THIS NOTICE

Title V of the Gramm-Leach-Bliley Act ("GLBA") generally requires a financial institution (which term includes title insurers, underwritten title companies and those providing real estate settlement services) to disclose to all its customers the privacy policies and practices with respect to information sharing of consumer nonpublic personal information with both affiliates and non-affiliated third parties. In compliance with GLBA, we are providing you with this document, which notifies you of the privacy policies and practices of Title365 Company. This disclosure does not apply to business, commercial or agricultural transactions.

We may collect nonpublic personal information about you from the following sources:

1. Information we receive from you, such as on applications or other forms.
2. Information about your transactions we secure from our files, or from our affiliates or others.
3. Information we receive from a consumer-reporting agency.
4. Information we receive from others involved in your transaction, such as the real estate agent, lender, surveyor or appraiser.

Unless it is specifically stated otherwise in an amended Privacy Policy Notice, no additional nonpublic personal information will be collected about you.

We may disclose any of the above information that we collect about our customers or former customers to our affiliates or to non-affiliated third parties as permitted by law. This includes, but is not limited to, financial service providers (e.g., banks, consumer finance lenders, securities and insurance companies, etc.), non-financial companies (e.g., settlement or fulfillment service providers, or title plant operated by a third party vendor).

WE DO NOT DISCLOSE ANY NONPUBLIC PERSONAL INFORMATION ABOUT YOU WITH ANYONE FOR ANY PURPOSE THAT IS NOT SPECIFICALLY PERMITTED BY LAW.

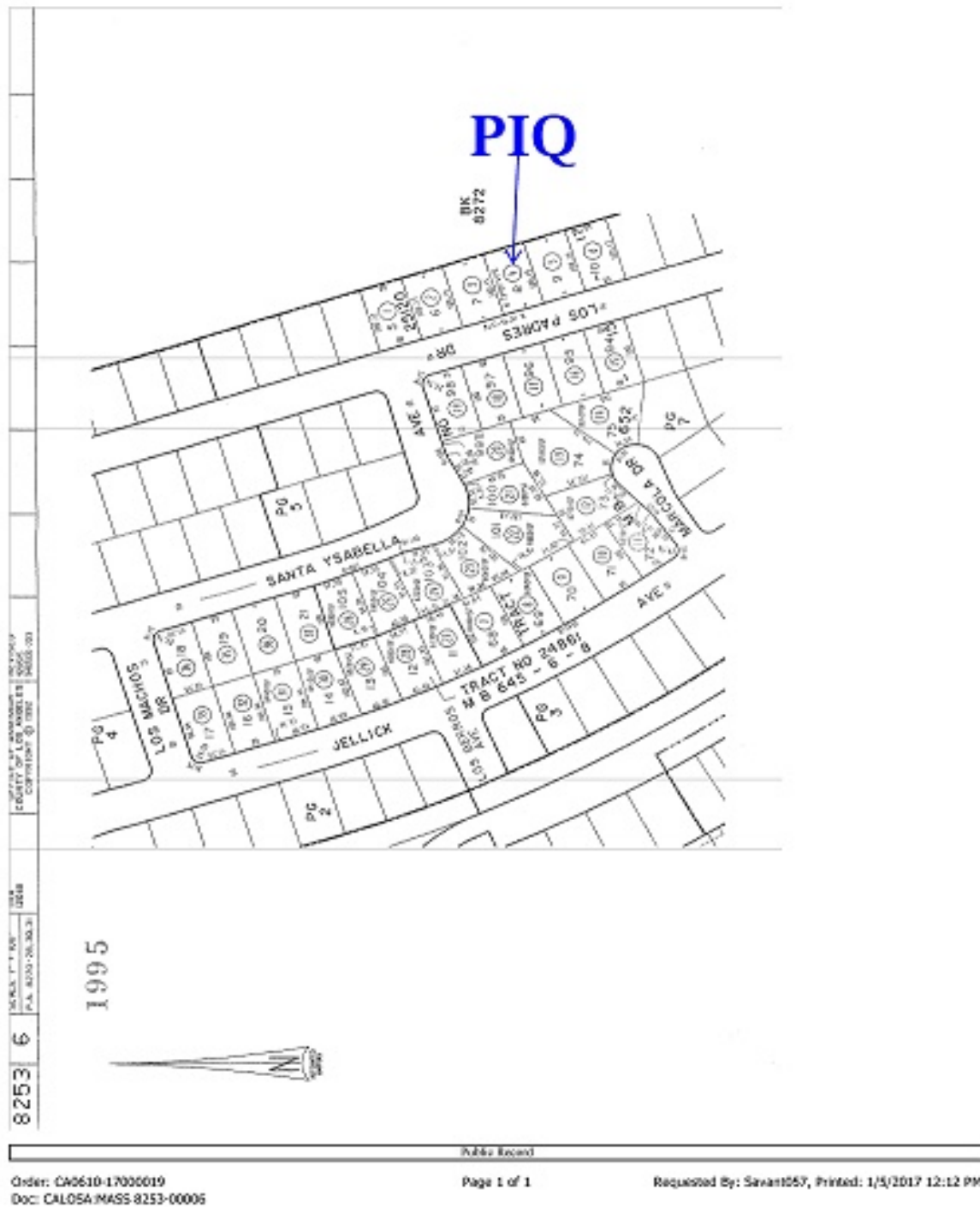
EXHIBIT A
Legal Description

The land hereinafter referred to is situated in the Area of Rowland Heights, County of Los Angeles, State of CA, and is described as follows:

Lot(s) 8 of Tract No. 25120, in the County of Los Angeles, State of California, as per Map recorded in Book 652 Page(s) 15 to 17 inclusive of Maps, in the Office of the County Recorder of said County.

Except therefrom an undivided one-half interest in all oil, gas, minerals, and other hydrocarbon substances lying below a depth of 500 feet, but with no right of surface entry, as provided in Deed recorded August 31, 1955, in Book 48821 Page 211, Official Records.

APN: 8253-006-004



This map is for your aid in locating the subject property with reference to streets and other parcels. While this map is believed to be correct, Title365 Company and subsequent insurance companies, assume no liability for any loss occurred by reason of reliance thereon.

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:

- (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.
- 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.
- 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.
- 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.
- Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
- Any 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:

- (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.
- 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.
- Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
- Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
- (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.
- 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 (10/22/03) 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:

- Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning: a. building, b. zoning, c. Land use d. improvements on the Land, e. Land division, f. environmental protection. This Exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date. This Exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.
- The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
- The right to take the Land by condemning it, unless: a. a notice of exercising the right appears in the Public Records at the Policy Date; or b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.
- Risks: a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records; b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date; c. that result in no loss to You; or d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8, d, 22, 23, 24 or 25.
- Failure to pay value for Your Title.
- Lack of a right: a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and b. in streets, alleys, or waterways that touch the Land. This Exclusion does not limit the coverage described in Covered Risk 11 or 18.

LIMITATIONS ON COVERED RISKS

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

- For Covered Risk 14, 15, 16 and 18, 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 14:	1 % of Policy Amount or \$2,500 (whichever is less)	\$10,000
Covered Risk 15:	1 % of Policy Amount or \$5,000 (whichever is less)	\$25,000
Covered Risk 16:	1 % of Policy Amount or \$5,000 (whichever is less)	\$25,000
Covered Risk 18:	1 % of Policy Amount or \$2,500 (whichever is less)	\$5,000

AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL TITLE INSURANCE POLICY (6-1-87) EXCLUSIONS

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

- Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning: * land use * improvements on the land * land division * environmental protection. This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date. This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.
- The right to take the land by condemning it, unless: *a notice of exercising the right appears in the public records *on the Policy Date *the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking
- Title Risks: *that are created, allowed, or agreed to by you *that are known to you, but not to us, on the Policy Date -- unless they appeared in the public records *that result in no loss to you *that first affect your title after the Policy Date -- this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
- Failure to pay value for your title.
- Lack of a right: *to any land outside the area specifically described and referred to in Item 3 of Schedule A OR *in streets, alleys, or waterways that touch your land. This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

ALTA LOAN POLICY (10-17-92) WITH ALTA ENDORSEMENT-FORM 1 COVERAGE EXCLUSIONS FROM COVERAGE

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

- (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy. (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- 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.
- 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 (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy);or(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
- Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.
- Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
- Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
- Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on: (i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or(ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine or equitable subordination; or(iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:(a)to timely record the instrument of transfer; or(b) of such recordation to impart notice to a purchaser for value or a judgement or lien creditor. 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) which arise by reason of:

- (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.
- 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.
- Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
- Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
- (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.
- Any lien or right to a lien for services, labor or material not shown by the public records.

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:

- (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.
- Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
- 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 create

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

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:

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 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.

ALTA OWNER'S POLICY (10-17-92) EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy. (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters: (a) 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 estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on: (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure: (a) to timely record the instrument of transfer; or (b) of such recordation to impart notice to a purchaser for value or a judgement or lien creditor. 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) which arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown 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 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.

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:

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 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.

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01) EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or areas 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. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy. (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this 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) 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 (this paragraph does not limit the coverage provided under Covered Risks 8, 16, 18, 19, 20, 21, 22, 23, 24, 25 and 26); or (e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with 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, except as provided in Covered Risk 27, or any consumer credit protection or truth in lending law.
6. Real property taxes or assessments of any governmental authority which become a lien on the Land subsequent to Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 7, 8(e) and 26.
7. 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 limit the coverage provided in Covered Risk 8.
8. Lack of priority of the lien of the Insured Mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting the title, the existence of which are Known to the Insured at: (a) The time of the advance; or (b) The time a modification is made to the terms of the Insured Mortgage which changes the rate of interest charged, if the rate of interest is greater as a result of the modification than it would have been before the modification. This exclusion does not limit the coverage provided in Covered Risk 8.
9. The failure of the residential structure, or any portion thereof to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at Date of Policy.

For large print please view at www.title365.com under menu option Resources.



CERTIFICATE OF LIABILITY INSURANCE

 DATE(MM/DD/YYYY)
10/19/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Aon Risk Services Southwest, Inc. Dallas TX Office CityPlace Center East 2711 North Haskell Avenue Suite 800 Dallas TX 75204 USA	CONTACT NAME: PHONE (A/C. No. Ext): (866) 283-7122 FAX (A/C. No.): 800-363-0105 E-MAIL ADDRESS:														
INSURED Title365 Company 5000 Birch Street, Suite 300 Newport Beach, CA 92660 USA	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 80%;">INSURER(S) AFFORDING COVERAGE</th> <th style="width: 20%;">NAIC #</th> </tr> <tr> <td>INSURER A: Lloyd's Syndicate No. 1274</td> <td>AA1120085</td> </tr> <tr> <td>INSURER B: PartnerRe Ireland Insurance Ltd</td> <td>AA1780096</td> </tr> <tr> <td>INSURER C:</td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Lloyd's Syndicate No. 1274	AA1120085	INSURER B: PartnerRe Ireland Insurance Ltd	AA1780096	INSURER C:		INSURER D:		INSURER E:		INSURER F:	
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INSURER C:															
INSURER D:															
INSURER E:															
INSURER F:															

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

Limits shown are as requested

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:						EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COM/OP AGG
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION						EACH OCCURRENCE AGGREGATE
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N If yes, describe under DESCRIPTION OF OPERATIONS below						PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT E.L. DISEASE-EA EMPLOYEE E.L. DISEASE-POLICY LIMIT
A	E&O-PL-Primary			PSOLU000716	07/11/2016	07/11/2017	Aggregate \$5,000,000 Deductible \$150,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

The above limit shown for E&O is per occurrence and in the aggregate.

Deductible: \$150,000 All Non Title Agent Claims

Deductible: \$25,000 Title Agent Claims

Deductible: \$10,000 Title Agent Claims - Florida and Hawaii

CERTIFICATE HOLDER

CANCELLATION

Title365 Company 5000 Birch Street, Suite 300 Newport Beach, CA 92660 USA	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
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ACORD 25 (2016/03)

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AGENCY Aon Risk Services Southwest, Inc.		NAMED INSURED Xome Holdings LLC
POLICY NUMBER See Certificate Number:		
CARRIER See Certificate Number:	NAIC CODE	EFFECTIVE DATE:

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: ACORD 25 FORM TITLE: Certificate of Liability Insurance

ADDITIONAL POLICIES	If a policy below does not include limit information, refer to the corresponding policy on the ACORD certificate form for policy limits.
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ACORD 101 (2008/01)



Main Document Page 46 of 108

CERTIFICATE OF PROPERTY INSURANCE

 DATE (MM/DD/YYYY)
07/20/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

PRODUCER Aon Risk Services Southwest, Inc. Dallas TX Office CityPlace Center East 2711 North Haskell Avenue Suite 800 Dallas TX 75204 USA	CONTACT NAME: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">PHONE (A/C No.): (866) 283-7122</td> <td style="width: 50%;">FAX (A/C No.): (800) 363-0103</td> </tr> <tr> <td colspan="2">E-MAIL ADDRESS:</td> </tr> <tr> <td colspan="2">PRODUCER CUSTOMER ID #: 570000049990</td> </tr> </table>	PHONE (A/C No.): (866) 283-7122	FAX (A/C No.): (800) 363-0103	E-MAIL ADDRESS:		PRODUCER CUSTOMER ID #: 570000049990									
PHONE (A/C No.): (866) 283-7122	FAX (A/C No.): (800) 363-0103														
E-MAIL ADDRESS:															
PRODUCER CUSTOMER ID #: 570000049990															
INSURED Title365 Company And as shown on the attached schedule 5000 Birch St., Suite 300 Newport Beach, CA 92660 USA	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: left;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: left;">NAIC #</th> </tr> <tr> <td>INSURER A: National Union Fire Ins Co of Pittsburgh</td> <td>19445</td> </tr> <tr> <td>INSURER B:</td> <td></td> </tr> <tr> <td>INSURER C:</td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: National Union Fire Ins Co of Pittsburgh	19445	INSURER B:		INSURER C:		INSURER D:		INSURER E:		INSURER F:	
INSURER(S) AFFORDING COVERAGE	NAIC #														
INSURER A: National Union Fire Ins Co of Pittsburgh	19445														
INSURER B:															
INSURER C:															
INSURER D:															
INSURER E:															
INSURER F:															

COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

LOCATION OF PREMISES/ DESCRIPTION OF PROPERTY (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR		TYPE OF INSURANCE		POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	COVERED PROPERTY	LIMITS
	<input type="checkbox"/>	PROPERTY					<input type="checkbox"/> BUILDING	
	CAUSES OF LOSS		DEDUCTIBLES				<input type="checkbox"/> PERSONAL PROPERTY	
	<input type="checkbox"/> BASIC	<input type="checkbox"/> BUILDING	<input type="checkbox"/> BUSINESS INCOME w/o Extra Expense					
	<input type="checkbox"/> BROAD	<input type="checkbox"/> CONTENTS	<input type="checkbox"/> EXTRA EXPENSE					
	<input type="checkbox"/> SPECIAL		<input type="checkbox"/> RENTAL VALUE					
	<input type="checkbox"/> EARTHQUAKE	<input type="checkbox"/> BLANKET BUILDING						
	<input type="checkbox"/> WIND	<input type="checkbox"/> BLANKET PERS PROP						
	<input type="checkbox"/> FLOOD	<input type="checkbox"/> BLANKET BLDG & PP						
	<input type="checkbox"/>							
	<input type="checkbox"/>							
	<input type="checkbox"/>	INLAND MARINE		TYPE OF POLICY				
	CAUSES OF LOSS		POLICY NUMBER					
	<input type="checkbox"/>	NAMED PERILS						
	<input type="checkbox"/>							
A	X	CRIME	015924909	07/11/2016	07/11/2017	X	Bond Amount	\$25,000,000
		TYPE OF POLICY	Primary FI Bond					
		Fin Inst Bond						
	<input type="checkbox"/>	BOILER & MACHINERY / EQUIPMENT BREAKDOWN						

SPECIAL CONDITIONS / OTHER COVERAGES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Includes operations at additional locations as set forth on the attached location schedule.

CERTIFICATE HOLDER**CANCELLATION**
 Title365 Company
 5000 Birch Street, Suite 300
 Newport Beach, CA 92660 USA

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Aon Risk Services Southwest, Inc.

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AGENCY CUSTOMER ID: 570000049990
LOC #:

ADDITIONAL REMARKS SCHEDULE

Page _ of _

AGENCY Aon Risk Services Southwest, Inc.		NAMED INSURED Title365 Company
POLICY NUMBER See Certificate Number:		
CARRIER See Certificate Number:	NAIC CODE	EFFECTIVE DATE:

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,

FORM NUMBER: ACORD 24 FORM TITLE: Certificate of Property Insurance

FI Bond

FI Bond Primary \$25,000,000

Policy Number: 015924909

Carrier: National Union Fire Insurance Co. of Pittsburgh

Effective Date: 07/11/16- 07/11/17

FI Bond X1 \$25,000,000 excess of \$25,000,000

Policy Number: 47EPF15009803

Carrier: Berkshire Hathaway Specialty Ins Co.

