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6
7 **UNITED STATES BANKRUPTCY COURT**
8 **CENTRAL DISTRICT OF CALIFORNIA**
9 **LOS ANGELES DIVISION**

9 In re) Case No. 2:16-bk-13575-ER
10 LIBERTY ASSET MANAGEMENT) Chapter 11
CORPORATION)
11 Debtor and Debtor in Possession.) **DEBTOR’S MOTION FOR ORDER (A)**
12) **APPROVING BIDDING PROCEDURES**
13) **FOR SALE OF REAL PROPERTY AND**
14) **IMPROVEMENTS AND ASSUMPTION**
15) **AND ASSIGNMENT OF LEASE; (B)**
16) **APPROVING SALE OF PROPERTY**
17) **FREE AND CLEAR OF LIENS, CLAIMS**
18) **AND INTERESTS; (C) APPROVING**
19) **ASSUMPTION AND ASSIGNMENT OF**
20) **EXISTING LEASE; AND (D) GRANTING**
21) **RELATED RELIEF; MEMORANDUM OF**
22) **POINTS AND AUTHORITIES;**
23) **DECLARATIONS OF LAWRENCE**
24) **PERKINS; LULU KNOWLTON AND**
25) **YIYAN FU IN SUPPORT THEREOF**

26)
27) Hearing
Date: October 3, 2017
Time: 11:00 a.m.
Place: Courtroom 1568
255 E. Temple Street
Los Angeles, CA

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1 **PLEASE TAKE NOTICE** that, on October 3, 2017 at 11:00 a.m., before the Honorable
2 Ernest Robles, United States Bankruptcy Judge, Liberty Asset Management Corporation
3 (“Debtor”), debtor and debtor in possession in the above-captioned, chapter 11 bankruptcy case,
4 will move the Bankruptcy Court for an order (a) approving bidding procedures for sale of real
5 property and improvements and assumption and assignment of lease; (b) approving sale of
6 property free and clear of liens, claims and interests; (c) approving assumption and assignment of
7 existing lease; and (d) granting related relief (the “Sale Motion”).

8 In summary, the Debtor’s estate owns that certain real property and improvements
9 located at (i) 1020 S. Baldwin Avenue, Arcadia, CA (APN 5778-006-010) (the “Baldwin
10 Property”) and (ii) 652 Fairview Avenue, Arcadia, California (APN 5778-006-005) (the
11 “Fairview Property” and collectively with the Baldwin Property, the “Property”). The Property
12 is improved by a bowling alley, which is leased to a third party (“Existing Lease”). The Debtor
13 collects rental income.

14 The Debtor commenced marketing the Property in 2016. After extensive marketing
15 efforts, the Debtor entered into an agreement to sell the Property, and assume and assign the
16 lease, to TT Investment Los Angeles Fund I, LLC (“TT”) for \$13.5 million. In connection with
17 the purchase, TT deposited \$405,000 into escrow. TT also held a second priority security
18 interest in the Property to secure an alleged obligation asserted to be over \$900,000.

19 After an opportunity for overbid, a sale hearing was held on November 4, 2016, at which
20 time TT was determined to be the successful bidder. An order approving the sale was entered on
21 November 9, 2016 [Doc No. 276] and the deposit of \$405,000 became nonrefundable. For
22 unknown reasons, TT failed to close the sale transaction. The Debtor took the position that the
23 deposit has been forfeited to the estate and the Debtor is currently in possession of such funds.

24 Since that time, the Debtor continued to market the Property. Unfortunately, the Debtor
25 was not able to obtain interest close to the terms agreed upon with TT. To date, the highest and
26 best offer was received from South Lake 12, LLC (“Buyer”) in the amount of \$10,000,000,
27 including the assumption and assignment of the current lease in effect with respect to the
28 Property. A \$300,000 deposit was made with escrow. Buyer was provided with a due diligence

1 period, which successfully passed. As a result, the Debtor is prepared to proceed with a sale to
2 the Buyer subject to overbid. To avoid the time and delay associated with initially seeking the
3 approval of bid procedures and, subsequently, approval of a sale, the Debtor determined that it
4 would be in the best interest of the estate to seek joint relief in this Motion, as discussed in more
5 detail below.

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

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

11 2. granting the Motion in its entirety;

12 3. approving the proposed bid procedures;

13 4. authorizing the Debtor to sell the Property and improvements to the Buyer (or to
14 a successful overbidder), free and clear of all liens, claims and interests, pursuant to the terms
15 and conditions set forth in the APA with the liens of all asserted secured creditors to attach to
16 the sale proceeds with the same validity and priority as such liens had prepetition, provided that
17 the sale will be subject to the liens of the Los Angeles County Tax Collector relating to unpaid
18 property taxes;

19 5. authorizing the Debtor to assume and assign the Existing Lease to the Buyer (or
20 to a successful overbidder);

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

23 7. Reserving to the Debtor the right to pursue the tenant under the Existing Lease
24 for any unpaid obligations under the Existing Lease which the Debtor may be required to pay,
25 including, without limitation, property taxes;

26 8. authorizing the Debtor to execute and deliver, on behalf of the Estate, any and all
27 documents that may be reasonably necessary to consummate the sale of the Property;

28 9. allowing the Debtor to pay all sale closing costs and undisputed secured claims

1 from the sale proceeds, and authorizing the Debtor to establish an escrow of the sale proceeds
2 in the amount of the disputed secured claims pending further order of this Court;

3 10. waiving the 14-day stay periods set forth in Bankruptcy Rules 6004(h) and
4 6006(d); and

5 11. granting such other and further relief as may be necessary or appropriate under
6 the circumstances.

7 Dated: September 12, 2017 LIBERTY ASSET MANAGEMENT CORPORATION

8 By: /s/ David B. Golubchik
9 DAVID B. GOLUBCHIK
10 JEFFREY S. KWONG
11 LEVENE, NEALE, BENDER, YOO
& BRILL L.L.P.

12 Attorneys for Debtor and Debtor in Possession

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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I.**

3 **STATEMENT OF FACTS**

4 **A. Background.**

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

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

12 3. Prior to cessation of operations, the Debtor was a real estate management
13 company with Benjamin Kirk ("Kirk") as 100% member. The Debtor's mission was to seek out
14 real estate opportunities throughout Northern and Southern California, invest in such
15 opportunities, and manage them.

16 4. Prior to the creation of the Debtor, Mr. Kirk had a personal and professional
17 relationship with Lucy Gao, including a child between them. In the ordinary course of business,
18 the Debtor would identify real estate projects to acquire, the Debtor would fund the acquisition
19 of such properties and a special-purpose entity would be formed to own and operate the
20 properties. Ms. Gao was responsible for the creation of the entities and structured many of them
21 with herself (Lucy Gao) as the sole member. Notwithstanding the foregoing, it was always
22 understood that the properties, which were acquired with Debtor's funds, were held for the
23 benefit of the Debtor.

24 5. Approximately two (2) years ago before the Petition Date, the personal
25 relationship of these individuals came to an end. The Debtor, through Mr. Kirk, learned that
26 Ms. Gao has been using her position as the sole member of certain of the special purpose
27 entities, to sell the real estate holdings and divert funds to herself and to the exclusion of the
28 Debtor. Since the Debtor has substantial creditors of its own, and funds were not being remitted

1 to the Debtor to pay its obligations to creditors, such creditors commenced litigation against the
2 Debtor.

3 6. Based on the foregoing, the Debtor determined that the commencement of this
4 bankruptcy case was necessary and proper to stay litigation and use the powers of the Court to
5 preserve assets for the benefit of creditors. Upon commencement of this case, the Debtor has
6 already initiated certain adversary proceedings for a determination as to the ownership of the
7 various properties and entities.

8 7. The Debtor's goal for this bankruptcy is to generate funds to pay its creditors.
9 Based on the Debtor's portfolio of assets, the Debtor believes that it will be able to pay all its
10 creditors in full and this will be a surplus estate.

11 **B. The Property and the Existing Lease.**

12 8. The Debtor's primary asset consists of that certain real property and
13 improvements located at (i) 1020 S. Baldwin Avenue, Arcadia, CA (APN 5778-006-010) (the
14 "Baldwin Property") and (ii) 652 Fairview Avenue, Arcadia, California (APN 5778-006-005)
15 (the "Fairview Property" and collectively with the Baldwin Property, the "Property").

16 9. The Debtor is also the successor in interest to a lease relating to the Property
17 between Arcadia Pacific Investments, LLC and AMF Bowling Centers, Inc. dated March 31,
18 1999 (the "Existing Lease"). A true and correct copy of the Existing Lease is attached hereto as
19 **Exhibit "1"**. The Existing Lease is a Triple-Net lease pursuant to which the tenant is
20 responsible for all obligations for the property (other than loans), including maintenance and
21 real property taxes. As discussed below, property taxes are not current and Debtor seeks to
22 consummate the sale of the Property subject to the property tax obligations which will remain
23 unaltered after the sale.

24 **C. The Secured Claims Against the Property.**

25 10. The Debtor believes that the Property is encumbered by numerous liens securing
26 asserted secured claims. A true and correct copy of the Preliminary Title Report ("PTR") for the
27 Property is attached hereto as **Exhibit "2"**.

28 11. According to the PTR, outstanding property taxes are due and owing. . See PTR

1 Item 1(a) – 1(d). As discussed above, based on the fact that the Existing Lease is a triple-net
2 lease, the tenant is responsible for all property tax obligations. As a result, unless these
3 obligations are satisfied by the tenant prior to the sale closing, the sale will be subject to the
4 property tax obligations, which will survive and remain secured by the Property.

5 12. Shanghai Commercial Bank, Ltd asserts a first priority, secured claim in the
6 approximate amount of \$3,535,048.21, which the Debtor does not dispute. See PTR Item 11 et
7 seq. The Debtor intends to pay the secured claim of Shanghai Commercial Bank Ltd in full
8 from the proceeds of the sale.

9 13. TT, as that term is defined below, which was the defaulted prior purchaser of the
10 Property, asserts that it holds the second priority secured claim in an amount of approximately
11 \$900,000, which was assigned to TT by Blue Sky Communications. . See PTR Item 15. The
12 Debtor understands that the Committee is in the process of commencing proceedings against TT
13 to, among other things, invalidate or reduce its asserted claim. Based on the fact that this claim
14 is disputed, it will not be paid upon sale closing. Rather, TT’s lien will attach to the sale
15 proceeds with the same validity, extent and priority that TT was entitled to prior to the sale
16 closing, pending resolution of such dispute.

17 14. Heusing Holdings asserts a third priority secured claim in the amount of \$4.0
18 million, which the Debtor disputes. . See PTR Item 16. The lien of Heusing Holdings will
19 attach to escrowed sale proceeds in the amount of the secured claim pending resolution of the
20 claim dispute.

21 15. It appears that on February 4, 2016, a lien was recorded for an alleged obligation
22 of Washe LLC for “Park Inn Radisson” in the amount of \$16,588. See PTR Item 17. This
23 appears to have been recorded post-petition of the Debtor and, therefore, void as a violation of
24 the automatic stay. Moreover, the obligation appears to be of a third party relating to a different
25 property. The Debtor is aware that “Park Inn Radisson” was a hotel owned by the Debtor’s
26 affiliate, Crystal Waterfalls, LLC, which hotel was sold and, the Debtor believes, all claims
27 satisfied. As a result, this should not be an obligation of the Debtor’s estate.

28 16. Finally, on November 30, 2016, a lien was recorded for an alleged obligation of

1 Washe LLC for unsecured property taxes in the amount of \$16,538. See PTR Item 18. It is
2 unclear whether this alleged obligation is the same as that identified above. Nevertheless,
3 Washe LLC is a third party entity whose obligations, if any, cannot attach to the Debtor,
4 especially post-petition and in violation of the automatic stay.

5 **D. Prior Marketing and Sale Efforts.**

6 17. In or about May 2016, the Debtor engaged Keller Williams Santa Monica/Pacific
7 Palisades (“Keller Williams”), and in particular Lulu Knowlton to serve as its real estate broker
8 (the “Broker”) to market the Property for sale. The Court thereafter entered its order authorizing
9 the Debtor’s employment of Keller Williams to serve as its real estate broker for the Property.
10 In the event of a successful sale of the Property to a buyer procured by the Broker, the Broker
11 will be entitled to the payment of a broker commission equal to four percent (4%) of the gross
12 sale price from the proceeds of such sale at the closing.

13 18. The Debtor and Keller Williams worked diligently to identify prospective
14 purchasers for the Property, to procure written letters of intent or offers from prospective
15 purchasers, to discuss and negotiate the terms and conditions under which prospective
16 purchasers would potentially purchase the Property, to prepare a form of asset purchase
17 agreement for the sale of the Property and assignment of the Debtor’s interest in the Existing
18 Lease to a purchaser (and other related documents), and to take such other and further actions as
19 necessary to negotiate and document a transaction which provides for the sale of the Property
20 and assignment of the Estate’s interest in the Existing Lease to a purchaser, for the benefit of all
21 creditors.