Effective Date: 07/11/16- 07/11/17

FI Bond X2 QS \$15,000,000 p/o of \$25,000,000 excess of \$50,000,000

Policy Number: FI4N683602008

Carrier: Liberty Mutual Insurance Company

Effective Date: 07/11/16-07/11/17

FI Bond X2 QS \$10,000,000 p/o of \$25,000,000 excess of \$50,000,000

Policy Number: DOXG24580659007

Carrier: ACE American Insurance Company

Effective Date: 07/11/16-07/11/17

FI Bond X3 \$25,000,000 excess of \$75,000,000

Policy Number: BND0101467

Carrier: RLI Insurance Company

Effective Date: 07/11/16-07/11/17

FI Bond X4 \$25,000,000 excess of \$100,000,000

Policy Number: FS46175430100

Carrier: Great American Insurance Co.

Effective Date: 07/11/16-07/11/17

FI Bond X5 \$25,000,000 excess of \$125,000,000

Policy Number: BFMB4500159721

Carrier: Berkley Regional Insurance Company

Effective Date: 07/11/16-07/11/17

FI Bond X6 QS \$20,000,000 p/o \$60,000,000 excess of \$150,000,000

Policy Number: FS46175440100

Carrier: Great American Insurance Co.

Effective Date: 07/11/16-07/11/17

FI Bond X6 QS \$5,000,000 p/o \$60,000,000 excess of \$150,000,000

Policy Number: DOXG24581986006

Carrier: Ace American Insurance Company

Effective Date: 07/11/16-07/11/17

FI Bond X6 QS \$5,000,000 p/o \$60,000,000 excess of \$150,000,000

Policy Number: FL5EF00024161

Carrier: Everest Reinsurance Company

Effective Date: 07/11/16-07/11/17



AGENCY CUSTOMER ID: 570000049990
LOC #:

ADDITIONAL REMARKS SCHEDULE

Page _ of _

AGENCY Aon Risk Services Southwest, Inc.		NAMED INSURED Title365 Company	
POLICY NUMBER See Certificate Number:			
CARRIER See Certificate Number:	NAIC CODE	EFFECTIVE DATE:	

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,

FORM NUMBER: ACORD 24 FORM TITLE: Certificate of Property Insurance

FI Bond

FI Bond X6 QS \$5,000,000 p/o \$60,000,000 excess of \$150,000,000
Policy Number: 425414055
Carrier: Continental Casualty Company
Effective Date: 07/11/16-07/11/17

FI Bond X6 QS \$10,000,000 p/o \$60,000,000 excess of \$150,000,000
Policy Number: MCN768346012016
Carrier: AXIS Insurance Company
Effective Date: 07/11/16-07/11/17

FI Bond X6 QS \$15,000,000 p/o \$60,000,000 excess of \$150,000,000
Policy Number: V128F7160501
Carrier: Beazley Insurance Company, Inc.
Effective Date: 07/11/16-07/11/17

FI Bond X7 \$50,000,000 excess of \$210,000,000
Policy Number: B0621PNATI010016
Carrier: Lloyd's of London
Effective Date: 07/11/16-07/11/17

Data as of October 2016

Address 1	Address 2	City, State, Zip
1333 McDermott Dr.	Suite 100	Allen, TX 75013
7200 N. Mopac	Suite 170	Austin, TX 78731
1301 S. Bowen	Suite 390	Arlington, TX 76013
10800 Pecan Park Blvd	Suite 230	Austin, TX 78750
13420 Galleria Circle Bldg. A,	Suite 220	Bee Caves, TX 78738
2111 Palomar Airport	Suite 130	Carlsbad, CA 92011
2501 South Price Road		Chandler, AZ 85286
2301 W. Belmont		Chicago, IL 60618
2501 S. State Hwy 121 Bldg 1, 1st Floor	Convergence Office Center	Lewisville, TX 75067
4897 Highway 121	Suite 160	The Colony, TX 75056
345 Rouser Road	Suite 100	Coraopolis, PA 15108
4600 South Syracuse	Suite 973	Denver, CO 80237
2432 Auto Park Way		Escondido, CA 92029
8812 Coleman Blvd.		Frisco, TX 75034
3803 Parkwood Blvd.		Frisco, TX 75034
7121 West Bell Road	Suite 100	Glendale, AZ 85308
801 North Brand Boulevard	Suite 320	Glendale, CA 91203
3303 E. Baseline Road	Suite 106	Gilbert, AZ 85234
18200 Von Karman Ave		Irvine, CA 92612
8740 Lucent Boulevard	6th Floor, Suite 600	Highlands Ranch, CO 80129
4000 Horizon Way		Irving, TX 75063
78100 Main Street	Suite 209	La Quinta, CA 92253
24361 El. Toro Rd	Suite 275	Laguna Woods, CA 92637
410 S. Rampart Blvd.	Bldg. 17; Suite 390; Sub-Suite 332	Las Vegas, NV 89145
6363 S. Fiddlers Green Circle	13th Floor	Greenwood Village, CO 80111
750 E. Highway 121	Suite 100	Lewisville, TX 75067
555 Winderley Place	Ste 300, Office 303	Maitland, FL 32751
2200 Lucien Way	Suite 340	Maitland, FL 32751
181 Sierra Manor Rd, #4		Mammoth Lakes, CA 93546
2600 Lake Lucien Drive	Suite 109	Maitland, FL 32751
29995 Technology Drive	Suite 305	Murrieta, CA 92563
5000 Birch Street	Suite 500, East Tower	Newport Beach, CA 92660
5000 Birch Street	Suite 300, East Tower	Newport Beach, CA 92660
57 West 57th Street 4th Floor,	Suite 402	New York, NY 10019
6836 Dallas Parkway,	Suite 102	Plano, TX 75024
2901 N. Dallas Parkway	Suite 130	Plano, TX 75093
17304 Preston Road	Suite 110	Dallas, TX 75252
27081 Aliso Creek Rd	Suite 200	Aliso Viejo, CA 92656
211 W Main		Round Rock, TX 78664
1000 Heritage CenterCir		Round Rock, TX 78664
8880 Rio San Diego Drive	Suite 1100	San Diego, CA 92108
7095 Indiana Avenue	Suite 120	Riverside, CA 92506
5101 Broadway		San Antonio, TX 78209
16100 N. 71st Street		Scottsdale, AZ 85250
16870 West Bernardo Dr.	Ste. 400, Office 430	San Diego, CA 92127
13920 SE Eastgate Way,	Suite 310	Bellevue, WA 98005
2nd Floor, First Software Park	110 Mount Poonamalle Road	Porur
375 E. Main St.		Ventura, CA 93001
4195 East Thousand Oaks Boulevard	Suite 107	Westlake Village, CA 91362

Nationstar Mortgage Holdings, Inc.

Named Insured Schedule All Lines Except As Shown Below

Centex Land Vista Ridge Lewisville III General Partner, LLC

Centex Land Vista Ridge Lewisville III, L.P.

Cerulean Media LLC

Harwood Insurance Services, LLC

Harwood Service Company, LLC

Home Community Mortgage, LLC

HomeSelect Settlement Solutions, LLC

Nationstar 2009 Equity Corporation

Nationstar Advance Funding III LLC

Nationstar Advance Funding LLC

Nationstar Agency Advance Funding II LLC

Nationstar Agency Advance Funding LLC

Nationstar Agency Advance Funding Trust

Nationstar Agency Advance Receivables Trust

Nationstar Capital Corporation

Nationstar Funding I LLC

Nationstar HECM Loan Trust 2014-1

Nationstar HECM Loan Trust 2015-1

Nationstar HECM Trust I

Nationstar Home Equity Loan 2009-A Reo LLC

Nationstar Home Equity Loan Trust 2009-A

Nationstar Mortgage Advance Receivables Trust

Nationstar Mortgage Holdings Inc.

Nationstar Mortgage JV LLC

Nationstar Mortgage JV Manager LLC

Nationstar Mortgage LLC

Nationstar Mortgage Loan Trust 2013-A

Nationsar REO Sub 1C LLC

Nationstar REO Sub 1J LLC

Nationstar REO Sub 1N LLC

Nationstar Residual, LLC

Nationstar Reverse Mortgage Funding LLC

Nationstar Servicer Advance Facility Transferor, LLC 2014-BC

Nationstar Servicer Advance Receivables Trust, 2014-BC

Nationstar Sub1 LLC

Nationstar Sub2 LLC

Nationstar Mortgage Holdings, Inc.

Named Insured Schedule All Lines Except As Shown Below

NSM Services Private Limited

Quantarium, LLC

Real Estate Digital LLC

Reverse REO JV LLC

E&O Coverage for the below entities is included under Xome Holdings LLC

Solutionstar Default Management Services LLC

Solutionstar Field Services LLC

Solutionstar Services LLC

Title365 Company

Title365 Company of Alabama LLC

Valuation365 LLC

Veripro Solutions Inc.

Xome Analytics Inc.

Xome CT LLC

Xome Exchange Inc.

Xome Holdings LLC

Xome Inc.

Xome Insurance Agency LLC

Xome Labs Inc.

Xome Leads LLC

Xome Leads Inc.

Xome Realty Services LLC

Xome Services India Private Limited

Xome Settlement Services LLC

Xome Settlement Services of Alabama LLC

Xome Signings Inc.

Xome Title Inc.

and all subsidiaries

eLeadz LLC

Experience 1, Inc.

Title365 Agency (a trade name)

Title365 Company of Alabama LLC

Statement of Information (Confidential)

Note: This form is needed in order to eliminate judgments and liens against people with similar names

The street address of the property in this transaction is: (if none, leave blank)

Address _____ City _____

Occupied by: ☐ Owner ☐ Tenants ☐ Lessee ☐ Single Residence ☐ Multiple Residence ☐ Commercial ☐ Vacant LandAny construction/improvements in last 6 months? ☐ Yes ☐ No Is any portion of new loan to be used for improvements? ☐ Yes ☐ No

If yes, state nature of work done or contemplated _____

Party 1**Party 2**

First _____ Middle _____ Last _____

First _____ Middle _____ Last _____

Former last name(s), if any _____

Former last name(s), if any _____

Birthplace _____ Birth Date _____

Birthplace _____ Birth Date _____

Social Security No. _____ Driver's License No. _____

Social Security No. _____ Driver's License No. _____

I ☐ am single ☐ am married ☐ Have a domestic partnerI ☐ am single ☐ am married ☐ Have a domestic partnerName of current spouse or domestic partner (if other than Party 2) _____Name of current spouse or domestic partner (if other than Party 1) _____Name of former spouse/domestic partner (if none, write "none") _____Name of former spouse/domestic partner (if none, write "none") _____**Marriage or Domestic Partnership Between Parties 1 and 2**

Are Parties 1 & 2: Married? _____ Domestic Partners? _____ Date of Marriage/Domestic Partnership: _____

Party 1 – Occupations for Last 10 Years

Present Occupation _____ Firm Name _____ Address _____ No. of Years _____

Prior Occupation _____ Firm Name _____ Address _____ No. of Years _____

Party 1 – Residences for Last 10 YearsNumber and Street _____ City and State _____ From _____ To __________

_____**Party 2 – Occupations for Last 10 Years**

Present Occupation _____ Firm Name _____ Address _____ No. of Years _____

Prior Occupation _____ Firm Name _____ Address _____ No. of Years _____

Party 2 – Residences for Last 10 YearsNumber and Street _____ City and State _____ From _____ To __________

_____Have any of the above parties owned or operated a business? ☐ Yes ☐ No If so, please list names _____

I have never been adjudged, bankrupt nor are there any unsatisfied judgments or other matters pending against me which might affect my title to this property, except as follows: _____

The undersigned declare under penalty of perjury that the above information is true and correct. (all parties must sign)

Date _____ Signature _____

Signature _____

Home Phone _____ Work Phone _____

Home Phone _____ Work Phone _____

Email Address _____

Email Address _____

BOE-502-A (P1) REV. 12 (05-13)

PRELIMINARY CHANGE OF OWNERSHIP REPORT

To be completed by the transferee (buyer) prior to a transfer of subject property, in accordance with section 480.3 of the Revenue and Taxation Code. A *Preliminary Change of Ownership Report* must be filed with each conveyance in the County Recorder's office for the county where the property is located.

NAME AND MAILING ADDRESS OF BUYER/TRANSFeree
(Make necessary corrections to the printed name and mailing address)

1916 Los Padres Drive
Rowland Heights, CA 91748

ASSESSOR'S PARCEL NUMBER

8253-006-004

SELLER/TRANSFEROR

Rh Investment Llc

BUYER'S DAYTIME TELEPHONE NUMBER

()

BUYER'S EMAIL ADDRESS

STREET ADDRESS OR PHYSICAL LOCATION OF REAL PROPERTY

1916 Los Padres Drive, Rowland Heights, CA 91748

MAIL PROPERTY TAX INFORMATION TO (NAME)

ADDRESS

1916 Los Padres Drive

CITY

Rowland Heights

STATE

CA

ZIP CODE

91748

☐ YES ☐ NO This property is intended as my principal residence. If YES, please indicate the date of occupancy or intended occupancy.

MO

DAY

YEAR

PART 1. TRANSFER INFORMATION

Please complete all statements.

This section contains possible exclusions from reassessment for certain types of transfers.

YES NO

- ☐ ☐ A. This transfer is solely between spouses (*addition or removal of a spouse, death of a spouse, divorce settlement, etc.*).
- ☐ ☐ B. This transfer is solely between domestic partners currently registered with the California Secretary of State (*addition or removal of a partner, death of a partner, termination settlement, etc.*).
- ☐ ☐ *C. This is a transfer: ☐ between parent(s) and child(ren) ☐ from grandparent(s) to grandchild(ren).
- ☐ ☐ *D. This transfer is the result of a cotenant's death. Date of death _____
- ☐ ☐ *E. This transaction is to replace a principal residence by a person 55 years of age or older.
Within the same county? ☐ YES ☐ NO
- ☐ ☐ *F. This transaction is to replace a principal residence by a person who is severely disabled as defined by Revenue and Taxation Code section 69.5. Within the same county? ☐ YES ☐ NO
- ☐ ☐ G. This transaction is only a correction of the name(s) of the person(s) holding title to the property (*e.g., a name change upon marriage*).
If YES, please explain: _____
- ☐ ☐ H. The recorded document creates, terminates, or reconveys a lender's interest in the property.
- ☐ ☐ I. This transaction is recorded only as a requirement for financing purposes or to create, terminate, or reconvey a security interest (*e.g., cosigner*). If YES, please explain: _____
- ☐ ☐ J. The recorded document substitutes a trustee of a trust, mortgage, or other similar document.
- ☐ ☐ K. This is a transfer of property:
- ☐ ☐ 1. to/from a revocable trust that may be revoked by the transferor and is for the benefit of
☐ the transferor, and/or ☐ the transferor's spouse ☐ registered domestic partner.
- ☐ ☐ 2. to/from a trust that may be revoked by the creator/grantor/trustor who is also a joint tenant, and which names the other joint tenant(s) as beneficiaries when the creator/grantor/trustor dies.
- ☐ ☐ 3. to/from an irrevocable trust for the benefit of the
☐ creator/grantor/trustor and/or ☐ grantor's/trustor's spouse ☐ grantor's/trustor's registered domestic partner.
- ☐ ☐ L. This property is subject to a lease with a remaining lease term of 35 years or more including written options.
- ☐ ☐ M. This is a transfer between parties in which proportional interests of the transferor(s) and transferee(s) in each and every parcel being transferred remain exactly the same after the transfer.
- ☐ ☐ N. This is a transfer subject to subsidized low-income housing requirements with governmentally imposed restrictions.
- ☐ ☐ *O. This transfer is to the first purchaser of a new building containing an active solar energy system.

* Please refer to the instructions for Part 1.

Please provide any other information that will help the Assessor understand the nature of the transfer.

THIS DOCUMENT IS NOT SUBJECT TO PUBLIC INSPECTION

CA0610-17000019-60

BOE-502-A (P2) REV. 12 (05-13)

PART 2. OTHER TRANSFER INFORMATION

Check and complete as applicable.

- A. Date of transfer, if other than recording date: _____
- B. Type of transfer:
☐ Purchase ☐ Foreclosure ☐ Gift ☐ Trade or exchange ☐ Merger, stock, or partnership acquisition (Form BOE-100-B)
☐ Contract of sale. Date of contract: _____ ☐ Inheritance. Date of death: _____
☐ Sale/leaseback ☐ Creation of a lease ☐ Assignment of a lease ☐ Termination of a lease. Date lease began: _____
Original term in years (including written options): _____ Remaining term in years (including written options): _____
☐ Other. Please explain: _____
- C. Only a partial interest in the property was transferred. ☐ YES ☐ NO If YES, indicate the percentage transferred: _____ %

PART 3. PURCHASE PRICE AND TERMS OF SALE

Check and complete as applicable.