22 19. The marketing and sale efforts were fruitful and resulted in the successful
23 negotiation of an asset purchase agreement with an entity known as to TT Investment Los
24 Angeles Fund I, LLC (“TT”) for a sale price of \$13.5 million. In connection with the purchase,
25 TT deposited \$405,000 into escrow. TT also held a second priority security interest in the
26 Property to secure an alleged obligation asserted to be over \$900,000.

27 20. After an opportunity for overbid, a sale hearing was held on November 4, 2016, at
28 which time TT was determined to be the successful bidder. An order approving the sale was

1 entered on November 9, 2016 [Doc No. 276] and the deposit of \$405,000 became
2 nonrefundable. See Exhibit “3” hereto. For unknown reasons, TT failed to close the sale
3 transaction. The Debtor took the position that the deposit has been forfeited to the estate and
4 the Debtor is currently in possession of such funds.

5 **E. Continued Marketing and Current Proposed Sale.**

6 21. Since that time, the Debtor continued to market the Property. Unfortunately, the
7 Debtor was not able to obtain interest close to the terms agreed upon with TT. To date, the
8 highest and best offer was received from South Lake 12, LLC (“Buyer”) in the amount of
9 \$10,000,000, including the assumption and assignment of the Existing Lease. A true and
10 correct copy of the Commercial Property Purchase Agreement and Joint Escrow Instructions,
11 together with all counteroffers and waivers of contingencies (collectively, the “APA”), is
12 attached hereto as **Exhibit “4”**.

13 22. A \$300,000 deposit was submitted to escrow. Buyer was provided with a due
14 diligence period, which successfully passed. As a result, the Debtor is prepared to proceed with
15 a sale to the Buyer subject to overbid.

16 23. The proposed sale is on an “as is, where is” basis, with no representation or
17 warranty) is for cash in the sum of \$10,000,000 (the “Purchase Price”). The APA provides that
18 the sale of the Property and assignment of the Existing Lease must be free and clear of all liens,
19 claims and interests.

20 **F. The Proposed Bidding Procedures.**

21 24. While the Debtor is prepared to consummate a sale of the Property to the Buyer,
22 the Debtor is also interested in obtaining the maximum price for the Property. Accordingly, the
23 Debtor required that any sale of the Property be subject to better and higher bids.

24 25. Based on the foregoing considerations, the Debtor seeks Court approval of the
25 following proposed bidding procedures (the “Bidding Procedures”):

26 a. **Stalking Horse APA.** The APA shall be approved as the stalking horse
27 asset purchase agreement and the Buyer as the stalking horse buyer.

28 b. **Date for Auction.** The auction of the Property and the Existing Lease

1 (“Auction”) shall be scheduled for the date and time of the hearing on this Motion, which
2 is October 3, 2017 at 11:00 a.m. in this Courtroom.

3 c. **Alternative Bid Requirements.** Any party interested in submitting an
4 alternative bid for the Property (an “Alternative Bid”) must, not later than 5:00 p.m.
5 (prevailing Pacific Time) on the date that is seven (7) calendar days before the Auction
6 (the “Alternative Bid Deadline”), deliver such Alternative Bid in writing to counsel for
7 the Debtor (David B. Golubchik, Esq., Levene, Neale, Bender, Yoo & Brill L.L.P., 10250
8 Constellation Blvd., Suite 1700, Los Angeles, California 90067, Email:
9 DBG@LNBYB.com, Facsimile: (310) 229-1244), in accordance with the requirements
10 set forth below:

11 i. The purchase price for the Property in any Alternative Bid must be
12 in the sum of at least 3% over the Purchase Price, or \$10,300,000. Any
13 Alternative Bid must otherwise be on the same or better material terms and
14 conditions than as set forth in the APA, or as the Bankruptcy Court may
15 determine are in the best interest of creditors and the estate.

16 ii. Only Qualified Bidders may tender an Alternative Bid. For the
17 purposes of this provision, a Qualified Bidder shall be any party that, within seven
18 (7) calendar days prior to the Auction delivers to LNBYB: (I) a good funds
19 deposit in an amount equal to three percent (3%) of the Alternative Bid; (II)
20 written evidence from a third party reasonably satisfactory to the Debtor of its
21 financial ability to perform the obligations under the APA before, on, and after
22 the closing; (III) a form of a proposed purchase and sale agreement for the
23 Alternative Bid; and (IV) a written statement signed by the Alternate Bidder
24 agreeing that such Alternate Bidder, if successful at the hearing on the Sale
25 Motion, shall be bound by the terms of its APA. No Alternative Bids that are
26 contingent as to due diligence or financing shall be considered. If the Debtor
27 determines, in its sole discretion, that the proof of funds or other submission
28 provided by the bidder to Debtor is unacceptable, the Debtor may, in its sole

1 discretion, disqualify such proposed bidder from participating in Auction. In the
2 event that the Debtor exercises its discretion and disqualifies a bidder from
3 participating in the Auction, the deposit made by such bidder (if any) shall be
4 returned to the bidder.

5 d. **Bidding At Auction.** If at least one Qualified Bidder who has submitted
6 an Alternative Bid appears at the Auction, the Debtor shall designate what it determines,
7 in its reasonable judgment, to be the best and highest bid received for the Property to be
8 the leading bid at the Auction. Thereafter, the Debtor shall solicit better and higher bids
9 for the Property, in bidding increments of at least \$50,000 from the Qualified Bidders
10 participating in the Auction (including the Buyer, if it chooses to participate) until the
11 best and highest bid for the Property has been determined by the Debtor.

12 e. **Backup Bidder:** The qualified bidder who submits the second
13 best/highest bid for the Property at the Auction shall be designated as the backup bidder
14 the ("Back-up Bidder"). In the event that Buyer or the successful overbidder cannot
15 timely complete the purchase of the Property, the Debtor shall be authorized to proceed
16 with the sale of the Property to the Backup Bidder without further notice, hearing or order
17 of the Court. In the event the Debtor intends to proceed with a closing with respect to
18 any bid designated by the Bankruptcy Court as a "backup" bid at the hearing on the Sale
19 Motion (a defined below), the Debtor shall provide to the party whose bid was designated
20 as a "backup" bid not less than three (3) calendar days' prior written notice of the date set
21 for the closing with respect to such "backup" bid.

22 f. **Closing of Sale and Forfeiture of Deposits:** The winning bidder will
23 have until the first business day that is fourteen (14) days after the date of entry of a
24 Court order granting this Motion (the "Sale Order") to consummate the sale of the
25 Property. If the winning bidder fails to do so, the winning bidder will be deemed to have
26 forfeited its deposit unless the Court or the Debtor agrees to provide the winning bidder
27 with an extension of time to close the sale. If the winning bidder fails to close and
28 forfeits its deposit, the Back-up Bidder will be notified and will have not less than three

1 (3) calendar days after the date of the notification that the winning bidder failed to close,
2 to close its purchase of the Property or will be deemed to have forfeited its deposit unless
3 the Court or the Debtor agrees to provide such Back-up Bidder with an extension of time
4 to close the sale. The deposit of the Back-up Bidder will be retained by the Debtor
5 following the conclusion of the Auction and will be returned to the Back-up Bidder on
6 the closing by the winning bidder of its purchase of the Property, unless the Back-up
7 Bidder has forfeited its deposit pursuant to the terms and conditions set forth herein.

8 **II.**

9 **GOOD CAUSE EXISTS TO APPROVE THE PROPOSED**
10 **BIDDING PROCEDURES**

11 Rules 2002 and 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy
12 Rules”) govern the scope of the notice to be provided in the event a trustee or debtor in
13 possession elects to sell property of the estate under 11 U.S.C. § 363; however, with respect to
14 the procedures to be adopted in conducting a sale outside the ordinary course, Bankruptcy Rule
15 6004 provides only that such sale may be by private sale or public auction, and requires only that
16 the trustee provide an itemized list of the property sold together with the prices received upon
17 consummation of the sale. *Fed. R. Bankr. Proc. 6004(f)*.

18 Neither the Bankruptcy Code nor the Bankruptcy Rules contain specific provisions with
19 respect to the procedures to be employed by a trustee in conducting a public or private sale.
20 Nonetheless, as one Court has stated, “[i]t is a well-established principle of bankruptcy law that
21 the objective of bankruptcy rules and the trustee’s duty with respect to such sales is to obtain the
22 highest price or greatest overall benefit possible for the estate.” *In re Atlanta Packaging*
23 *Products, Inc.*, 99 B.R. 124, 131 (Bankr. N.D. Ga. 1988). Additionally, courts have long
24 recognized the need for competitive bidding at hearings on private sales; “[c]ompetitive bidding
25 yields higher offers and thus benefits the estate. Therefore, the objective is ‘to maximize
26 bidding, not restrict it.’” *Id.*

27 The Debtor believes that the proposed Bidding Procedures will maximize the price
28 ultimately obtained for the Property and assignment of the Existing Lease while still protecting

1 the Estate from parties who may wish to bid on the Property, but who are ultimately unable to
2 consummate a purchase of the Property. The Bidding Procedures serve numerous legitimate
3 purposes. Among other things, the Bidding Procedures will (i) foster competitive bidding among
4 any serious potential purchasers; (ii) eliminate from consideration purchasers who would waste
5 the Debtor's time because they would not have the financial ability to consummate a purchase of
6 the Property; and (iii) ensure that the highest possible price is obtained for the Property. Finally,
7 the Bidding Procedures contain no Breakup Fee and no Expense Reimbursement. Accordingly,
8 the Debtor submits that approval of the proposed Bidding Procedures is in the best interests of
9 the estate and creditors and should be approved by the Court.

10 **III.**

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

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

13 Section 363(b)(1) of the Bankruptcy Code provides that the trustee (or debtor in
14 possession), "after notice and a hearing, may use, sell or lease, other than in the ordinary course
15 of business, property of the estate." 11 U.S.C. § 363(b)(1). Section 102(1) defines "after notice
16 and a hearing" as after such notice as is appropriate in the particular circumstances, and such
17 opportunity for hearing as is appropriate in the particular circumstances. 11 U.S.C. §
18 102(1)(A).

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

1 2002(k) requires that the notice be given to the United States Trustee. Fed. R. Bankr. P.
2 2002(k).

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

7 The Debtor has complied with all of the above provisions of the Bankruptcy Code, the
8 Bankruptcy Rules and the Local Bankruptcy Rules. The Debtor has complied with Bankruptcy
9 Rules 6004(a) and 2002(a)(2), (c)(1), (i) and (k), as well as Local Bankruptcy Rule 6004-
10 1(c)(3), because the notice of the Motion that has been filed contemporaneously herewith (the
11 “Notice”) includes all of the required information, including, without limitation, the date, time
12 and place of the Auction and Sale Hearing and the deadline for objecting to this Motion, and has
13 been served on the Office of the United States Trustee, the Debtor, all of the Debtor’s known
14 creditors and interest holders, all parties that are known or reasonably believed to have asserted
15 any lien, encumbrance, claim or other interest in the Property or the Existing Lease, all non-
16 debtor parties to any executory contracts or leases to be assumed including the Existing Lease,
17 all applicable taxing authorities, all non-debtor parties to any permits held by the Debtor for the
18 Property and Existing Lease, and all parties requesting special notice. The Debtor has also
19 complied with the requirements of Local Bankruptcy Rule 6004-1(f) because the Debtor has
20 filed the Notice and Form 6004-2 with the Clerk of the Bankruptcy Court for purposes of
21 publication.

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

25 As a general matter, a Court considering a motion to approve a sale under Bankruptcy
26 Code Section 363(b) should determine from the evidence presented before it that a “good
27 business reason” exists to grant such a motion. *In re Lionel Corp.*, 722 F.2d 1063, 1071 (2d Cir.
28 1983). In addition, the Court must further find it is in the best interest of the estate. To make

1 this determination, a Court should consider whether:

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

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

12 1. Sound Business Purpose.

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

19 The Debtor has ceased operations and its goal in the bankruptcy case is to liquidate its
20 assets to maximize recoveries for creditors. The Debtor believes that the liquidation of its assets
21 will generate sufficient proceeds to permit the Debtor to pay its creditors a significant
22 distribution. The proposed sale of the Property to the Buyer is anticipated to result in sale
23 proceeds of at least \$10,000,000 (subject to increase by overbid), which will facilitate the
24 goal of liquidating assets to pay creditors. On the other hand, if the Debtor is not able to
25 consummate a sale of the Property to the Buyer (or a successful overbidder) as proposed herein,
26 the Debtor will not generate the at least \$10 million in sale proceeds that could be used to pay
27 creditors. The Debtor also will be saddled with the obligations and expenses of an owner of real
28 property (including continuing lien obligations) and a landlord of a tenant that operates a

1 business at the site. Based on the foregoing, the Debtor submits that the proposed sale of the
2 Property is in the best interests of the Estate and therefore represents a sound exercise of the
3 Debtor's business judgment.