- A. Total purchase price. \$ _____
- B. Cash down payment or value of trade or exchange excluding closing costs Amount \$ _____
- C. First deed of trust @ _____ % interest for _____ years. Monthly payment \$ _____ Amount \$ _____
☐ FHA (____ Discount Points) ☐ Cal-Vet ☐ VA (____ Discount Points) ☐ Fixed rate ☐ Variable rate
☐ Bank/Savings & Loan/Credit Union ☐ Loan carried by seller
☐ Balloon payment \$ _____ Due date: _____
- D. Second deed of trust @ _____ % interest for _____ years. Monthly payment \$ _____ Amount \$ _____
☐ Fixed rate ☐ Variable rate ☐ Bank/Savings & Loan/Credit Union ☐ Loan carried by seller
☐ Balloon payment \$ _____ Due date: _____
- E. Was an Improvement Bond or other public financing assumed by the buyer? ☐ YES ☐ NO Outstanding balance \$ _____
- F. Amount, if any, of real estate commission fees paid by the buyer which are not included in the purchase price \$ _____
- G. The property was purchased: ☐ Through real estate broker. Broker name: _____ Phone number: (____) _____
☐ Direct from seller ☐ From a family member-Relationship _____
☐ Other. Please explain: _____
- H. Please explain any special terms, seller concessions, broker/agent fees waived, financing, and any other information (e.g., buyer assumed the existing loan balance) that would assist the Assessor in the valuation of your property.

PART 4. PROPERTY INFORMATION

Check and complete as applicable.

- A. Type of property transferred
☐ Single-family residence ☐ Co-op/Own-your-own ☐ Manufactured home
☐ Multiple-family residence. Number of units: _____ ☐ Condominium ☐ Unimproved lot
☐ Other. Description: (i.e., timber, mineral, water rights, etc.) ☐ Timeshare ☐ Commercial/Industrial

- B. ☐ YES ☐ NO Personal/business property, or incentives, provided by seller to buyer are included in the purchase price. Examples of personal property are furniture, farm equipment, machinery, etc. Examples of incentives are club memberships, etc. Attach list if available.
If YES, enter the value of the personal/business property: \$ _____ Incentives \$ _____
- C. ☐ YES ☐ NO A manufactured home is included in the purchase price.
If YES, enter the value attributed to the manufactured home: \$ _____
☐ YES ☐ NO The manufactured home is subject to local property tax. If NO, enter decal number: _____
- D. ☐ YES ☐ NO The property produces rental or other income.
If YES, the income is from: ☐ Lease/rent ☐ Contract ☐ Mineral rights ☐ Other: _____
- E. The condition of the property at the time of sale was: ☐ Good ☐ Average ☐ Fair ☐ Poor
Please describe: _____

CERTIFICATION

I certify (or declare) that the foregoing and all information hereon, including any accompanying statements or documents, is true and correct to the best of my knowledge and belief.

SIGNATURE OF BUYER/TRANSFeree OR CORPORATE OFFICER ▶	DATE	TELEPHONE ()
NAME OF BUYER/TRANSFeree/LEGAL REPRESENTATIVE/CORPORATE OFFICER (PLEASE PRINT)	TITLE	E-MAIL ADDRESS

The Assessor's office may contact you for additional information regarding this transaction.

EXHIBIT “B”

This page is part of your document - DO NOT DISCARD



20160314047



Pages:
0006

Recorded/Filed in Official Records
Recorder's Office, Los Angeles County,
California

03/22/16 AT 04:55PM

FEES:	30.00
TAXES:	0.00
OTHER:	0.00
PAID:	30.00



LEADSHEET



201603223280062

00011859583



007448354

SEQ:
04

DAR - Counter (Upfront Scan)



THIS FORM IS NOT TO BE DUPLICATED

E526311

Recording requested by:

DAVID B. GOLUBCHIK (State Bar No. 185520)
JEFFREY S. KWONG (State Bar No. 288239)
LEVENE, NEALE, BENDER, YOO & BRILL L.L.P.
10250 Constellation Boulevard, Suite 1700
Los Angeles, California 90067

And when recorded return to:

DAVID B. GOLUBCHIK (State Bar No. 185520)
JEFFREY S. KWONG (State Bar No. 288239)
LEVENE, NEALE, BENDER, YOO & BRILL L.L.P.
10250 Constellation Boulevard, Suite 1700
Los Angeles, California 90067

NOTICE OF PENDENCY OF ACTION
[LIS PENDENS]

ORIGINAL

CERTIFICATE

DAVID B. GOLUBCHIK (State Bar No. 185520)
JEFFREY S. KWONG (State Bar No. 288239)
LEVENE, NEALE, BENDER, YOO & BRILL L.L.P.
10250 Constellation Boulevard, Suite 1700
Los Angeles, California 90067
Telephone: (310) 229-1234
Facsimile: (310) 229-1244
Email: DBG@LNBYB.com; JSK@LNBYB.COM

Proposed Attorneys for Plaintiff and Chapter 11
Debtor and Debtor in Possession

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES DIVISION

In re

LIBERTY ASSET MANAGEMENT
CORPORATION, a California
corporation,

Debtor.

LIBERTY ASSET MANAGEMENT
CORPORATION, a California
corporation,

Plaintiff,

v.

RH INVESTMENT LLC, a California
corporation; LUCY GAO, an individual,

Defendants.

Case No. 2:16-bk-13575

Chapter 11

Adv. No. 2:16-ap-01142

NOTICE OF PENDENCY OF ACTION

[LIS PENDENS]

[Cal.Civ.Proc. Code § 405.20]

**TO RH INVESTMENT LLC, LUCY GAO, AND ALL OTHER PARTIES IN
INTEREST:**

PLEASE TAKE NOTICE that this action was commenced in the above-captioned Court
on March 22, 2016, by Plaintiff Liberty Asset Management Corporation ("Plaintiff" or

1 "Liberty"), against Defendants RH Investment LLC ("RH Investment") and Lucy Gao ("Gao,"
2 and together with RH Investment, the "Defendants"), and is now pending.

3 Based on Plaintiff's Complaint, filed on March 22, 2016, Plaintiff asserts a real property
4 claim affecting the real property located in the County of Los Angeles, at 1916 Los Padres Dr.,
5 Rowland Heights, CA 91748, bearing assessor's parcel number (A.P.N.) 8253-006-004 and
6 legally described as follows:

7
8 LOT 8 OF TRACT NO. 25120, IN THE COUNTY OF LOS ANGELES, STATE
9 OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 652 PAGE 15 TO 17
10 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF
11 SAID COUNTY.

12 The property is designated as Assessor's Parcel No. 8253-006-004 in the Los Angeles
13 County Assessor's office.

14 DATED: March 22, 2016

LEVENE, NEALE, BENDER, YOO &
BRILL L.L.P.

15 By: 

16 DAVID B. GOLUBCHIK
17 JEFFREY S. KWONG

18 Proposed Attorneys for Plaintiff and
19 Chapter 11 Debtor and Debtor in Possession
20
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A true and correct copy of the foregoing document entitled (*specify*): **NOTICE OF PENDENCY OF ACTION [LIS PENDENS]** 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*) **March 22, 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:

N/A

2. **SERVED BY UNITED STATES CERTIFIED MAIL**: On (*date*) **March 22, 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, **certified** 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.

Lucy Gao
3218 E Holt Avenue
West Covina, CA 91791

RH INVESTMENT LLC.
Attn: Officer, Managing or General Agent
2058 N MILLS AVE STE 431
CLAREMONT CA 91711

☐ 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*) **March 22, 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.

N/A

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

March 22, 2016
Date

Lourdes Cruz
Printed Name


Signature

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

June 2012

F 9013-3.1.PROOF.SERVICE

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of Los Angeles)

On March 22, 2016 before me, Loures Cruz, Notary Public

Date

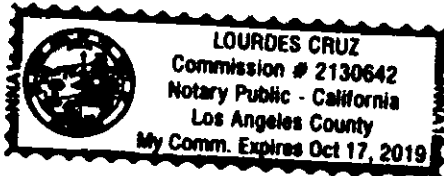
Here Insert Name and Title of the Officer

personally appeared Jeffrey S. Kwong
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is are subscribed to the within instrument and acknowledged to me that he she/they executed the same in his her/their authorized capacity(ies), and that by his her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Loures Cruz
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Dis Pendants Document Date: March 22, 2016

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

EXHIBIT “C”

Jeremy V. Richards (SBN 102300)
Gail S. Greenwood (SBN 169939)
PACHULSKI STANG ZIEHL & JONES LLP
10100 Santa Monica Blvd., 13th Floor
Los Angeles, California 90067
Telephone: 310/277-6910
Facsimile: 310/201-0760
E-mail: jrichards@pszjlaw.com
ggreenwood@pszjlaw.com

Attorneys for Official Committee of Unsecured
Creditors of Liberty Asset Management Corporation

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES DIVISION

In re:

LIBERTY ASSET MANAGEMENT
CORPORATION, a California corporation,

Debtor.

Case No.: 2:16-bk-13575-TD

Chapter 11

**STIPULATION RE TURNOVER OF
CERTAIN ASSETS**

This Stipulation re Turnover of Certain Assets (the “Stipulation”) is entered into by and among the following: 1) Liberty Asset Management Corporation (“LAMC”) and the Official Committee of Unsecured Creditors for Liberty Asset Management Corporation (the “Committee”), 2) Mel Canyon, LLC (“Mel Canyon”); Golden Field Investment, LLC (“Golden Field”); RH Investments, LLC (“RH Investments”); Lowridge Place, LLC (“Lowridge Place”); 10th Street Santa Monica Project, LLC (“10th Street”), Liberty CMC Corporation (“CMC”), Pacific Sunshine Investments LLC (“Pacific”), Bradbury Furlong LLC (“BF”), 3), Benjamin Kirk, aka Tzu Ping Ko aka Benny Kirk (“Kirk”) and 4), Lucy Gao (“Gao”).

1. Upon entry of an order (the “Order”) by the Bankruptcy Court approving this Stipulation, Gao shall cause the following transactions to occur:

1 a. Mel Canyon shall transfer by quitclaim deed in favor of LAMC all of its right,
2 title and interest in and to certain real property commonly known as 201 Mel Canyon Road, Duarte,
3 California 91010 (the “Duarte Property”).

4 b. Golden Field shall transfer by quitclaim deed in favor of LAMC all of its
5 right, title and interest in and to that certain vacant lot of real property located in the City of Azusa,
6 State of California, and identified as APN 8610-022-022 (the “Azusa Property”).

7 c. RH Investment shall transfer by quitclaim deed in favor of LAMC all of its
8 right, title and interest in and to certain real property commonly known as 1916 Los Padres Drive,
9 Rowland Heights, California 91748 (the “Rowland Heights Property”).

10 d. Lowridge Place shall transfer by quitclaim deed in favor of LAMC all of its
11 right, title and interest in and to certain real property commonly known as 23100 Lowridge Place,
12 Santa Clarita, California (the “Lowridge Property”).

13 2. Effective upon entry of the Order, Gao unconditionally assigns to LAMC all of her
14 rights and remedies to receive a consulting fee (the “Consulting Fee”) of \$1 million pursuant to that
15 certain Hotel Consulting Agreement (the “Consulting Agreement”) by and between SCG America
16 Group (“SCG”) and Gao, dated July 31, 2014. Gao agrees to take actions reasonably necessary for
17 the Debtor to collect the Consulting Fee including executing one or more letters or agreements
18 directing and instructing SCG to make payment of the Consulting Fee directly to the Debtor and
19 acknowledging that Liberty is entitled to payment of the same.

20 3. Effective upon entry of the Order, Gao shall deliver to LAMC one or more original
21 share certificates evidencing her legal ownership of ten million (10,000,000) shares of common
22 stock in California Internal Bank N.A., formerly known as Saigon National Bank (the “Gao
23 Shares”), and agrees to take actions reasonably necessary to cause legal title in and to the Gao Shares
24 to be transferred to, and vested in LAMC. Further, within ten (10) days of entry of the Order, Gao
25 shall deliver (if available) all original and copies of share certificates or other documents in her
26 possession representing shares of common stock in California National Bank N.A., formerly known
27 as Saigon National Bank (the “Tsang Shares”), assigned to Gao by Steven Tsang pursuant to
28 instrument dated July 17, 2015. Further, Gao agrees to execute reasonably requested documentation

1 to transfer legal title, ownership and control in and to the Tsang Shares to be transferred to, and
2 vested in LAMC.

3 4. LAMC understands that the assets being transferred to LAMC pursuant to
4 paragraphs 1 through 3, above (collectively, the “Transferred Assets”) are being transferred in their
5 “as is” where is condition without representation or warranty of any type whatsoever.

6 5. Effective upon entry of the Order, Gao, on behalf of herself and any and all entities
7 owned and controlled, or purportedly owned and controlled by Gao (collectively, the “Gao
8 Entities”), including, without limitation, Mel Canyon, Golden Field, RH Investments, Lowridge
9 Place, 10th Street, CMC, Pacific and BF, unconditionally releases and relinquishes any and all claims
10 that they have, or may have, in and to the Transferred Assets, except for claims arising prior to the
11 transfer of the Transferred Assets for reimbursement, indemnity and contribution for any legal fees
12 and costs incurred by Gao in connection with her efforts to secure or preserve or protect the
13 Transferred Assets which Liberty acknowledges and agrees can be filed as claims in the Liberty
14 Bankruptcy Case. Notwithstanding the foregoing, the parties agree that Liberty retains all rights and
15 defenses to any claims asserted by Gao based on the foregoing.

16 6. Upon entry of the Order, Gao releases and relinquishes any right, title or interest she
17 has or may have, direct or indirect, in and to the Transferred Assets and the real property commonly
18 known as: 119 Furlong Lane, Bradbury, California; 1020 Baldwin Avenue/652 Fairview Avenue,
19 Arcadia, CA 91007; 415 Huntington Drive, San Marino, CA 91108; and 1122 10TH Street, Santa
20 Monica, CA, and, further, irrevocably assigns any claims and causes of action related to any of the
21 foregoing properties, which any of the Gao entities may hold, against third parties to LAMC.

22 7. Upon entry of the Order, Kirk releases and relinquishes any right, title or interest he
23 has or may have, direct or indirect, in and to the Transferred Assets and the real property commonly
24 known as: 119 Furlong Lane, Bradbury, California; 1020 Baldwin Avenue/652 Fairview Avenue,
25 Arcadia, CA 91007; 415 Huntington Drive, San Marino, CA 91108; and 1122 10TH Street, Santa
26 Monica, CA, and, further, irrevocably assigns any claims and causes of action related to any of the
27 foregoing properties, which Kirk or any of his controlled entities may hold, against third parties to
28 LAMC. Notwithstanding the forgoing, Kirk retains claims arising prior to the transfer of the

1 Transferred Assets and/or the assets identified in this paragraph for reimbursement, indemnity and
2 contribution for any legal fees and costs incurred by Kirk in connection with his efforts, if any, to
3 secure or preserve or protect such assets which Liberty and the Committee acknowledges and agree
4 may be filed as claims in the Liberty Bankruptcy Case. Notwithstanding the foregoing, the parties
5 agree that Liberty and the Committee retain all rights and defenses to any claims asserted by Kirk
6 based on the foregoing.

7
8 8. Upon entry of the Order, the Committee shall cause to be dismissed, without
9 prejudice, the following adversary proceedings pending in the above-captioned bankruptcy case:
10 2:16-ap-01170-TD; 2:16-ap-01171-TD; 2:16-ap-01142-TD; and 2:16-ap-01143-TD (the
11 “Adversaries”).

12 9. In entering into this Stipulation, neither the Debtor nor the Committee are
13 relinquishing or releasing any claims they have, or may have against Gao and/or any of the Gao
14 Entities, except that, in consideration of paragraph 6 above, the Debtor and the Committee relinquish
15 the right to seek turnover of the Transferred Assets or the direct or indirect ownership therein against
16 Gao and/or any of the Gao Entities.

17 10. Notwithstanding anything contained herein, by entering into this stipulation and by
18 undertaking and taking the actions provided for herein, neither Gao nor Kirk is admitting anything
19 related to the Adversaries or the Transferred Assets and nothing contained herein is a waiver of any
20 rights or defenses including, but not limited to, as to any other matters related to LAMC case and
21 any adversary proceedings commenced or to be commenced in connection with the same.
22
23
24
25
26
27
28

1
2 Dated: ^{Sept} ~~August~~ 2, 2016

LEVENE, NEALE, BENDER, YOO & BRILL L.L.P.