4 2. Fair and Reasonable Price.

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

13 The Bidding Procedures and Auction process implemented by the Debtor is specifically
14 designed to ensure that the highest price possible is obtained for Property. Although the Debtor
15 will not know the results of the Auction (if one is conducted) until the Auction has been
16 completed, the Debtor submits that, based upon the marketing efforts of the Debtor and the
17 Broker, the Property will have been exposed to those parties who are most likely to be
18 interested in acquiring the Property, and the highest and best bid obtained for the Property
19 (whether it is the bid offered by the Buyer or an overbid submitted by a successful overbidder)
20 will constitute fair and reasonable value for the Property.

21 3. Adequate Marketing.

22 The Debtor and the Broker have worked diligently to attract buyers for the Property and to
23 negotiate the terms of a sale of the Property. As set forth in the accompanying Knowlton
24 Declaration, Ms. Knowlton and Keller Williams engaged in widespread marketing efforts with
25 respect to the Property, including an emphasis on the Asian community based on the geographic
26 location of the Property. In addition to being listed in numerous online listing services and media,
27 the Property was marketed through print publications, as well as international media, such as We
28 Chat in China. The Broker also marketed the Property to her vast network of contacts both

1 domestically and internationally.

2 Numerous offers and expressions of interests were received. The Broker communicated all
3 such expressions of interest to the Debtor as well as to the Committee. The Broker held multiple
4 calls and conferences with the Debtor and the Committee to ensure the continuation of proper and
5 efficient marketing efforts and maximizing value of the Property, especially considering due
6 diligence and other contingencies sought by interested parties. After extensive marketing and offer
7 and counter-offer process, the highest and best offer was received from the Buyer based on the
8 combination of the purchase price, the short due diligence contingency period, which was waived,
9 and the nonrefundable deposit currently held by escrow.

10 However, in an effort to maximize the value obtained for the Property, the Debtor is
11 inviting overbids for the Property, in accordance with the proposed Bidding Procedures. Based on
12 the foregoing, the Debtor submits that the Property has been, and will be, adequately marketed.

13 4. Good Faith.

14 When a Bankruptcy Court authorizes a sale of assets pursuant to Bankruptcy Code
15 Section 363(b)(1), it is required to make a finding with respect to the “good faith” of the
16 purchaser. *In re Abbotts Dairies*, 788 F.2d at 149. Such a procedure ensures that Section
17 363(b)(1) will not be employed to circumvent creditor protections. *Id.* at 150. With respect to
18 the Debtor’s conduct in conjunction with the sale of the Property, the good faith requirement
19 focuses principally on whether there is any evidence of “fraud, collusion between the purchaser
20 and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders.”
21 *Abbotts Dairies*, 788 F.2d at 147; *Wilde Horse Enterprises*, 136 B.R. at 842.

22 To the best of the Debtor’s knowledge, the principal of the Buyer, Yiyang Fu, has no prior
23 connections with the Debtor. Moreover, the offer was transmitted through broker and the
24 transaction was negotiated through the use of counsel. There are no agreements or
25 representations with any insiders of the Debtor in connection with the proposed transaction
26 herein. No offer to purchase the Property received by the Debtor has been ignored, and the
27 Debtor has taken reasonable steps to try to obtain the highest price possible for the Property.
28 Based on the foregoing, the Debtor submits that the good faith requirement has been satisfied,

1 and that the Buyer (or a successful overbidder) should be deemed a “good faith” purchaser under
2 11 U.S.C. § 363(m).

3 5. Accurate and Reasonable Notice.

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

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

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

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

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

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

27 11 U.S.C. § 363(f). Section 363(f) is written in the disjunctive; thus, satisfaction of any one of
28

1 the five conditions is sufficient to sell property free and clear of liens. *See e.g., Citicorp*
2 *Homeowners Services, Inc. v. Elliot (In re Elliot)*, 94 B.R. 343, 345 (Bankr. E.D. Pa. 1988);
3 *Mutual Life Ins. Co. of New York v. Red Oak Farms, Inc. (In re Red Oak Farms, Inc.)*, 36 B.R.
4 856, 858 (Bankr. W.D. Mo. 1984).

5 As an initial matter, the Debtor does not seek to sell the Property free and clear of
6 secured property tax obligations due and owing to the Los Angeles County tax collector. Based
7 on the fact that the obligations are those of the tenant under the Existing Lease, they will survive
8 as statutory obligations of the successor property owner.

9 Bankruptcy Code section 363(f)(3) provides authority for the Debtor to sell the Property
10 free and clear of liens, claims and interest as the Purchase Price exceeds the value of the secured
11 claims against the Property. As discussed above, there are liens securing three claims against the
12 Property held by Shanghai Commercial Bank, Ltd, TT and Heusing Holdings. The aggregate
13 amount of the asserted secured claims, including the disputed secured claims of TT and Heusing
14 Holdings, is approximately \$8.5 million, which is less than the \$10 million Purchase Price.
15 Further, the Debtor intends to pay the secured claim of Shanghai Commercial Bank, Ltd from the
16 sale proceeds. TT's and Heusing Holdings' liens will attach to the sale proceeds with same
17 validity and priority that they held prepetition.

18 Furthermore, Bankruptcy Code section 363(f)(2) also provides authority for the sale free
19 and clear of liens, claims and interests. The Debtor anticipates that the three lienholders will
20 consent to the sale as the sale will generate the sufficient proceeds to pay their secured claims. In
21 addition, the "consent" of an entity asserting an interest in the property sought to be sold, as
22 referenced in 11 U.S.C. § 363(f)(2), can be implied if such entity fails to make a timely objection
23 to the sale after receiving notice of the sale. *In re Elliot*, 94 B.R. 343, 345 (E.D. Pa. 1988). *See*
24 *also, In re Ex-Cel Concrete Company, Inc.*, 178 B.R. 198, 203 (9th Cir. BAP 1995) ["The issue
25 here is whether there was consent or non-opposition by Citicorp."]; *In re Paddlewheels, Inc.*,
26 2007 WL 1035151 (Bankr. E.D.La. April 2, 2007) ("The Sale Motion complies with section
27 363(f) of the Bankruptcy Code, in that the Trustee either obtained the consent of Whitney to the
28 sale of the Vessel to Purchaser or Whitney had no objection to the Sale.").