3
4 By: 

David B. Golubchik

Eve Karasik

Counsel to Liberty Asset Management Corporation

5
6 ^{Sept.} ~~August~~ 1, 2016

PACHULSKI STANG ZIEHL & JONES LLP

7
8 By: 

Jeremy V. Richards

Gail S. Greenwood

9
10 Counsel for the Official Committee of Unsecured
11 Creditors

12 Dated: August __, 2016

COSTELL & CORNELIUS LAW CORPORATION

13
14 By: _____

Alexandre I. Cornelius

15 Counsel for Lucy Gao

16
17 Dated: August __, 2016

MEL CANYON, LLC

18
19 By: _____

Name: _____

20 Its: _____

21
22 Dated: August __, 2016

GOLDEN FIELD INVESTMENT, LLC

23
24 By: _____

Name: _____

25 Its: _____

1
2 Dated: August __, 2016

LEVENE, NEALE, BENDER, YOO & BRILL L.L.P.

3
4 By: _____
David B. Golubchik
Eve Karasik
5 Counsel to Liberty Asset Management Corporation

6
7 Dated: August __, 2016

PACHULSKI STANG ZIEHL & JONES LLP

8
9 By: _____
Jeremy V. Richards
Gail S. Greenwood
10 Counsel for the Official Committee of Unsecured
11 Creditors

12 Dated: August 31, 2016

COSTELL & CORNELIUS LAW CORPORATION

13
14 By: _____
Alexandre I. Cornelius

15 Counsel for Lucy Gao

16
17 Dated: August 31, 2016

MEL CANYON, LLC

18
19 By: _____
Name: _____
20 Its: _____

21
22 Dated: August 31, 2016

GOLDEN FIELD INVESTMENT, LLC

23
24 By: _____
Name: _____
25 Its: _____
26
27
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1 Dated: August 31, 2016

RH INVESTMENTS, LLC

2
3 By: 

Name: _____

4 Its: _____

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6 Dated: August 31, 2016

LOWRIDGE PLACE, LLC

7
8 By: 

Name: _____

9 Its: _____

10 Dated: August 31, 2016

10TH STREET SANTA MONICA PROJECT, LLC

11
12 By: 

13 Name: _____

14 Its: _____

15 Dated: August 31, 2016

LIBERTY CMC CORPORATION

16
17 By: 

18 Name: _____

19 Its: _____

20 Dated: August 31, 2016

PACIFIC SUNSHINE INVESTMENTS LLC

21
22 By: 

23 Name: _____

24 Its: _____

25 Dated: August 31, 2016

BRADBURY FURLONG LLC

26
27 By: 

28 Name: _____

Its: _____

1 Dated: August __, 2016

RH INVESTMENTS, LLC

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Name: _____

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LOWRIDGE PLACE, LLC

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Name: _____

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10TH STREET SANTA MONICA PROJECT, LLC

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Name: _____

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14 Dated: August __, 2016

LIBERTY CMC CORPORATION

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Name: _____

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PACIFIC SUNSHINE INVESTMENTS LLC

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21 By: 

Name: _____

22 Its: _____

23 Dated: August __, 2016

BRADBURY FURLONG LLC

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25 By: 

Name: _____

26 Its: _____

1 Dated: August 31, 2016

LUCY GAO

2
3 By: _____

4 Dated: August __, 2016

BENNY KIRK

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6 By: _____

7 Dated: August __, 2016

LAW OFFICES OF DAVID W. MEADOWS

8
9 By: _____

10 David W. Meadows
11 Counsel to Benjamin Kirk
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LUCY GAO

2 By: _____

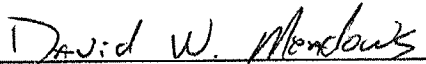
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4 Dated: August __, 2016

BENNY KIRK

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6 By: 

7 Dated: ^{September 2}~~August~~ __, 2016

LAW OFFICES OF DAVID W. MEADOWS

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9 By: 
10 David W. Meadows
11 Counsel to Benjamin Kirk
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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:
10100 Santa Monica Boulevard, 13th Floor, Los Angeles, California 90067

A true and correct copy of the foregoing document entitled (*specify*): **STIPULATION RE TURNOVER OF CERTAIN ASSETS** 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*) **September 7, 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:

☒ Service information continued on attached page

2. **SERVED BY UNITED STATES MAIL**:

September 7, 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*) **September 7, 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

Honorable Thomas B. Donovan
United States Bankruptcy Court
Central District of California
Edward R. Roybal Federal Building and Courthouse
255 E. Temple Street, Suite 1352
Los Angeles, CA 90012

☐ Service information continued on attached page

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

September 7, 2016

Date

Myra Kulick

Printed Name

/s/ Myra Kulick

Signature

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

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):

- Kyra E Andrassy kandrassy@swelawfirm.com, csheets@swelawfirm.com;gcruz@swelawfirm.com;hdavis@swelawfirm.com
- Alexandre I Cornelius aicornelius@costell-law.com, ssaad@costell-law.com;mharris@costell-law.com;jstambaugh@costell-law.com;ladelson@costell-law.com;jlcostell@costell-law.com
- Lei Lei Wang Ekvall lekvall@swelawfirm.com, csheets@swelawfirm.com;gcruz@swelawfirm.com;hdavis@swelawfirm.com
- Julie A Esposito cesarjuliem@yahoo.com, sensberg@aol.com
- John D Fiero jfiero@pszjlaw.com, ocarpio@pszjlaw.com
- John-Patrick M Fritz jpf@lnbyb.com, JPF.LNBYB@ecf.inforuptcy.com
- Barry S Glaser bglaser@swesq.com, erhee@swesq.com
- David B Golubchik dbg@lnbyb.com, dbg@ecf.inforuptcy.com
- Gail S Greenwood gggreenwood@pszjlaw.com, efitzgerald@pszjlaw.com
- David S Henshaw david@henshawlaw.com, info@henshawlaw.com
- Eve H Karasik ehk@lnbyb.com
- Jeffrey S Kwong jsk@lnbyb.com, jsk@ecf.inforuptcy.com
- Ian Landsberg ian@landsberg-law.com, casey@landsberg-law.com;lisa@landsberg-law.com;diana@landsberg-law.com;yesi@landsberg-law.com;ilandsberg@ecf.inforuptcy.com
- Robert S Lawrence rlawrence@callahan-law.com, mwalters@callahan-law.com
- Patricia H Lyon phlyon@frenchlyontang.com, mwoodward@frenchlyontang.com
- David W. Meadows david@davidwmeadowslaw.com
- Charles Alex Naegele alex@canlawcorp.com, alexnaegelelaw@gmail.com
- Victoria Newmark vnewmark@pszjlaw.com
- Queenie K Ng queenie.k.ng@usdoj.gov
- Laura Palazzolo laura.palazzolo@berliner.com, sabina.hall@berliner.com
- Jeremy V Richards jrichards@pszjlaw.com, bdassa@pszjlaw.com;imorris@pszjlaw.com
- Mark Romeo romeolaw@msn.com
- Robert M Saunders rsaunders@pszjlaw.com, rsaunders@pszjlaw.com
- Lindsey L Smith lls@lnbyb.com, lls@ecf.inforuptcy.com
- David A Trinh dtrinh@trinhlawfirm.com, kim@trinhlawfirm.com
- United States Trustee (LA) ustpreion16.la.ecf@usdoj.gov
- James S Yan jsyan@msn.com

2. SERVED BY UNITED STATES MAIL:

AA 166 Geary LLC
Attn: Reuben Robin
449 S. Beverly Drive
Beverly Hills, CA 90212

Alan D. and Julianne F. Nolet
2400 Grove Blvd.
Austin, TX 78741

Benjamin Kirk
c/o David Meadows, Esq.
1801 Century Park East, Suite 1235
Los Angeles, CA 90067

Block 3 Development Partners LLC
4 Embarcadero Center, Ste. 3300
San Francisco, CA 94111

David Trinh
Trinh Law
99 N 1st St, Ste 200
San Jose, CA 95113

East West Bank
Attn: Risk Operations Dept.
9500 Flair Drive, 4th Floor
El Monte, CA 91731

First American Title Company
Attn: Corporate Service Co.
2710 Gateway Oaks Drive, Suite 150N
Sacramento, CA 95833

Helena Chang Cosman
3579 E. Foothill Blvd., Ste. 621
Pasadena, CA 91107

Lucy Gao
Attn: Robert Lisnow, Esq.
10866 Wilshire Blvd., Suite 400
Los Angeles, CA 95833

Margaret Chiu
935 S. San Gabriel Blvd.
San Gabriel, CA 91776

Mega Bank
Attn: Elsie Chow
Senior Vice President
245 West Valley Blvd.
San Gabriel, CA 91776-3737

Northern California Mortgage Fund VII
Attn: Mark Romeo, Esq.
Law Offices of Mark J. Romeo
235 Montgomery St., Ste. 400
San Francisco, CA 94104

Samantha Galapin
4708 Merced Ave.
Baldwin Park, CA 91706

Scott Whitman
Scott L. Whitman, Inc.
5670 Wilshire Blvd., Ste. 2170
Los Angeles, CA 90036

Sincere Escrow
Attn: Margaret Chiu
935 S. San Gabriel Blvd.
San Gabriel, CA 91776

SJ 10177 LLC
5150 El Camino Real #B-23
Los Altos, CA 94022

Tsai Luan Ho
126 Atherton Ave.
Atherton, CA 94027

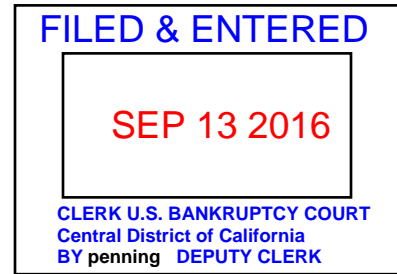
Tsai Luan Ho
Attn: George Eshoo
Law Offices of George P. Eshoo
702 Marshall St., Suite 500
Redwood City, CA 94063

Vanessa Lavendera
f/k/a Vanessa Van Holland
13017 Falcon Pl
Chino, CA 91710-3805

EXHIBIT “D”

Jeremy V. Richards (SBN 102300)
Gail S. Greenwood (SBN 169939)
PACHULSKI STANG ZIEHL & JONES LLP
10100 Santa Monica Blvd., 13th Floor
Los Angeles, California 90067
Telephone: 310/277-6910
Facsimile: 310/201-0760
E-mail: jrichards@pszjlaw.com
ggreenwood@pszjlaw.com

Attorneys for Official Committee of Unsecured
Creditors of Liberty Asset Management Corporation



UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES DIVISION

In re:

LIBERTY ASSET MANAGEMENT
CORPORATION, a California corporation,

Debtor.

Case No.: 2:16-bk-13575-TD

Chapter 11

**ORDER APPROVING STIPULATION
RE TURNOVER OF CERTAIN
ASSETS**

The Court having read and considered the *Stipulation Re Turnover of Certain Assets* [Docket No. 210] (the "Stipulation") and good cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Stipulation is approved;
2. The Parties are authorized and directed to carry out their obligations under the Stipulation; and

1 3. The Court shall retain jurisdiction to hear all disputes arising from the implementation
2 of this Order.

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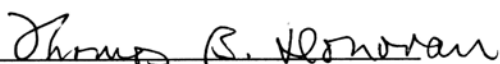

Thomas B. Donovan
United States Bankruptcy Judge

EXHIBIT “E”

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



EQUAL HOUSING
OPPORTUNITY

Property Address: 1916 Los Padres Dr, Rowland Heights, CA 91748-3657

Date: January 8, 2017

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

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

J. **LOAN TERMS:**

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

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

(3) **LOAN CONTINGENCY REMOVAL:**

Within 21 (or _____) Days After Acceptance, Buyer shall, as specified in paragraph 14, in writing, remove the loan contingency or cancel this Agreement. If there is an appraisal contingency, removal of the loan contingency shall not be deemed removal of the appraisal contingency.

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

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

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

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

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

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

5. **ADDENDA AND ADVISORIES:**

A. **ADDENDA:**

<input type="checkbox"/> Back Up Offer Addendum (C.A.R. Form BUO)	<input type="checkbox"/> Addendum # _____ (C.A.R. Form ADM)
<input type="checkbox"/> Septic, Well and Property Monument Addendum (C.A.R. Form SWPI)	<input type="checkbox"/> Court Confirmation Addendum (C.A.R. Form CCA)
<input type="checkbox"/> Short Sale Addendum (C.A.R. Form SSA)	<input type="checkbox"/> Other _____

B. **BUYER AND SELLER ADVISORIES:**

<input type="checkbox"/> Probate Advisory (C.A.R. Form PA)	<input checked="" type="checkbox"/> Buyer's Inspection Advisory (C.A.R. Form BIA)
<input type="checkbox"/> Trust Advisory (C.A.R. Form TA)	<input type="checkbox"/> Statewide Buyer and Seller Advisory (C.A.R. Form SBSA)
<input type="checkbox"/> Short Sale Information and Advisory (C.A.R. Form SSIA)	<input type="checkbox"/> REO Advisory (C.A.R. Form REO)
	<input type="checkbox"/> Other _____

6. **OTHER TERMS:**

7. **ALLOCATION OF COSTS**

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

(1) ☐ Buyer ☒ Seller shall pay for a natural hazard zone disclosure report, including tax ☒ environmental ☐ Other: _____ prepared by seller's choice

(2) ☐ Buyer ☐ Seller shall pay for the following Report _____ prepared by _____

(3) ☐ Buyer ☐ Seller shall pay for the following Report _____ prepared by _____

Buyer's Initials (XL) (_____)

Seller's Initials (_____) (_____)

RPA-CA REVISED 12/15 (PAGE 2 OF 10)

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 2 OF 10)

Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 www.zipLogix.com

Litchi LLC



Property Address: 1916 Los Padres Dr, Rowland Heights, CA 91748-3657Date: January 8, 2017**B. GOVERNMENT REQUIREMENTS AND RETROFIT:**

- (1) ☐ Buyer ☐ Seller shall pay for smoke alarm and carbon monoxide device installation and water heater bracing, if required by Law. Prior to Close Of Escrow ("COE"), Seller shall provide Buyer written statement(s) of compliance in accordance with state and local Law, unless Seller is exempt.
- (2) (i) ☐ Buyer ☐ Seller shall pay the cost of compliance with any other minimum mandatory government inspections and reports if required as a condition of closing escrow under any Law.
- (ii) ☐ Buyer ☐ Seller shall pay the cost of compliance with any other minimum mandatory government retrofit standards required as a condition of closing escrow under any Law, whether the work is required to be completed before or after COE.
- (iii) Buyer shall be provided, within the time specified in paragraph 14A, a copy of any required government conducted or point-of-sale inspection report prepared pursuant to this Agreement or in anticipation of this sale of the Property.

C. ESCROW AND TITLE:

- (1) (a) ☒ Buyer ☒ Seller shall pay escrow fee 50%:50% each party pays own.
- (b) Escrow Holder shall be _____.
- (c) The Parties shall, within 5 (or _____) Days After receipt, sign and return Escrow Holder's general provisions.
- (2) (a) ☐ Buyer ☒ Seller shall pay for owner's title insurance policy specified in paragraph 13E _____.
- (b) Owner's title policy to be issued by seller's choice.
- (Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)

D. OTHER COSTS:

- (1) ☐ Buyer ☒ Seller shall pay County transfer tax or fee _____.
- (2) ☐ Buyer ☒ Seller shall pay City transfer tax or fee _____.
- (3) ☐ Buyer ☐ Seller shall pay Homeowners' Association ("HOA") transfer fee _____.
- (4) Seller shall pay HOA fees for preparing documents required to be delivered by Civil Code §4525.
- (5) ☐ Buyer ☐ Seller shall pay HOA fees for preparing all documents other than those required by Civil Code §4525.
- (6) Buyer to pay for any HOA certification fee.
- (7) ☐ Buyer ☐ Seller shall pay for any private transfer fee _____.
- (8) ☐ Buyer ☐ Seller shall pay for _____.
- (9) ☐ Buyer ☐ Seller shall pay for _____.
- (10) ☐ Buyer ☒ Seller shall pay for the cost, not to exceed \$ 400.00, of a standard (or ☐ upgraded) one-year home warranty plan, issued by seller's choice, with the following optional coverages: ☒ Air Conditioner ☐ Pool/Spa ☐ Other: _____.
- Buyer is informed that home warranty plans have many optional coverages in addition to those listed above. Buyer is advised to investigate these coverages to determine those that may be suitable for Buyer.