1 Finally, the unsecured obligations of Washe LLC are in bona fide dispute. First, Washe
2 LLC is a separate entity and not the Debtor. Second, one of the references in the PTR is to “Park
3 Inn Radisson” which is in its own bankruptcy case (In re Crystal Waterfalls, LLC) and is to be
4 addressed therein since the cases have not been consolidated. Finally, both liens were recorded
5 after the Petition Date and, therefore, void as being recorded in violation of the automatic stay
6 provisions of the Bankruptcy Code. See In re Dunbar, 245 F.3d 1058 (9th Cir. 2001) (actions
7 taken in violation of the automatic stay are void *ab initio*); see also In re Schwartz, 954 F.2d 569
8 (9th Cir. 1992) (actions in violation of the automatic stay are void, not voidable). As a result, a
9 sale free and clear of such liens is appropriate under 11 U.S.C. § 363(f)(4).

10 Based on the foregoing, the sale of the Property to the Buyer (or a successful overbidder)
11 may be approved, free and clear of the liens, claims and interests of any secured creditors,
12 pursuant to 11 U.S.C. § 363(f)(2), (3) and (4), but subject to the liens of the Los Angeles County
13 Tax Collector relating to secured property taxes for the Property.

14 **IV.**

15 **THE DEBTOR SHOULD BE PERMITTED TO ASSUME AND ASSIGN THE**
16 **EXISTING LEASE PURSUANT TO SECTIONS 365 (A), (B) AND (F) OF THE**
17 **BANKRUPTCY CODE**

18 Bankruptcy Code section 365(a) authorizes a debtor in possession, “subject to the Court’s
19 approval . . . [to] assume or reject any executory contract or unexpired lease of the debtor.” A
20 debtor in possession may assume or reject executory contracts for the benefit of the estate. *In re*
21 *Klein Sleep Products, Inc.*, 78 F.3d 18, 25 (2d. Cir.1996); *In re Central Fla. Metal Fabrication,*
22 *Inc.*, 190 B.R. 119, 124 (Bankr. N.D. Fla. 1995); *In re Gucci*, 193 B.R. 411, 415 (S.D.N.Y.1996).
23 In reviewing a debtor in possession’s decision to assume or reject an executory contract, a
24 bankruptcy court should apply the “business judgment test” to determine whether it would be
25 beneficial to the estate to assume it. *In re Continental Country Club, Inc.*, 114 B.R. 763, 767
26 (Bankr.M.D.Fla.1990); *see also In re Gucci*, 193 B.R. at 415. The business judgment standard
27 requires that the court follow the business judgment of the debtor unless that judgment is the
28 product of bad faith, whim, or caprice. *In re Prime Motors Inns*, 124 B.R. 378, 381

1 (Bankr.S.D.Fla.1991), *citing Lubrizol Enterprises v. Richmond Metal Finishers*, 756 F.2d 1043,
2 1047 (4th Cir.1985), *cert. denied*, 475 U.S. 1057 (1986).

3 Pursuant to Bankruptcy Code section 365(b)(1), if there is a default in an executory
4 contract or unexpired leases that the debtor seeks to assume, the debtor must: (a) cure any
5 existing defaults under such agreements; (b) compensate all non-debtor parties to such
6 agreements for any actual pecuniary loss resulting from the defaults; and (c) provide adequate
7 assurance of future performance under the contract or lease. 11 U.S.C. § 365(b)(1); *see also In*
8 *re Bowman*, 194 B.R. 227, 230 (Bankr.D.Ariz.1995), *In re AEG Acquisition Corp.*, 127 B.R. 34,
9 44 (Bankr.C.D.Cal.1991), *aff'd* 161 B.R. 50 (9th Cir.B.A.P.1993).

10 Under section 365(f) of the Bankruptcy Code, a debtor, after assuming a contract, may
11 assign its rights under the contract to a third party. 11 U.S.C. § 365(f); *see also In re Rickel*
12 *Home Center, Inc.*, 209 F.3d 291, 299 (3d Cir. 2000) (“The Code generally favors free
13 assignability as a means to maximize the value of the debtor’s estate.”); *Weingarten Nostat, Inc.*
14 *v. Service Merchandise Company, Inc.*, 396 F.3d 737, 742 (6th Cir. 2005); *see also In re*
15 *Headquarters Dodge, Inc.*, 13 F.3d 674, 682 (3d Cir. 1994) (noting that the purpose of section
16 365(f) is to assist the trustee in realizing the full value of the debtor’s assets); *In re Crow*
17 *Winthrop Operating Partnership*, 241 F.3d 1121, 1124 (9th Cir. 2001) (finding that section
18 365(f) permits the assignment of contracts by debtors notwithstanding de facto anti-assignment
19 clauses so as to permit debtors from realizing the full value of their assets).

20 Pursuant to Bankruptcy Code section 365(f)(2) of the Bankruptcy Code, a debtor may
21 assign its executory contracts and unexpired leases, provided the debtor first assumes such
22 executory contracts and unexpired leases in accordance with Bankruptcy Code section 365(b)(1),
23 and second, provides adequate assurance of future performance by the assignee. The purpose of
24 the adequate assurance requirement is to protect the interests of the non-debtor party to an
25 assigned contract, as section 365(k) of the Bankruptcy Code relieves a debtor from liability for
26 any breach of a contract that may occur after an assignment. *Cinicola v. Scharffeberger*, 248
27 F.3d 110, 120 (3d Cir. 2001). Adequate assurance of future performance is not required for every
28 term of an executory contract or unexpired lease, but only such terms that are “material and

1 economically” significant. *In re Fleming Cos., Inc.*, 499 F.3d 300, 305 (3d Cir. 2007). The
2 meaning of "adequate assurance of future performance" depends on the facts and circumstances
3 of each case, but should be given a “practical, pragmatic construction.” *In re DBSI, Inc.*, 405
4 B.R. 698, 708 (Bankr. D. Del. 2009); *see also In re Decora Indus.*, 2002 U.S. Dist. LEXIS
5 27031, at *23 (D. Del. 2002) (“[A]dequate assurance falls short of an absolute guarantee of
6 payment.”). Adequate assurance may be provided by demonstrating the assignee's financial
7 health and experience in managing the type of enterprise or property assigned. *See, e.g., In re*
8 *Bygaph, Inc.*, 56 B.R. 596, 605-06 (Bankr. S.D.N.Y. 1986) (finding that adequate assurance is
9 present when prospective assignee of lease from debtor has financial resources and has expressed
10 willingness to devote sufficient funding to business to give it strong likelihood of success).