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

8. ITEMS INCLUDED IN AND EXCLUDED FROM SALE:

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

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

- (1) All EXISTING fixtures and fittings that are attached to the Property;
- (2) EXISTING electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fans, fireplace inserts, gas logs and grates, solar power systems, built-in appliances, window and door screens, awnings, shutters, window coverings, attached floor coverings, television antennas, satellite dishes, air coolers/conditioners, pool/spa equipment, garage door openers/remote controls, mailbox, in-ground landscaping, trees/shrubs, water features and fountains, water softeners, water purifiers, security systems/alarms and the following if checked: ☐ all stove(s), except _____; ☐ all refrigerator(s) except _____; ☐ all washer(s) and dryer(s), except _____;
- (3) The following additional items: _____.
- (4) Existing integrated phone and home automation systems, including necessary components such as intranet and Internet-connected hardware or devices, control units (other than non-dedicated mobile devices, electronics and computers) and applicable software, permissions, passwords, codes and access information, are (☐ are NOT) included in the sale.
- (5) **LEASED OR LIENED ITEMS AND SYSTEMS:** Seller shall, within the time specified in paragraph 14A, (i) disclose to Buyer if any item or system specified in paragraph 8B or otherwise included in the sale is leased, or not owned by Seller, or specifically subject to a lien or other encumbrance, and (ii) Deliver to Buyer all written materials (such as lease, warranty, etc.) concerning any such item. Buyer's ability to assume any such lease, or willingness to accept the Property subject to any such lien or encumbrance, is a contingency in favor of Buyer and Seller as specified in paragraph 14B and C.
- (6) Seller represents that all items included in the purchase price, unless otherwise specified, (i) are owned by Seller and shall be transferred free and clear of liens and encumbrances, except the items and systems identified pursuant to 8B(5) and _____, and (ii) are transferred without Seller warranty regardless of value.

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

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

Buyer's Initials (XL) (_____)

Seller's Initials (_____) (_____)

RPA-CA REVISED 12/15 (PAGE 3 OF 10)

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 3 OF 10)

Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 www.ziplogix.com

Litchi LLC



Property Address: 1916 Los Padres Dr, Rowland Heights, CA 91748-3657

Date: January 8, 2017

9. CLOSING AND POSSESSION:

- A. Buyer intends (or ☒ does not intend) to occupy the Property as Buyer's primary residence.
- B. **Seller-occupied or vacant property:** Possession shall be delivered to Buyer: (i) at 6 PM or (☐ AM/ ☐ PM) on the date of Close Of Escrow; (ii) ☐ no later than _____ calendar days after Close Of Escrow; or (iii) ☐ at ☐ AM/ ☐ PM on _____.
- C. **Seller remaining in possession After Close Of Escrow:** If Seller has the right to remain in possession after Close Of Escrow, (i) the Parties are advised to sign a separate occupancy agreement such as ☐ C.A.R. Form SIP, for Seller continued occupancy of less than 30 days, ☐ C.A.R. Form RLAS for Seller continued occupancy of 30 days or more; and (ii) the Parties are advised to consult with their insurance and legal advisors for information about liability and damage or injury to persons and personal and real property; and (iii) Buyer is advised to consult with Buyer's lender about the impact of Seller's occupancy on Buyer's loan.
- D. **Tenant-occupied property:** Property shall be vacant at least 5 (or _____) Days Prior to Close Of Escrow, unless otherwise agreed in writing. **Note to Seller: If you are unable to deliver Property vacant in accordance with rent control and other applicable Law, you may be in breach of this Agreement.**
- OR ☐ **Tenant to remain in possession** (C.A.R. Form TIP).
- E. At Close Of Escrow: Seller assigns to Buyer any assignable warranty rights for items included in the sale; and Seller shall Deliver to Buyer available Copies of any such warranties. Brokers cannot and will not determine the assignability of any warranties.
- F. At Close Of Escrow, unless otherwise agreed in writing, Seller shall provide keys, passwords, codes and/or means to operate all locks, mailboxes, security systems, alarms, home automation systems and intranet and Internet-connected devices included in the purchase price, and garage door openers. If the Property is a condominium or located in a common interest subdivision, Buyer may be required to pay a deposit to the Homeowners' Association ("HOA") to obtain keys to accessible HOA facilities.

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

- A. (1) Seller shall, within the time specified in paragraph 14A, Deliver to Buyer: (i) if required by Law, a fully completed: Federal Lead-Based Paint Disclosures (C.A.R. Form FLD) and pamphlet ("Lead Disclosures"); and (ii) unless exempt, fully completed disclosures or notices required by sections 1102 et. seq. and 1103 et. seq. of the Civil Code ("Statutory Disclosures"). Statutory Disclosures include, but are not limited to, a Real Estate Transfer Disclosure Statement ("TDS"), Natural Hazard Disclosure Statement ("NHD"), notice or actual knowledge of release of illegal controlled substance, notice of special tax and/or assessments (or, if allowed, substantially equivalent notice regarding the Mello-Roos Community Facilities Act of 1982 and Improvement Bond Act of 1915) and, if Seller has actual knowledge, of industrial use and military ordnance location (C.A.R. Form SPQ or ESD).
- (2) Any Statutory Disclosure required by this paragraph is considered fully completed if Seller has answered all questions and completed and signed the Seller section(s) and the Listing Agent, if any, has completed and signed the Listing Broker section(s), or, if applicable, an Agent Visual Inspection Disclosure (C.A.R. Form AVID). Nothing stated herein relieves a Buyer's Broker, if any, from the obligation to (i) conduct a reasonably competent and diligent visual inspection of the accessible areas of the Property and disclose, on Section IV of the TDS, or an AVID, material facts affecting the value or desirability of the Property that were or should have been revealed by such an inspection or (ii) complete any sections on all disclosures required to be completed by Buyer's Broker.
- (3) **Note to Buyer and Seller:** Waiver of Statutory and Lead Disclosures is prohibited by Law.
- (4) Within the time specified in paragraph 14A, (i) Seller, unless exempt from the obligation to provide a TDS, shall, complete and provide Buyer with a Seller Property Questionnaire (C.A.R. Form SPQ); (ii) if Seller is not required to provide a TDS, Seller shall complete and provide Buyer with an Exempt Seller Disclosure (C.A.R. Form ESD).
- (5) Buyer shall, within the time specified in paragraph 14B(1), return Signed Copies of the Statutory, Lead and other disclosures to Seller.
- (6) In the event Seller or Listing Broker, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items. **However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies of which Buyer is otherwise aware, or which are disclosed in reports provided to or obtained by Buyer or ordered and paid for by Buyer.**
- (7) If any disclosure or notice specified in paragraph 10A(1), or subsequent or amended disclosure or notice is Delivered to Buyer after the offer is Signed, Buyer shall have the right to cancel this Agreement within **3 Days** After Delivery in person, or **5 Days** After Delivery by deposit in the mail, by giving written notice of cancellation to Seller or Seller's agent.
- B. **NATURAL AND ENVIRONMENTAL HAZARD DISCLOSURES AND OTHER BOOKLETS:** Within the time specified in paragraph 14A, Seller shall, if required by Law: (i) Deliver to Buyer earthquake guide(s) (and questionnaire), environmental hazards booklet, and home energy rating pamphlet; (ii) disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; and Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.
- C. **WITHHOLDING TAXES:** Within the time specified in paragraph 14A, to avoid required withholding, Seller shall Deliver to Buyer or qualified substitute, an affidavit sufficient to comply with federal (FIRPTA) and California withholding Law (C.A.R. Form AS or QS).
- D. **MEGAN'S LAW DATABASE DISCLOSURE:** Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Seller nor Brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's inspection contingency period. Brokers do not have expertise in this area.)
- E. **NOTICE REGARDING GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES:** This notice is being provided simply to inform you that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) Internet Web site maintained by the United States Department of Transportation at <http://www.npms.phmsa.dot.gov/>. To seek further information about possible transmission pipelines near the Property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP Code and county on the NPMS Internet Web site.
- F. **CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES:**
- (1) **SELLER HAS:** 7 (or _____) Days After Acceptance to disclose to Buyer if the Property is a condominium, or is located in a planned development or other common interest subdivision (C.A.R. Form SPQ or ESD).

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



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

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

- A. Seller shall, within the time specified in paragraph 14A, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, and make any and all other disclosures required by law.
- B. Buyer has the right to conduct Buyer Investigations of the Property and, as specified in paragraph 14B, based upon information discovered in those investigations: (i) cancel this Agreement; or (ii) request that Seller make Repairs or take other action.
- C. **Buyer is strongly advised to conduct investigations of the entire Property in order to determine its present condition. Seller may not be aware of all defects affecting the Property or other factors that Buyer considers important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.**

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

- A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 14B. Within the time specified in paragraph 14B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to: (i) a general physical inspection; (ii) an inspection specifically for wood destroying pests and organisms. Any inspection for wood destroying pests and organisms shall be prepared by a registered Structural Pest Control company; shall cover the main building and attached structures; may cover detached structures; shall NOT include water tests of shower pans on upper level units unless the owners of property below the shower consent; shall NOT include roof coverings; and, if the Property is a unit in a condominium or other common interest subdivision, the inspection shall include only the separate interest and any exclusive-use areas being transferred, and shall NOT include common areas; and shall include a report ("Pest Control Report") showing the findings of the company which shall be separated into sections for evident infestation or infections (Section 1) and for conditions likely to lead to infestation or infection (Section 2); (iii) inspect for lead-based paint and other lead-based paint hazards; (iv) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA); (v) review the registered sex offender database; (vi) confirm the insurability of Buyer and the Property including the availability and cost of flood and fire insurance; and (vii) review and seek approval of leases that may need to be assumed by Buyer. Without Seller's prior written consent, Buyer shall neither make nor cause to be made: invasive or destructive Buyer Investigations, except for minimally invasive testing required to prepare a Pest Control Report; or inspections by any governmental building or zoning inspector or government employee, unless required by Law.
- B. Seller shall make the Property available for all Buyer Investigations. Buyer shall (i) as specified in paragraph 14B, complete Buyer Investigations and either remove the contingency or cancel this Agreement, and (ii) give Seller, at no cost, complete Copies of all such Investigation reports obtained by Buyer, which obligation shall survive the termination of this Agreement.
- C. Seller shall have water, gas, electricity and all operable pilot lights on for Buyer's Investigations and through the date possession is made available to Buyer.
- D. **Buyer indemnity and seller protection for entry upon property:** Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer Investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-Responsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination of this Agreement.

13. TITLE AND VESTING:

- A. Within the time specified in paragraph 14, Buyer shall be provided a current preliminary title report ("Preliminary Report"). The Preliminary Report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the Preliminary Report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 14B. The company providing the Preliminary Report shall, prior to issuing a Preliminary Report, conduct a search of the General Index for all Sellers except banks or other institutional lenders selling properties they acquired through foreclosure (REOs), corporations, and government entities. Seller shall within 7 Days After Acceptance, give Escrow Holder a completed Statement of Information.
- B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except for: (i) monetary liens of record (which Seller is obligated to pay off) unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.
- C. Within the time specified in paragraph 14A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.
- D. At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. **THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.**

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



CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 5 OF 10)

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Litchi LLC

Property Address: **1916 Los Padres Dr, Rowland Heights, CA 91748-3657**Date: **January 8, 2017**

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

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

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

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

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

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

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

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

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

D. SELLER RIGHT TO CANCEL:

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

(2) **Seller right to Cancel; Buyer Contract Obligations:** Seller, after first delivering to Buyer a NBP, may cancel this Agreement if, by the time specified in this Agreement, Buyer does not take the following action(s): (i) Deposit funds as required by paragraph 3A, or 3B or if the funds deposited pursuant to paragraph 3A or 3B are not good when deposited; (ii) Deliver a notice of FHA or VA costs or terms as required by paragraph 3D(3) (C.A.R. Form FVA); (iii) Deliver a letter as required by paragraph 3J(1); (iv) Deliver verification, or a satisfactory verification if Seller reasonably disapproves of the verification already provided, as required by paragraph 3C or 3H; (v) In writing assume or accept leases or liens specified in 8B5; (vi) Return Statutory and Lead Disclosures as required by paragraph 10A(5); or (vii) Sign or initial a separate liquidated damages form for an increased deposit as required by paragraphs 3B and 21B; or (viii) Provide evidence of authority to sign in a representative capacity as specified in paragraph 19. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.

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

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

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

H. **EFFECT OF CANCELLATION ON DEPOSITS:** If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, the Parties agree to Sign mutual instructions to cancel the sale and escrow and release deposits, if any, to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Except as specified below, **release of funds will require mutual Signed release instructions from the Parties, judicial decision or arbitration award.** If either Party fails to execute mutual instructions to cancel escrow, one Party may make a written demand to Escrow Holder for the deposit. (C.A.R. Form BDRD or SDRD). Escrow Holder, upon receipt, shall promptly deliver notice of the demand to the other Party. If, within 10 Days After Escrow Holder's notice, the other Party does not object to the demand, Escrow Holder shall disburse the deposit to the Party making the demand. If Escrow Holder complies with the preceding process, each Party shall be deemed to have released Escrow Holder from any and all claims or liability related to the 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 (XL) (_____)
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Seller's Initials (_____) (_____)



Property Address: **1916 Los Padres Dr, Rowland Heights, CA 91748-3657**Date: **January 8, 2017**

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

Buyer's Initials (XL) ()
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Seller's Initials () ()



CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 7 OF 10)

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Litchi LLC

Property Address: 1916 Los Padres Dr, Rowland Heights, CA 91748-3657Date: January 8, 2017

- C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraph 18A and paragraph D of the section titled Real Estate Brokers on page 10. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraph 18A, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Buyer and Seller shall release and hold harmless Escrow Holder from any liability resulting from Escrow Holder's payment to Broker(s) of compensation pursuant to this Agreement.
- D. Upon receipt, Escrow Holder shall provide Seller and Seller's Broker verification of Buyer's deposit of funds pursuant to paragraph 3A and 3B. Once Escrow Holder becomes aware of any of the following, Escrow Holder shall immediately notify all Brokers: (i) if Buyer's initial or any additional deposit or down payment is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder; or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.
- E. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 3 Days after mutual execution of the amendment.

21. REMEDIES FOR BUYER'S BREACH OF CONTRACT:

- A. Any clause added by the Parties specifying a remedy (such as release or forfeiture of deposit or making a deposit non-refundable) for failure of Buyer to complete the purchase in violation of this Agreement shall be deemed invalid unless the clause independently satisfies the statutory liquidated damages requirements set forth in the Civil Code.
- B. **LIQUIDATED DAMAGES:** If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. If the Property is a dwelling with no more than four units, one of which Buyer intends to occupy, then the amount retained shall be no more than 3% of the purchase price. Any excess shall be returned to Buyer. Except as provided in paragraph 14H, release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award. **AT THE TIME OF ANY INCREASED DEPOSIT BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION INCORPORATING THE INCREASED DEPOSIT AS LIQUIDATED DAMAGES (C.A.R. FORM RID).**

Buyer's Initials XL

Seller's Initials _____ / _____

22. DISPUTE RESOLUTION:

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

B. ARBITRATION OF DISPUTES:

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

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

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

Buyer's Initials XL

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.

Buyer's Initials (XL) (_____)

Seller's Initials (_____) (_____)

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CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 8 OF 10)

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Litchi LLC

Property Address: 1916 Los Padres Dr, Rowland Heights, CA 91748-3657Date: January 8, 2017

(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 this Agreement.

23. **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.

24. **MULTIPLE LISTING SERVICE ("MLS"):** Brokers are authorized to report to the MLS a pending sale and, upon Close Of Escrow, the sales price and other terms of this transaction shall be provided to the MLS to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS.

25. **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 attorney fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 22A.

26. **ASSIGNMENT:** Buyer shall not assign all or any part of Buyer's interest in this Agreement without first having obtained the separate written consent of Seller to a specified assignee. Such consent shall not be unreasonably withheld. Any total or partial assignment shall not relieve Buyer of Buyer's obligations pursuant to this Agreement unless otherwise agreed in writing by Seller. (C.A.R. Form AOA).

27. **EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.

28. **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. The Parties have read and acknowledge receipt of a Copy of the offer and agree 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.

29. **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.**

30. **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.
- 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", including "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 10, 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.

31. **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 this 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 01/08/2017 BUYER _____

(Print name) Litchi LLC

Date _____ BUYER _____

(Print name) _____

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

Seller's Initials (_____) (_____)

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CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 9 OF 10)

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Litchi LLC



Property Address: 1916 Los Padres Dr, Rowland Heights, CA 91748-3657Date: January 8, 2017

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

☐ (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 this Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD-S) for additional terms.

Date _____ SELLER _____

(Print name) _____

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 personally received by Buyer or Buyer's authorized agent on (date) _____ at _____
☐ AM/ ☐ PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

REAL ESTATE BROKERS:

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

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

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

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

Real Estate Broker (Selling Firm) IRN RealtyCalBRE Lic. # 01525352By Jenny Zhang CalBRE Lic. # 01854689

Date _____

By _____ CalBRE Lic. # _____

Date _____

Address 17578 Colima RdCity Rowland HeightsState Ca Zip 91748Telephone (714)310-6113Fax (626)322-2905E-mail jennyjoe168@irnrealty.comReal Estate Broker (Listing Firm) Coldwell Banker Arcadia

CalBRE Lic. # _____

By Thomas bluemel CalBRE Lic. # 00836974

Date _____

By _____ CalBRE Lic. # _____

Date _____

Address _____

City _____

State _____

Zip _____

Telephone _____

Fax _____

E-mail _____

ESCROW HOLDER ACKNOWLEDGMENT:

Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked, ☐ a deposit in the amount of \$ _____), counter offer numbers: _____ ☐ Seller's Statement of Information and _____

_____, and agrees to act as Escrow Holder subject to paragraph 20 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.

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

Escrow Holder _____ Escrow # _____

By _____ Date _____

Address _____

Phone/Fax/E-mail _____

Escrow Holder has the following license number # _____

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

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

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

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

Reviewed by _____
 Broker or Designee



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CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 10 OF 10)

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Litchi LLC



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BUYER'S INSPECTION ADVISORY

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

Property Address: **1916 Los Padres Dr, Rowland Heights, CA 91748-3657**

("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 Xiao Long Lu Buyer _____
Litchi LLC

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BIA REVISED 11/14 (PAGE 1 OF 1)

Reviewed by _____ Date _____



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



MARKET CONDITIONS ADVISORY
(C.A.R. Form MCA, Revised 11/11)

1. MARKET CONDITIONS: Real estate markets are cyclical and can change over time. It is impossible to predict future market conditions with accuracy. In a competitive or "hot" real estate market, there are generally more Buyers than Sellers. This will often lead to multiple buyers competing for the same property. As a result, in order to make their offers more attractive, some Buyers may offer more than originally planned or eliminate certain contingencies in their offers. In a less competitive or "cool" market there are generally more Sellers than Buyers, often causing real estate prices to level off or drop, sometimes precipitously. The sales price of homes being sold as foreclosures and short sales is difficult to anticipate and can affect the value of other homes in the area. Brokers, appraisers, Sellers and Buyers take these "distressed" property sales and listings into consideration when valuing property. In light of the real estate market's cyclical nature it is important that Buyers understand the potential for little or no appreciation in value, or an actual loss in value, of the property they purchase. This Advisory discusses some of the potential risks inherent in changing market conditions.

2. BUYER CONSIDERATIONS:

A. OFFERING PRICE: AS A BUYER, YOU ARE RESPONSIBLE FOR DETERMINING THE PRICE YOU WANT TO OFFER FOR A PROPERTY. Although Brokers may provide you with comparable sales data, generally from information published in the local multiple listing service, you should know that the reporting of this data is often delayed and prices may change, up or down, faster than reported sales indicate. All buyers should be sure they are comfortable with the price they are offering or the price they are accepting in a counter offer. You should be aware of and think about the following: (i) If your offer is accepted, the property's value may not increase and may even decrease. (ii) If your offer is accepted, you may have "Buyer's remorse" that you paid too much. (iii) If your offer is rejected there can be no guarantee that you will find a similar property at the same price. (iv) If your offer is rejected, you may not be satisfied that the amount you offered was right for you. Only you can determine that your offer was reasonable and prudent in light of the property and your circumstances.

B. NON-CONTINGENT OFFERS: Most residential purchase agreements contain contingencies allowing a Buyer within a specified period of time to cancel a purchase if: (i) the Buyer cannot obtain a loan; (ii) is dissatisfied with the property's condition after an inspection; or (iii) if the property does not appraise at a certain value. To make their offers more attractive, Buyers will sometimes write offers with few or no contingencies or offer to remove contingencies within a short period of time. In a "hot" market, sellers will sometimes insist that Buyers write offers with no contingencies. Broker recommends that Buyers do not write non-contingent offers and if you do so, you are acting against Broker's advice. However, if you do write a non-contingent offer these are some of the contractual rights you may be giving up:

(1) **LOAN CONTINGENCY:** If you give up your loan contingency, and you cannot obtain a loan, whether through your fault or the fault of your lender, and as a result, you do not or cannot purchase the property, you may legally be in default under the contract and required to pay damages or forfeit your deposit to the seller.

(2) **APPRAISAL CONTINGENCY:** If your lender's (or your own) appraiser does not believe the property is worth what you have agreed to pay for it, your lender may not loan the full amount needed for the purchase or may not loan any amount at all because of a low appraisal. As a result, if you do not purchase the property, and you have removed your appraisal contingency, you may legally be in default under the contract and could be required to pay damages to, or forfeit your deposit to, the Seller. The Seller is not obligated to reduce the purchase price to match the appraised value.

Buyer's Initials (XL) (_____)

Seller's Initials (_____) (_____)

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MCA REVISED 11/11 (PAGE 1 OF 2)

MARKET CONDITIONS ADVISORY (MCA PAGE 1 OF 2)

Property Address: 1916 Los Padres Dr, Rowland Heights, CA 91748-3657

Date: January 8, 2017

3. **INSPECTION CONTINGENCY:** If you disapprove of the condition of the property and as a result, you do not purchase the property, you may legally be in default under the contract and required to pay damages to, or forfeit your deposit to, the Seller if you have removed your inspection contingency. However, even if you make an offer without an inspection contingency or you remove that contingency, the Seller may still be obligated to disclose to you material facts about the property. In some cases, once you receive that information the law gives you an independent right to cancel for a limited period of time.

There is inherent risk in writing a non-contingent offer. Only you, after careful consultation and deliberation with your attorney, accountant, or financial advisor can decide how much risk you are willing to take. IT IS YOUR DECISION ALONE AND CANNOT BE MADE BY YOUR BROKER OR REAL ESTATE AGENT.

C. BROKER RECOMMENDATIONS. Broker recommends that you do not write a non-contingent offer, even if you are planning on paying all cash for the property. If you intend to write a non-contingent offer, Broker recommends that, prior to writing the offer, you: (i) review all available Seller reports, disclosures, information and documents; (ii) have an appropriate professional inspect the property (even if it is being sold "as is" in its present condition); and (iii) carefully assess your financial position and risk with your attorney, accountant or financial advisor.

D. MULTIPLE OFFERS: At times Buyers may write offers on more than one property even though the Buyer intends to purchase only one. This may occur in a short sale when the approval process can take a considerable amount of time. While it is not illegal to make offers on multiple properties with intent to purchase only one, the Buyer can be obligated to many Sellers if more than one accepts the Buyer's offers. If the Buyer has not disclosed that the Buyer is writing multiple offers with the intent to purchase only one and the Buyer subsequently cancels without using a contingency, the Seller may claim the Buyer is in breach of contract because the Buyer fraudulently induced the Seller to enter into a contract.

3. SELLER CONSIDERATIONS:

As a Seller, you are responsible for determining the asking price for your property. Although Brokers may provide you with comparable sales data, generally from information published in the local multiple listing service, you should know that the reporting of this data is often delayed and prices may change, up or down, faster than reported sales indicate. All Sellers should be sure they are comfortable with the asking price they are setting and the price they are accepting. There is not, and cannot be, any guarantee that the price you decide to ask for your property, or the price at which you agree to sell your property is the highest available price obtainable for the property. It is solely your decision as to how much to ask for your property and at which price to sell your property.

Buyer/Seller acknowledges each has read, understands and has received a copy of this Market Conditions Advisory.

Buyer	<u>Xiao Tony Lu</u>	Date	<u>January 8, 2017</u>
	<u>Litchi LLC</u>		
Buyer	_____	Date	_____
Seller	_____	Date	_____
Seller	_____	Date	_____

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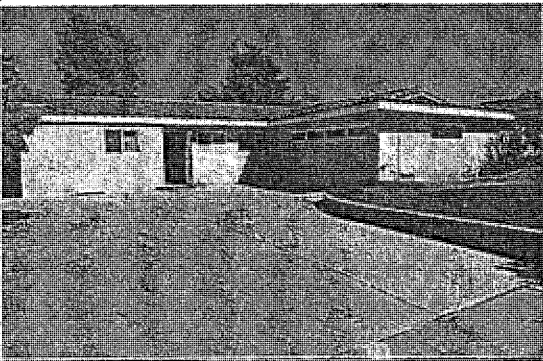


Previous · Next · 1 of 67	Checked 0	All · None · Page	Agent 1 Line display	Display Agent Full	at 1 per page
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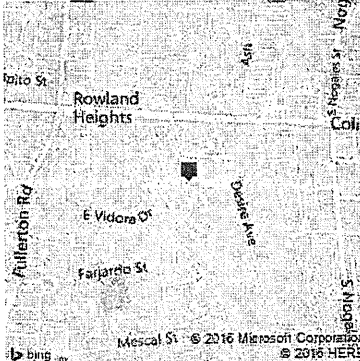
☐ **1916 Los Padres Dr, Rowland Heights 91748** STATUS: **Active**

LIST PRICE: **\$419,000**

E/ Fullerton Rd S/ Colima



1 / 13



BED / BATH: **3/1,1,0,0**
 SQFT(src): **1,189 (A)**
 PRICE PER SQFT: **\$352.40**
 LOT(src): **0.1341/5,841 (A)**
 GARAGE: **2**
 YEAR BUILT(src): **1960 (ASR)**
 PROP SUB TYPE: **SFR (D)**
 DOM / CDOM: **4/4**
 SLC: **Bankruptcy Listing**
 PARCEL #: **8253006004**
 LISTING ID: **AR17001805**
 LIST \$ ORIGINAL: **\$419,000**

Recent: 01/04/2017 : NEW

[Click Here for Supplements](#)

DESCRIPTION

You found what you were looking for in this delightful 3 bedroom home! Newer windows, doors, granite countertops, remodeled kitchen and baths, newer appliances and cabinets all in a yard fenced with a block wall and loaded with various fruit trees! The house needs a little work, but very minor and very livable as is. Other features a two-car attached garage, open patio, master suite with remodeled bathroom and an outdoor sink. Centrally located and close to shopping on Colima, this is a location you'll love. Sold AS IS. No seller warranties. Buyer responsible for all inspections, including termite, if desired. Seller will not make any repairs for buyer. Buyer must provide proof of funds and evidence of ability to close escrow with offer. **PLEASE READ AGENT REMARKS BEFORE SHOWING.**

EXCLUSIONS:	INCLUSIONS:
<p>AREA: 652 - Rowland Heights SUBDIVISION: / COUNTY: Los Angeles SENIOR COMMUNITY?: No CERTIFIED 433A?: MAIN LEVEL BEDROOMS: 3 MAIN LEVEL BATHROOMS: 2</p>	<p>LEVELS: One BASEMENT SQFT: COMMON WALLS: No Common Walls PARKING: Driveway - Concrete, Garage - Front Entry, Garage - Rear Entry, Garage - Two Door HORSE:</p> <p>ROOM TYPE: All Bedrooms Down, Entry, Kitchen, Laundry, Living Room, Main Floor Bedroom, Main Floor Master Bedroom, Master Bathroom, Master Suite EATING AREA: Area, Breakfast Counter / Bar, In Living Room</p> <p>COOLING: Central HEATING: Central Furnace VIEW: None WATERFRONT: POOL: None LAUNDRY:</p>

INTERIOR

<p>INTERIOR: ACCESSIBILITY:</p>	<p>APPLIANCES: Dishwasher, Garbage Disposal, Gas Stove, Range/Stove Hood FLOORING: Wood Laminate</p>	<p>ENTRY LOC/ENTRY LVL: / FIREPLACE: None</p>
-------------------------------------	---	---

EXTERIOR

<p>EXTERIOR: DIRECTION FACES:</p>	<p>SECURITY: FENCING:</p>	<p>LOT: Level with Street, Lot-Level/Flat, Sprinklers In Front, Sprinklers In Rear, Yard SEWER: Unknown</p>	<p>PATIO/PORCH: Patio Open, Stone SPA: None</p>
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BUILDING

<p>BUILDER NAME: MAKE: BUILD MODEL: TAX MODEL:</p>	<p>ARCH STYLE: Traditional DOOR: WINDOW:</p>	<p>ROOF: Spanish Tile FOUNDATION DTLs: Slab PROP COND: Repairs Cosmetic, Updated/Remodeled</p>	<p>CONSTR MTLs: Frame, Stucco STRUCT. COND: Repairs Cosmetic, Updated/Remodeled OTHER STRUCT:</p>
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GARAGE AND PARKING

<p>ATTACHED GARAGE?: UNCOVERED SPACES:</p>	<p>PARKING TOTAL: 2 # REMOTES:</p>	<p>GARAGE SPACES: 2 RV PARK DIM:</p>	<p>CARPORT SPACES:</p>
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GREEN

GREEN BLDG VERIFICATION TYPE:	GREEN VERIFICATION BODY:	GREEN VERIFICATION YR:	GREEN VERI. RATING:
-------------------------------	--------------------------	------------------------	---------------------

GREEN ENERGY GEN: GREEN ENERGY EFF: GREEN SUSTAIN: GREEN WTR CONSERV:
WALK SCORE:

COMMUNITY

HOA FEE: \$0 HOA NAME: HOA PHONE: HOA AMENITIES:
HOA FEE 2: HOA NAME 2: HOA PHONE 2: # UNITS IN COMMUNITY: 1
COMMUNITY: Suburban STORIES TOTAL:

LAND

LAND LEASE?: No LAND LEASE PURCH?: UTILITIES: Electricity TAX LOT: 8
LAND LEASE AMOUNT: LAND LEASE RENEW: Available, Natural Gas TAX BLOCK:
LAND LEASE AMT FREQ: Available, Water Available TAX TRACT #: 25120
PARCEL #: 8253006004 ELECTRIC: ZONING: LCR106
ADDITIONAL APN(s): No WATER SOURCE: Public
LOT SIZE DIM:
ASSESSMENTS: Unknown

SCHOOL

HIGH SCHOOL DISTRICT: Rowland ELEMENTARY: MIDDLE/JR HIGH: HIGH SCHOOL:
Unified


LISTING

DATES

BAC: 3% TERMS: Cash, Cash to New Loan, Subject LIST CONTRACT DATE: 01/04/17
BAC RMRKS: To Court PRICE CHG TIMESTAMP: 01/04/17
DUAL/VARI COMP?: No LIST AGMT: Exclusive Right To Sell STATUS CHG TIMESTAMP: 01/04/17
LEASE CONSIDERED?: No LIST SERVICE: Full Service MOD TIMESTAMP: 01/06/17
CURRENT FINANCING: AD NUMBER: EXPIRED DATE:
POSSESSION: DISCLOSURES: Bankruptcy PURCH CONTRACT DATE:
SIGN ON PROPERTY?: VOW, AVM?/COMM?: Yes/Yes ENDING DATE:
INTERNET?/ADDRESS?: Yes/Yes

CONTINGENCY:
PRIVATE REMARKS: SUBJECT TO BANKRUPTCY COURT APPROVAL. SOLD AS IS. TO SHOW, GO DIRECT. SUPRA LOCKBOX ON FRONT DOOR. NO COURT DATE UNTIL AN ACCEPTED OFFER REMOVES ALL CONTINGENCIES. EMAIL OFFER WITH PROOF OF FUNDS AND PREAPPROVAL (IF APPLICABLE) TO thombluemel@yahoo.com. PROPERTY IS CO-LISTED WITH BILL FRIEDMAN, COLDWELL BANKER. SEE SUPPLEMENT FOR BRIEF EXPLANATION OF BANKRUPTCY SALE PROCESS. THIS IS NOT A BANK-OWNED PROPERTY.

SHOWING INFORMATION

 SHOW INSTRUCTIONS: Go LOCK BOX LOCATION: OCCUPANT TYPE: Vacant
SHOW CONTACT TYPE: Agent direct. Property is vacant. FRONT DOOR OWNER'S NAME:
SHOW CONTACT NAME: SUPRA lockbox on front door. LOCK BOX TYPE: Supra
SHOW CONTACT PH: No keys to any other doors.
Please be sure to lock up when leaving.

DIRECTIONS: E/ Fullerton Rd S/ Colima

AGENT / OFFICE

CONTACT PRIORITY

LA: (A32019) Thomas Bluemel LA State License: 00836974 1.LA CELL: 626-818-1137
CoLA: CoLA State License: 2.LA TEXT: 626-818-1137
LO: (3102) Coldwell Banker Arcadia LO State License: 3.LA TEXT: 626-818-1137
LO PHONE: 626-445-5500 LO FAX: 626-447-0388 4.LA EMAIL: thombluemel@yahoo.com
CoLO: CoLO State License: 5.LA EMAIL: thombluemel@yahoo.com
CoLO PHONE: CoLO FAX: 6.LA EMAIL: thombluemel@yahoo.com

PHOTOS

Click Arrow to display Photos

If you believe there is a violation on this listing, click here to report the problem.

☐ AGENT FULL: Residential LISTING ID: AR17001805 Printed by JENNY ZHANG, CalBRE: 01854689 on 01/08/2017 1:39:34 PM

Property Type is 'Residential'
Standard Status is 'Active'
Property Sub Type is 'Single Family Residence'
City is 'Rowland Heights'
Ordered by Standard Status, MLS Area Major, Close Price, List Price
Found 67 results in 0.16 seconds.