11 The Debtor believes that all of the applicable requirements under 11 U.S.C. §§ 365(a),
12 (b) and (f) for the assumption and assignment of the Existing Lease have been or will be
13 satisfied in this case. The Debtor satisfies the business judgment test as it is seeking assign the
14 Existing Lease as part of the sale transaction that will generate funds to make a significant
15 distribution to its creditors. The Debtor is no longer operating and its goal in this bankruptcy
16 case it to maximize value through sales of its assets.

17 The Debtor landlord is not in default under the lease and, accordingly, Bankruptcy Code
18 section 365(b)(1) does not apply. Here, the proposed assignor is the lessor rather than the lessee,
19 such that the Bankruptcy Code section 365(f)(2) adequate assurance requirements apply to the
20 performance of the new landlord. The Buyer has the wherewithal and is prepared to assume all
21 of the lessor’s obligations under the Existing Lease and will provide adequate assurance of its
22 future performance as the new lessor if requested by the existing tenant.

23 For purposes of disclosure and reservation of rights, the Debtor understands that the
24 lessee under the Existing Lease may not be in full compliance with payment of secured property
25 taxes, which is a requirement based on the Triple-Net terms of the Existing Lease. In the event
26 that outstanding obligations for property taxes are due and owing and the Debtor is required to
27 make such payment from sale proceeds, the Debtor expressly reserves the right to proceed
28 against the lessee for reimbursement of such payments.

V.

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

Bankruptcy Rule 6004(h) provides, among other things, that an order authorizing the use, sale or lease of property . . . is stayed until the expiration of fourteen days after entry of the Court order, unless the Court orders otherwise. Bankruptcy Rule 6006(d) has a similar provision with respect to an order approving of the assumption and assignment of unexpired leases and executory contracts.

The Debtor and its estate continue to incur administrative expenses for postpetition expenses obligations as owner and lessor of the Property. To prevent the increase of such administrative expenses and maximize the potential recovery to creditors of the estate, the Debtor and the Buyer (or a successful overbidder) must be permitted to consummate the sale of the Property as soon as possible after entry of an order granting this Motion. As indicated above, the Debtor anticipates that the sale of the Property will close as soon as possible after entry of the order granting this Motion. To facilitate the most expeditious sale closing possible, the Debtor requests that the order granting this Motion be effective immediately upon entry by providing that the fourteen-day stay periods provided by Bankruptcy Rule 6004(h) and 6006(d) are waived.

VI.

CONCLUSION

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

1. finding that the notice given by the Debtor in connection with the sale of the Property and related requested relief, and the hearing on the Motion is adequate, sufficient, proper and complies with all applicable provisions of the Bankruptcy Code, Federal Rules of Bankruptcy Procedure, and Local Bankruptcy Rules for the Central District of California;
2. granting the Motion in its entirety;
3. approving the proposed bid procedures;
4. authorizing the Debtor to sell the Property and improvements to the Buyer (or to a successful overbidder), free and clear of all liens, claims and interests, pursuant to the terms

1 and conditions set forth in the APA with the liens of all asserted secured creditors to attach to
2 the sale proceeds with the same validity and priority as such liens had prepetition, provided
3 that the sale will be subject to the liens of the Los Angeles County Tax Collector relating to
4 unpaid property taxes;

5 5. authorizing the Debtor to assume and assign the Existing Lease to the Buyer (or
6 to a successful overbidder);

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

9 7. Reserving to the Debtor the right to pursue the tenant under the Existing Lease
10 for any unpaid obligations under the Existing Lease which the Debtor may be required to pay,
11 including, without limitation, property taxes;

12 8. authorizing the Debtor to execute and deliver, on behalf of the Estate, any and all
13 documents that may be reasonably necessary to consummate the sale of the Property;

14 9. allowing the Debtor to pay all sale closing costs and undisputed secured claims
15 from the sale proceeds, and authorizing the Debtor to establish an escrow of the sale proceeds
16 in the amount of the disputed secured claims pending further order of this Court;

17 10. waiving the 14-day stay periods set forth in Bankruptcy Rules 6004(h) and
18 6006(d); and

19 11. granting such other and further relief as may be necessary or appropriate under
20 the circumstances.

21 Dated: September 12, 2017

LIBERTY ASSET MANAGEMENT CORPORATION

22 By: /s/ David B. Golubchik

23 DAVID B. GOLUBCHIK

24 JEFFREY S. KWONG

LEVENE, NEALE, BENDER, YOO

& BRILL L.L.P.

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26 Attorneys for Debtor and Debtor in Possession
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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. Benjamin Kirk aka Benjamin Ko is the 100% shareholder of Liberty.

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”). Based on the foregoing and the Court’s 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’s Motion for the sale of the Property and assumption and assignment of the Existing Lease.

5. Prior to cessation of operations, the Debtor was a real estate management company with Benjamin Kirk as 100% member. The Debtor’s mission was to seek out real estate opportunities throughout Northern and Southern California, invest in such opportunities, and manage them.

6. Prior to the creation of the Debtor, Mr. Kirk had a personal and professional relationship with Lucy Gao, including a child between them. In the ordinary course of business, the Debtor would identify real estate projects to acquire, the Debtor would fund the acquisition

1 of such properties and a special-purpose entity would be formed to own and operate the
2 properties. Ms. Gao was responsible for the creation of the entities and structured many of them
3 with herself (Lucy Gao) as the sole member. Notwithstanding the foregoing, it was always
4 understood that the properties, which were acquired with Debtor's funds, were held for the
5 benefit of the Debtor.

6
7 7. Approximately two (2) years ago prior to the Petition Date, the personal
8 relationship of these individuals came to an end. The Debtor, through Mr. Kirk, learned that Ms.
9 Gao has been using her position as the sole member of certain of the special purpose entities, to
10 sell the real estate holdings and divert funds to herself and to the exclusion of the Debtor. Since
11 the Debtor has substantial creditors of its own, and funds were not being remitted to the Debtor
12 to pay its obligations to creditors, such creditors commenced litigation against the Debtor.

13
14 8. Based on the foregoing, the Debtor determined that the commencement of this
15 bankruptcy case was necessary and proper to stay litigation and use the powers of the Court to
16 preserve assets for the benefit of creditors. Upon commencement of this case, the Debtor has
17 already initiated certain adversary proceedings for a determination as to the ownership of the
18 various properties and entities.

19
20 9. The Debtor's goal for this bankruptcy is to generate funds to pay its creditors.
21 Based on the Debtor's portfolio of assets, the Debtor believes that it will be able to pay all its
22 creditors in full and this will be a surplus estate.