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ASSOCIATION
OF REALTORS®

Doc 333 Filed 02/13/17 Entered 02/13/17 16:16:53 Desc
Main Document Page 95 of 108
**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. 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.

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. An agent acting only for a Buyer has the following affirmative obligations:

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. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

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 ☐ Seller ☐ Landlord ☐ Tenant Xiao Tong Lu Date 01/08/2017
Litchi LLC

☐ Buyer ☐ Seller ☐ Landlord ☐ Tenant _____ Date _____

Agent I R N Realty BRE Lic. # 01525352
Real Estate Broker (Firm)

By Jenny Zhang BRE Lic. # 01854689 Date 01/08/2017
(Salesperson or Broker-Associate) Jenny Zhang

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. If the same form is used, Seller may sign here:

Seller/Landlord _____ Date _____ Seller/Landlord _____ Date _____

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AD REVISED 12/14 (PAGE 1 OF 2)

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

Phill Bouchereau Realty, 574 S. Barranca Ave. Covina, CA 91723 Phone: 626-915-3494 Fax: 909-612-7184 Litchi LLC
Jenny Zhang Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 www.zipLogix.com

Reviewed by _____ Date _____



CIVIL CODE SECTIONS 2079.24 (2079.16 APPEARS ON 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 ☐ both the buyer and seller.

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

(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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AD REVISED 12/14 (PAGE 2 OF 2)

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

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Litchi LLC



CALIFORNIA
ASSOCIATION
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**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.

Seller _____	Date _____
Seller _____	Date _____
Buyer <u>Xiao Jiny Lu</u>	<u>Litchi LLC</u> Date <u>01/08/2017</u>
Buyer _____	Date _____
Real Estate Broker (Firm) <u>Coldwell Banker Arcadia</u>	CalBRE Lic # _____ Date _____
By <u>Thomas bluemel</u>	CalBRE Lic # <u>00836974</u> Date _____
Real Estate Broker (Firm) <u>IRN-Realty</u>	CalBRE Lic # <u>01525352</u> Date <u>01/08/2017</u>
By <u>Jenny Zhang</u>	CalBRE Lic # <u>01854689</u> Date <u>01/08/2017</u>

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PRBS 11/14 (PAGE 1 OF 1)

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

Phill Bouchereau Realty, 574 S. Barranca Ave. Covina, CA 91723
Jenny Zhang

Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 www.zipLogix.com

Phone: 626-915-3494

Fax: 9096127184

Litchi LLC

COUNTER-OFFER

This agreement ("Agreement" or "Counter-Offer") is intended to set forth the terms and conditions of a contract for the purchase by and sale to Litchi, LLC (the "Buyer") from Liberty Asset Management Corporation as successor to RH Investments, LLC (the "Seller"), of the real property commonly known as 1916 Los Padres Drive, Rowland Heights, California (the "Property"). When executed below, this Agreement will constitute conclusive evidence and the exclusive terms and conditions of the contract for such purchase and sale (the "Sale") of the Property and will supersede and replace in its entirety the Purchase Agreement and Joint Escrow Instructions dated January 8, 2017 (the "Offer") and any oral or written negotiations since then.

PURCHASE PRICE; DEPOSIT; ESCROW. The purchase price for the Property shall be \$460,000 ("Purchase Price"). Buyer shall make an initial deposit of \$46,000 (the "Initial Deposit") in the form of cashier's check or wire transfer made payable and delivered to A & A Escrow, Beverly Hills, California within two (2) business days of acceptance of this Counter-Offer by Buyer, Seller's execution of the Affirmation Agreement in the form attached hereto as Exhibit "A", and Buyer's receipt of a copy of the fully executed Counter-Offer and the Affirmation Agreement. Buyer shall deliver to Seller, within two (2) days of mutual agreement upon this Counter-Offer, proof of committed funds available to Buyer sufficient to enable Buyer to consummate the acquisition contemplated herein, which proof shall be in the form of a letter of credit; loan commitment or other form acceptable to Seller in Seller's sole discretion. In the event that either (i) Buyer fails timely to provide any such proof, or (ii) Seller determines, in Seller's sole discretion, that any proof of funds provided to Seller by Buyer is unacceptable, Seller shall have the right, at Seller's option, to provide written notice to Buyer that this Counter-Offer is terminated. In the event that Seller exercises such termination right, this Counter-Offer shall terminate effective as of the date of Seller's written notice to Buyer, whereupon the Initial Deposit (if theretofore deposited with the Escrow Holder) shall be returned to Buyer and Buyer and Seller shall each be relieved of any further obligation hereunder.

Escrow instructions corresponding to the terms of this Agreement shall be provided by the Escrow Holder and signed by the parties within five (5) business days of the date of Buyer's and Seller's receipt of said escrow instructions. Buyer and Seller shall deposit such documents and instruments with the Escrow Holder as and when reasonably required to complete the sale. Buyer shall be free to assign this Agreement to another person or entity ("Assignee") subject to Seller's prior review and written approval (which approval Seller may grant or withhold in its sole discretion), but Buyer shall remain liable hereunder, together with such Assignee, in the event that such Assignee fails to perform any of Buyer's obligations hereunder.

1. **BUYER'S DUE DILIGENCE; CANCELLATION RIGHT.** Buyer shall have ten (10) calendar days from the date of execution hereof to perform, complete, and satisfy all contingencies, appraisal, inspections, investigations, tests and reviews of reports, and to complete all due diligence which the Buyer desires for this Sale of the Property, including, but not limited to and performing and completing any geological, soil, structural, environmental, or other tests, inspections, and investigations desired by Buyer. Buyer may, not later than the end of that period, give Seller written notice of Buyer's election to withdraw from this Agreement because of Buyer's inability to complete or dissatisfaction with the results of any of those matters ("Notice of Cancellation"), in which event Buyer's and Seller's

obligations under this Agreement shall be terminated and Buyer shall receive a full refund of Buyer's deposit. If Buyer fails to give such Notice of Cancellation as within such period, all such contingencies shall be automatically removed and Buyer's obligation to proceed shall be non-contingent except as provided herein for, (i) Buyer's review of a preliminary report and underlying documents respecting the title to the Property (as set forth in Paragraph 2), and (ii) Bankruptcy Court approval of this Agreement and the Sale (including as set forth in Paragraph 6).

2. TITLE; TITLE INSURANCE. Within three (3) business days after acceptance of this Counter Offer, Title 365 (the "Title Company") or title company of Seller's choice will be instructed to provide a preliminary report of the condition of title to the Property, including copies of underlying documents referred to in Schedule B thereof, for Buyer's review. Buyer may, not later than the end of the period in Paragraph 2, or until three (3) days after receipt of the preliminary report and underlying documents, whichever occurs later, in which to give Seller written notice ("Notice of Title Disapproval") that Buyer disapproves the condition of title with respect to a material matter(s) that interfere with the use of the Property for the purpose for which it is currently used or intended to be used. Such notice must refer to the specific exception(s) in Schedule B of the preliminary report and the specific underlying document(s) which are the basis for Buyer's disapproval. Within five (5) business days after receipt of such notice, Seller may, in Seller's sole discretion, either (i) cancel this Agreement and the sale, in which event Buyer's and Seller's obligations under this Agreement shall be terminated and Buyer shall receive a full refund of Buyer's deposit, or (ii) elect to correct the item(s) that were disapproved by Buyer, in which event the sale shall proceed. Seller may correct such item by any means that will result in the Title Company either removing the disapproved exception(s) from the preliminary report or providing title insurance coverage by endorsement against such exception(s). At the close of the sale, Seller shall convey and Buyer shall accept title to the Property as shown in Schedule B of the preliminary report, subject to any corrections as in this paragraph above, free and clear of all monetary liens, subject to the terms of the within contract. Seller shall pay the costs of a CLTA Standard Owner's policy of title insurance.

3. REMOVAL OF CONTINGENCIES; COURT CONFIRMATION; CLOSING; DELIVERY OF POSSESSION. If Buyer does not give Seller written Notice of Cancellation as and when provided in Paragraph 1, or Notice of Title Disapproval as and when provided in Paragraph 2, Buyer's silence shall be deemed acceptance and Buyer shall be deemed to have satisfied and removed all of Buyer's contingencies and to proceed with the Sale. Seller shall then file a motion with the Bankruptcy Court to confirm this sale. Upon such removal of contingencies, Buyer shall be unconditionally obligated to proceed with the sale, subject only to Bankruptcy Court confirmation as set forth below. If the Bankruptcy Court confirms the sale to Buyer, the closing shall take place as soon as practicable after entry of the order approving the sale, but no later than the first business day after fourteen (14) calendar days following the entry of court order approving sale. The closing shall occur on the date the deed transferring the Property to Buyer is recorded with the County Recorder where the Property is located. Occupancy shall be delivered to Buyer upon Escrow Holder's confirmation of recording.

4. BANKRUPTCY SALE. Buyer acknowledges that Seller is a debtor in possession in a pending Chapter 11 bankruptcy case and that this transaction requires approval of the Bankruptcy Court presiding over Seller's bankruptcy case. Seller and Brokers and agents have not and will not determine the condition or fitness for use of the Property for any particular purpose. The sale shall be "as is," "where is," "with all faults," and with no warranty by or recourse whatsoever to Seller or Brokers or agents herein. Transfer of the Property shall be by Quit Claim Deed.

5. **TAXES; PRORATIONS; COSTS OF SALE.** All real property taxes and assessments for the current tax year shown in the current County Tax Bill shall be prorated between Seller and Buyer and charged as of the closing date to the applicable accounts of Seller and Buyer. The sale shall be free and clear of any homeowner's association assessments and all real property taxes (other than those prorated as provided above) enforceable against the Property through the closing date of the sale. Escrow fees shall be split between Buyer and Seller in the manner customary in the County where the Property is located. Seller shall pay any real property transfer tax. Seller shall pay the cost of a Natural Hazard Disclosure Report, from a vendor selected by Seller, to be furnished to Buyer through escrow. Buyer shall pay and have sole responsibility for compliance with any requirements imposed on the Property or this sale by any governmental agency(ies), including compliance with any applicable governmental retrofit requirements. Buyer shall pay the cost of recording the deed. Buyer and Seller shall each pay their own expenses of every other type except as specifically provided in this Agreement.

6. **BANKRUPTCY COURT APPROVAL; OVERBIDDING.** The sale is subject to notice to creditors, approval by the Bankruptcy Court, and higher and better bids received by Seller through and including the Bankruptcy Court hearing to confirm the sale. Payment of any and all real estate brokers' commissions is also subject to notice to creditors and approval by the Bankruptcy Court. Buyer acknowledges and agrees that Seller may not seek to obtain the Bankruptcy Court's approval if Seller has determined that it would be in the best interest of the bankruptcy estate not to do so.

7. **BROKERS.** Seller is represented by Coldwell Banker. Buyer is represented by IRN Realty. Subject to Bankruptcy Court approval, Seller will pay a real estate broker's commission aggregating 6% of net sales price of the Property to the Brokers as follows: 3% to Coldwell Banker and 3% to IRN Realty in connection with the closing of this sale. All such Brokers and agents are collectively referred to herein as the "Brokers." No commission or compensation shall be due or payable to Brokers in connection with this Agreement or sale except from the cash proceeds of an actual Sale of the Property that closes to Buyer. Buyer hereby represents and warrants that, other than the Brokers, Buyer has not dealt with any broker, finder or other person entitled to any fee, commission or other compensation in connection with the Sale and Buyer shall indemnify, defend and protect and hold Seller and the related bankruptcy estate harmless of, from and against any claims, demands, actions, causes of action, losses, liabilities and costs and expenses (including, without limitation, all court costs and reasonable attorneys' fees) as Seller may suffer or incur in the event that any claims for any such fees, commissions or other compensation of any kind are hereafter asserted.

8. **MATERIAL CHANGE OF CONDITION.** In the event of any material change in the condition of the Property after the date of acceptance of this Counter-Offer, if Buyer demands repair of any resulting actual damage to the Property, Seller may, at Seller's sole option: (a) elect to terminate this Agreement, in which event Buyer's and Seller's obligations to buy or sell shall terminate and the full Deposit shall be refunded to Buyer; or (b) make required repairs at the bankruptcy estate's expense; or (c) assign any insurance proceeds for the damage to the Property to Buyer as of the close of the sale; or (d) credit the cost of such repairs to Buyer through escrow, it being agreed that in the event that Seller elects and complies with subpart 9(b), (c) or (d), Buyer's obligation to proceed with the Sale shall be unaffected by any such material change in the condition of the Property.

9. REMEDY FOR BUYER'S OR SELLER'S FAILURE TO CLOSE. Buyer's sole remedy in the event that the sale fails to close as a result of Seller's inability or failure to close for any reason, including but not limited to the reason of failure to obtain approval of the sale by the Bankruptcy Court, shall be the mutual release of Buyer's and Seller's obligations to buy or sell and a full refund of the Deposit (plus any increase thereof by Buyer). In the event Buyer fails to close the sale for any reason other than Seller's default, after Buyer's contingencies have been removed as under Paragraphs 2 and 3, Buyer's Deposit (plus any increase, thereof by Buyer) shall be paid over to Seller and retained by Seller as liquidated damages without further legal action. If the Property is a dwelling with no more than four units, one of which Buyer intends to occupy, then the amount retained shall be no more than three percent of the Purchase Price. This provision shall apply equally to the Deposit (and any increase, thereof by Buyer).

Lu [Buyer's Initials]

10. BANKRUPTCY COURT JURISDICTION. The U.S. Bankruptcy Court for the Central District of California shall have sole and exclusive jurisdiction to interpret and enforce the terms of this Agreement and Buyer hereby consents and submits to such exclusive jurisdiction. This Agreement shall be interpreted and enforced pursuant to the laws of the United States of America including the Bankruptcy Code, Title 11, United States Code.

11. "AS-IS," "WHERE-IS" CONDITION; NO WARRANTIES. Buyer acknowledges and agrees that, to the maximum extent permitted by law, the sale contemplated by this Agreement is made "as-is," "where-is," and "with all faults," except as specifically provided in this Agreement. Seller and Brokers and agents herein have not made, do not make, and specifically negate and disclaim any representations, warranties, promises, covenants, agreements, or guaranties of any kind or character whatsoever, whether express or implied, oral or written, concerning or respecting (i) value of the Property; (ii) income to be derived from the Property; (iii) suitability of the Property, or lack thereof for any activity or use which Buyer may intend to conduct thereon, including any possibilities or limitations for future development; (iv) habitability, merchantability, marketability, profitability, or fitness for a particular purpose, of the Property, or lack thereof; (v) manner, quality, state of repair, or lack of repair of the Property; (vi) nature, quality, or condition of the Property, or any portion, system, or component thereof, including without limitation, water, soil, and geology; (vii) compliance of the Property or its operation, or lack thereof, with any laws, ordinances, regulations, rules, or orders of any applicable governmental authority or body; (viii) manner or quality of engineering, design, construction or materials, if any, incorporated into the Property; (ix) compliance or lack of compliance with any land use, building and safety, or other laws, ordinances, regulations, rules, orders, or other requirements imposed or enforced by any governmental or non-governmental body, including without limitation the Americans with Disabilities Act of 1990; (x) the presence or absence at, on, under, or adjacent to the Property, of materials described as "hazardous substances, hazardous materials, or toxic substances" or by similar terms under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S. Code §§9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S. Code §§1801, et seq.), the Resource Conservation and Recovery Act (42 U.S. Code §§6901, et seq.), the Toxic Substance Control Act (15 U.S. Code §2601, et seq.), the Clean Water Act (33 U.S. Code §1251, et seq.), California Health and Safety Code §25117 or 25316), or other statutes and laws, all as amended and including all regulations issued thereunder; (xi) the content,

completeness or accuracy of any Due Diligence materials or Preliminary Report regarding Title to the Property; (xii) the conformity or lack of conformity of the improvements to any plans or specifications for the Property, including any plans and specifications that may have been or may be provided to Buyer; (xiii) the conformity or lack of conformity of the Property to past, current, or future applicable zoning or building requirements; (xiv) any deficiency of any undershoring, drainage, or other aspects, systems, or components of or affecting the Property; (xv) the fact, if applicable, that all or a portion of the Property may be located on or near any natural hazard zone as determined by any governmental agency or body; (xvi) the existence of vested land use, zoning, or building entitlements affecting the Property or any other property; or (xvii) any other matter. Without in any manner limiting the foregoing, Buyer hereby acknowledges and agrees that (i) Seller's Broker, has provided (and will hereafter provide) to Buyer various materials and information relating to the Property, including, without limitation, information and materials relating to the condition of the Property, and (ii) all such materials and information so provided to Buyer by Seller's Broker shall, for all purposes of this Agreement, be deemed to have been disclosed to Buyer by the Seller, as well.

12. **BROKERS.** Brokers and agents herein have not and will not perform any inspections, investigations, or due diligence on behalf of Buyer unless otherwise specified herein. Buyer is informed that Buyer must arrange for any inspections and investigations desired by Buyer utilizing suitable third party professionals selected and compensated by Buyer. In no event shall Seller have any liability or responsibility for any representation, warranty, statement made, or information furnished by Brokers or agents herein, or any other person or entity, concerning the Property, this Agreement, or any other matter, unless expressly set forth in writing and signed personally by Seller.

13. **OPPORTUNITY TO INSPECT; BUYER'S SOLE RELIANCE.** Buyer represents, warrants, acknowledges, and agrees that Buyer has been given the opportunity to inspect and investigate the Property and all other facts and circumstances deemed by Buyer relevant and significant, and to review information and documentation affecting the Property. In deciding to proceed with the sale, Buyer is relying solely on Buyer's own inspections and investigation of the Property (including by any outside professionals whom Buyer has elected to engage for such services) and review of such information and documentation, and not on any information provided or to be provided by Seller. Buyer further acknowledges and agrees that any information made available to Buyer or provided or to be provided by or on behalf of Seller with respect to the Property was obtained from a variety of sources and that neither Seller nor the Brokers and agents herein nor any other person has made or makes any representations as to the accuracy or completeness of such information. Buyer hereby fully and irrevocably releases all such sources and preparers of information and documentation affecting the Property which were retained or engaged by Seller or Brokers or agents from any and all claims that Buyer may now or hereafter have against such sources and preparers of information, for any costs, expenses, losses, liabilities, damages, demands, actions, or causes of action arising from any such information or documentation. **NEITHER SELLER NOR BROKERS HAVE PROVIDED OR WILL PROVIDE ANY LEGAL OR TAX ADVICE TO BUYER.** Buyer is informed that Buyer must obtain any such advice, if desired by Buyer, from independent professionals selected and engaged by Buyer.

14. PHYSICAL, GEOLOGICAL, PEST CONTROL, AND ENVIRONMENTAL INSPECTIONS AND INVESTIGATIONS.

A. BUYER SHALL CONDUCT THOROUGH PHYSICAL, GEOLOGICAL, PEST CONTROL, AND ENVIRONMENTAL INSPECTIONS AND INVESTIGATIONS OF THE PROPERTY AS MAY BE DETERMINED BY BUYER, THROUGH QUALIFIED PROFESSIONALS SELECTED BY BUYER. Seller and Brokers and agents herein strongly recommend that Buyer fully exercise and not waive such inspections and investigations.

B. Buyer shall select and employ, at Buyer's expense, a licensed engineer(s), architect(s), contractor(s), geologist(s), pest control licensee(s), environmental consultant(s), or other qualified professional(s) to make inspection(s) and investigations of the Property, including, but not limited to, (i) its general structure, plumbing, heating, air conditioning (if any), electrical system, built-in appliances, cesspool/sewer/septic system, well, roof, soils, foundation, mechanical systems, pool, spa, related equipment and filters, sprinklers, and those other matters affecting the desirability of the Property (all if and only to the extent any such structures, systems, and components are presently a part of the Property); (ii) any actual or potential wood destroying pests or other conditions damaging to the Property or any portion thereof; (iii) environmental hazards, substances, products, or conditions, including without limitation, asbestos, formaldehyde, lead, lead-based paint, contaminated soil or water, fuel, chemical storage tanks, hazardous waste, electromagnetic fields, and radon gas, any of which may constitute a health risk; (iv) the presence or absence of any required governmental permits, inspections, applications, approvals, and certificates of occupancy, and compliance or lack of compliance with building codes and laws applicable to the Property; (v) plans and specifications for the Property; (vi) all applicable zoning, municipal, county, state, and federal, including those affecting the past, current, or any future use of the Property; (vii) deed restrictions and other matters of public record which may govern, restrict, condition, or prohibit the use, alteration, or development of the Property; and (viii) generally, without limitation, any and all other items and matters of whatsoever nature, character, or description, which Buyer deems material to Buyer's interests, in, on, or affecting the Property; and to approve or disapprove said inspection within the period and in the manner set forth in this agreement.

15. COMPLETE AGREEMENT; NO OTHER REPRESENTATIONS OR WARRANTIES. Seller shall not be liable or bound in any manner by any oral or written statements, representations, or information pertaining to the Property or the operation thereof, furnished by any real estate broker, agent, employee, contractor, or other person. Buyer further acknowledges and agrees Seller has no obligations to make repairs, replacements or improvements except as may otherwise be expressly stated herein. Without limiting any other provision hereof, Buyer represents, warrants and covenants to Seller that, except for Seller's express representations and warranties specified in this Agreement, Buyer is relying solely upon Buyer's own investigation of the Property.

16. WRITTEN AFFIRMATION OF SELLER REQUIRED. Buyer understands that Seller may continue to receive and respond to other offers on the Property and may be making several Counter-Offer concurrently containing the same or different terms. This Counter-Offer shall not be

binding until accepted by Buyer and executed by Buyer and Seller on the signature page below; and then approved by Seller, in Seller's sole discretion, in the form of the Seller's Affirmation of Agreement attached hereto as Exhibit "A" which, if so executed by Seller, will constitute Seller's agreement that Seller will sell the Property to Buyer, subject to Bankruptcy Court approval, the rights of any overbidding parties, and the terms and conditions of this Agreement. Buyer further acknowledges that it would be imprudent and unrealistic to rely upon the expectation of entering into a binding agreement regarding the subject matter of this Counter-Offer prior to receipt of Seller's Affirmation of Agreement, and further represents to Seller that any efforts to complete due diligence, to negotiate or obtain financing, or to perform any of the obligations provided herein shall not be considered as evidence of binding intent without Seller's Affirmation of Agreement, and understands that BUYER'S ACCEPTANCE HEREOF SHALL HAVE NO FORCE OR EFFECT PRIOR TO BUYER'S RECEIPT OF SUCH AFFIRMATION OF AGREEMENT SIGNED BY SELLER.

17. ATTORNEYS' FEES. In the event that either party hereto brings an action or other proceeding to enforce or interpret the terms and provisions of this Agreement, the prevailing party in that action or proceeding shall be entitled to have and recover from the non-prevailing party all such fees, costs and expenses (including, without limitation, all court costs and reasonable attorneys' fees) as the prevailing party may suffer or incur in the pursuit or defense of such action or proceeding.

18. EXPIRATION OF COUNTER-OFFER. This Counter-Offer shall expire if not accepted by Buyer by delivering a copy hereof, fully signed and initialed by Buyer, to Seller on or before close of business January 10, 2017. Such acceptance shall nevertheless be subject to Paragraph 16.

AGREED AND ACCEPTED:

"BUYER"

Dated: January __, 2017

By: _____

Litchi, LLC

"SELLER" (subject to Paragraph 16)

Dated: January 9, 2017

By: _____

Lawrence Perkins

Liberty Asset Management Corporation,
Debtor and Debtor in Possession

EXHIBIT "A"

SELLER'S AFFIRMATION OF AGREEMENT

Seller hereby acknowledges Buyer's acceptance of the foregoing Counter-Offer and affirmatively agrees to sell the Property to Buyer on the terms and conditions of the foregoing Agreement, but subject to Bankruptcy Court approval and rights any of overbidders. Seller shall revoke any other outstanding Counter-Offer made to other prospective buyers or make the same subject and subordinate to this agreement.

"SELLER"

Dated: _____

By: _____
Lawrence Perkins
Liberty Asset Management Corporation
Debtor and Debtor in Possession



CALIFORNIA
ASSOCIATION
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CONTINGENCY REMOVAL No. 1
(C.A.R. Form CR, Revised, 6/16)

In accordance with the terms and conditions of the: ☒ Residential Purchase Agreement (C.A.R. Form RPA-CA), ☐ Request For Repair (C.A.R. Form RR), ☐ Response And Reply To Request For Repair (C.A.R. Form RRRR) or ☐ Other _____

dated 01/08/2017, on property known as 1916 Los Padres Dr, Rowland Heights, CA 91748-3657 ("Agreement"),
between Litchi LLC ("Property"),
and Liberty Asset Management Corp. ("Buyer"),
("Seller").

I. BUYER REMOVAL OF BUYER CONTINGENCIES:

1. With respect to any contingency and cancellation right that Buyer removes, unless otherwise specified in a separate written agreement between Buyer and Seller, Buyer shall conclusively be deemed to have: (i) completed all Buyer Investigations and review of reports and other applicable information and disclosures; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and, expense, if any, for Repairs, corrections, or for the inability to obtain financing. Waiver of statutory disclosures is prohibited by law.

2. Buyer removes those contingencies specified below.

A. ONLY the following individually checked Buyer contingencies are removed:

1. ☐ Loan (Paragraph 3J)
2. ☐ Appraisal (Paragraph 3I)
3. ☐ Buyer's Physical Inspection (Paragraph 12)
4. ☐ All Buyer Investigations other than a physical inspection (Paragraph 12)
5. ☐ Condominium/Planned Development (HOA or OA) Disclosures (Paragraph 10F)
6. ☐ Reports/Disclosures (Paragraphs 7 and 10)
7. ☐ Title: Preliminary Report (Paragraph 13)
8. ☐ Sale of Buyer's Property (Paragraph 4B)
9. ☐ Review of documentation for leased or lien items (Paragraph 8B(5))
10. ☐ Other: _____
11. ☐ Other: _____

OR B. ☒ ALL Buyer contingencies are removed, EXCEPT: ☐ Loan Contingency (Paragraph 3J); ☐ Appraisal Contingency (Paragraph 3I); ☐ Contingency for the Sale of Buyer's Property (Paragraph 4B); ☐ Condominium/Planned Development (HOA) Disclosures (Paragraph 10F); ☐ Other _____

OR C. ☐ BUYER HEREBY REMOVES ANY AND ALL BUYER CONTINGENCIES.

3. Once all contingencies are removed, whether or not Buyer has satisfied him/herself regarding all contingencies or received any information relating to those contingencies, Buyer may not be entitled to a return of Buyer's deposit if Buyer does not close escrow. This could happen even if, for example, Buyer does not approve of some aspect of the Property or lender does not approve Buyer's loan.

NOTE: Paragraph numbers refer to the California Residential Purchase Agreement (C.A.R. Form RPA-CA). Applicable paragraph numbers for each contingency or contractual action in other C.A.R. contracts are found in Contract Paragraph Matrix (C.A.R. Form CPM).

Buyer Litchi LLC Date 01/20/2017

Buyer _____ Date _____

II. SELLER REMOVAL OF SELLER CONTINGENCIES: Seller hereby removes the following Seller contingencies:

- ☐ Finding of replacement property (C.A.R. Form SPRP); ☐ Closing on replacement property (C.A.R. Form SPRP)
☐ Other _____

Seller _____ Date _____

Liberty Asset Management Corp.

Seller _____ Date _____

(_____/_____) (Initials) **CONFIRMATION OF RECEIPT:** A copy of this signed Contingency Removal was personally received by ☐ Buyer ☐ Seller or authorized agent on _____ (date), at _____ ☐ AM / ☐ PM.

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THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS®. NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ACCURACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.



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REAL ESTATE BUSINESS SERVICES, INC.
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Reviewed by _____ Date _____

CR REVISED 6/16 (PAGE 1 OF 1)

CONTINGENCY REMOVAL (CR PAGE 1 OF 1)



Phil Bouchereau Realty, 574 S. Barranca Ave., Covina, CA 91723
Jenny Zhang

Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 www.zipLogix.com

Phone: 626-915-3494

Fax: 9096127184

Litchi LLC

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: 10250 Constellation Boulevard, Suite 1700, Los Angeles, CA 90067

A true and correct copy of the foregoing document entitled: **DEBTOR'S MOTION FOR ENTRY OF AN ORDER (1) AUTHORIZING SALE OF RESIDENTIAL REAL PROPERTY FREE AND CLEAR OF CERTAIN LIENS, CLAIMS AND INTERESTS; (2) APPROVING PROPOSED OVERBID PROCEDURES; (3) AUTHORIZING PAYMENTS OF COSTS OF SALE AND COMMISSION OUT OF SALE PROCEEDS; (4) FINDING THAT BUYER IS GOOD FAITH PURCHASER UNDER 11 U.S.C. § 363(m); AND (5) AUTHORIZING REPRESENTATIVE OF DEBTOR TO EXECUTE QUITCLAIM DEED TRANSFERRING PROPERTY FROM RH INVESTMENT LLC TO THE DEBTOR; MEMORANDUM OF POINTS AND AUTHORITIES; DECLARATIONS OF THOMAS B. BLUEMEL, LAWRENCE PERKINS AND DAVID B. GOLUBCHIK 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 **February 13, 2017**, 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:

- Robert S Altagen rsaink@earthlink.net
- Kyra E Andrassy kandrassy@swelawfirm.com, csheets@swelawfirm.com;gcruz@swelawfirm.com;hdavis@swelawfirm.com
- Alexandre I Cornelius aicornelius@costell-law.com, ssaad@costell-law.com;mharris@costell-law.com;jstambaugh@costell-law.com;ladelson@costell-law.com;jlcostell@costell-law.com
- William Crockett wec@weclaw.com, ksa@weclaw.com
- Lei Lei Wang Ekvall lekvall@swelawfirm.com, csheets@swelawfirm.com;gcruz@swelawfirm.com;hdavis@swelawfirm.com
- Julie A Esposito cesarjuliem@yahoo.com, sensberg@aol.com
- John D Fiero jfiero@pszjlaw.com, ocarpio@pszjlaw.com
- Sandford Frey sfrey@leechtishman.com, knielsen@leechtishman.com
- John-Patrick M Fritz jpf@lnbyb.com, JPF.LNBYB@ecf.inforuptcy.com
- Barry S Glaser bglaser@swesq.com, erhee@swesq.com
- David B Golubchik dbg@lnbyb.com, dbg@ecf.inforuptcy.com
- Gail S Greenwood gggreenwood@pszjlaw.com, efitzgerald@pszjlaw.com
- Irving M Gross img@lnbyb.com, john@lnbyb.com
- David S Henshaw david@henshawlaw.com, info@henshawlaw.com
- Gregory K Jones GJones@dykema.com, CAcossano@dykema.com;DocketLA@dykema.com
- Eve H Karasik ehk@lnbyb.com
- Jeffrey S Kwong jsk@lnbyb.com, jsk@ecf.inforuptcy.com
- Ian Landsberg ian@landsberg-law.com, casey@landsberg-law.com;lisa@landsberg-law.com;diana@landsberg-law.com;yesi@landsberg-law.com;ilandsberg@ecf.inforuptcy.com
- Robert S Lawrence rlawrence@callahan-law.com, mwalters@callahan-law.com
- Patricia H Lyon phlyon@frenchlyontang.com, mwoodward@frenchlyontang.com
- Daniel J McCarthy dmccarthy@hillfarrer.com, spadilla@hillfarrer.com;docket@hillfarrer.com
- David W. Meadows david@davidwmeadowslaw.com
- Kelly L Morrison kelly.l.morrison@usdoj.gov
- Charles Alex Naegele alex@canlawcorp.com, alexnaegelelaw@gmail.com
- Victoria Newmark vnewmark@pszjlaw.com
- Laura Palazzolo laura.palazzolo@berliner.com, sabina.hall@berliner.com

- Uzzi O Raanan uor@dgdk.com, DanningGill@gmail.com;uraanan@ecf.inforuptcy.com
- Jeremy V Richards jrichards@pszjlaw.com,
bdassa@pszjlaw.com;imorris@pszjlaw.com
- Mark Romeo romeolaw@msn.com
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- Lindsey L Smith lls@lnbyb.com, lls@ecf.inforuptcy.com
- David A Trinh dtrinh@trinhlawfirm.com, kim@trinhlawfirm.com
- United States Trustee (LA) ustpreion16.la.ecf@usdoj.gov
- Scott L Whitman slw@mwlegal.com, holly@mwlegal.com
- James S Yan jsyan@msn.com

2. SERVED BY UNITED STATES MAIL: On February 13, 2017, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Thomas B. Bluemel
Cal BRE #00836974
Coldwell Banker Residential Real Estate
15 E. Foothill Blvd.
Arcadia, CA 91006

Jenny Zhang
IRN Realty
556 W. Las Tunas Dr. # 101
Arcadia, CA 91007

☐ 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 February 13, 2017, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Served via Attorney Service

Hon. Thomas B. Donovan
United States Bankruptcy Court
Edward R. Roybal Federal Building
255 E. Temple Street, Ctrm 1345
Los Angeles, CA 90012

Served via Overnight Mail

Lucy Gao
3218 E Holt Ave #210
West Covina, CA 91791

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

February 13, 2017

Stephanie Reichert

/s/ Stephanie Reichert

Date

Type Name

Signature