23 10. The Debtor's primary asset consists of that certain real property and
24 improvements located at (i) 1020 S. Baldwin Avenue, Arcadia, CA (APN 5778-006-010) (the
25 "Baldwin Property") and (ii) 652 Fairview Avenue, Arcadia, California (APN 5778-006-005)
26 (the "Fairview Property" and collectively with the Baldwin Property, the "Property").
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1 11. The Debtor is also the successor in interest to a lease relating to the Property
2 between Arcadia Pacific Investments, LLC and AMF Bowling Centers, Inc. dated March 31,
3 1999 (the "Existing Lease"), a true and correct copy of which is attached hereto as **Exhibit "1"**.

4 12. Based on my review of the Preliminary Title Report for the Property, a true and
5 correct copy of which is attached hereto as **Exhibit "2"**, I believe that the Property is
6 encumbered by liens securing three asserted secured claims as set forth therein.

7 13. In or about May 2016, the Debtor engaged Keller Williams Santa Monica/Pacific
8 Palisades ("Keller Williams"), and in particular Lulu Knowlton to serve as its real estate broker
9 (the "Broker") to market the Property for sale. The Court thereafter entered its order authorizing
10 the Debtor's employment of Keller Williams to serve as its real estate broker for the Property. In
11 the event of a successful sale of the Property to a buyer procured by the Broker, the Broker will
12 be entitled to the payment of a broker commission equal to four percent (4%) of the gross sale
13 price from the proceeds of such sale at the closing.

14 14. The Debtor and Keller Williams worked diligently to identify prospective
15 purchasers for the Property, to procure written letters of intent or offers from prospective
16 purchasers, to discuss and negotiate the terms and conditions under which prospective purchasers
17 would potentially purchase the Property, to prepare a form of asset purchase agreement for the
18 sale of the Property and assignment of the Debtor's interest in the Existing Lease to a purchaser
19 (and other related documents), and to take such other and further actions as necessary to
20 negotiate and document a transaction which provides for the sale of the Property and assignment
21 of the Estate's interest in the Existing Lease to a purchaser, for the benefit of all creditors.

22 15. The marketing and sale efforts were fruitful and resulted in the successful
23 negotiation of an asset purchase agreement with an entity known as to TT Investment Los
24 Angeles Fund I, LLC ("TT") for a sale price of \$13.5 million. In connection with the purchase,
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1 TT deposited \$405,000 into escrow. TT also held a second priority security interest in the
2 Property to secure an alleged obligation asserted to be over \$900,000.

3 16. After an opportunity for overbid, a sale hearing was held on November 4, 2016, at
4 which time TT was determined to be the successful bidder. An order approving the sale, a true
5 and correct copy of which is attached hereto as **Exhibit “3”**, was entered on November 9, 2016
6 [Doc No. 276] and the deposit of \$405,000 became nonrefundable. For reasons that were not
7 disclosed to me, TT failed to close the sale transaction. We took the position that the deposit has
8 been forfeited to the estate and the Debtor is currently in possession of such funds.
9

10 17. Since that time, the Debtor continued to market the Property with the assistance of
11 Keller Williams. Unfortunately, the Debtor was not able to obtain interest close to the terms
12 agreed upon with TT. To date, the highest and best offer was received from South Lake 12, LLC
13 (“Buyer”) in the amount of \$10,000,000, including the assumption and assignment of the
14 Existing Lease. A true and correct copy of the Commercial Property Purchase Agreement and
15 Joint Escrow Instructions, together with all counteroffers and waivers of contingencies
16 (collectively, the “APA”), is attached hereto as **Exhibit “4”**.
17

18 18. A \$300,000 deposit was submitted to escrow. Buyer was provided with a due
19 diligence period, which successfully passed. As a result, I believe that the Debtor is prepared to
20 proceed with a sale to the Buyer subject to overbid.
21

22 19. The proposed sale is on an “as is, where is” basis, with no representation or
23 warranty) is for cash in the sum of \$10,000,000 (the “Purchase Price”). The APA provides that
24 the sale of the Property and assignment of the Existing Lease must be free and clear of all liens,
25 claims and interests.
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1 20. While the Debtor is prepared to consummate a sale of the Property to the Buyer, I
2 am also interested in obtaining the maximum price for the Property. Accordingly, the Debtor
3 required that any sale of the Property be subject to better and higher bids.

4 21. Based on the foregoing considerations, I hereby seek Court approval of the
5 following proposed bidding procedures (the “Bidding Procedures”):
6

7 a. Stalking Horse APA. The APA shall be approved as the stalking horse
8 asset purchase agreement and the Buyer as the stalking horse buyer.

9 b. Date for Auction. The auction of the Property and the Existing Lease
10 (“Auction”) shall be scheduled for the date and time of the hearing on this
11 Motion, which is October 3, 2017 at 11:00 a.m. in this Courtroom.

12 c. Alternative Bid Requirements. Any party interested in submitting an
13 alternative bid for the Property (an “Alternative Bid”) must, not later than
14 5:00 p.m. (prevailing Pacific Time) on the date that is seven (7) calendar
15 days before the Auction (the “Alternative Bid Deadline”), deliver such
16 Alternative Bid in writing to counsel for the Debtor (David B. Golubchik,
17 Esq., Levene, Neale, Bender, Yoo & Brill L.L.P., 10250 Constellation Blvd.,
18 Suite 1700, Los Angeles, California 90067, Email: DBG@LNBYB.com,
19 Facsimile: (310) 229-1244), in accordance with the requirements set forth
20 below:
21

22 i. The purchase price for the Property in any Alternative Bid must be
23 in the sum of at least 3% over the Purchase Price, or \$10,300,000. Any
24 Alternative Bid must otherwise be on the same or better material terms
25 and conditions than as set forth in the APA, or as the Bankruptcy Court
26 may determine are in the best interest of creditors and the estate.
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ii. Only Qualified Bidders may tender an Alternative Bid. For the purposes of this provision, a Qualified Bidder shall be any party that, within seven (7) calendar days prior to the Auction delivers to LNBYB: (I) a good funds deposit in an amount equal to three percent (3%) of the Alternative Bid; (II) written evidence from a third party reasonably satisfactory to the Debtor of its financial ability to perform the obligations under the APA before, on, and after the closing; (III) a form of a proposed purchase and sale agreement for the Alternative Bid; and (IV) a written statement signed by the Alternate Bidder agreeing that such Alternate Bidder, if successful at the hearing on the Sale Motion, shall be bound by the terms of its APA. No Alternative Bids that are contingent as to due diligence or financing shall be considered. If the Debtor determines, in its sole discretion, that the proof of funds or other submission provided by the bidder to Debtor is unacceptable, the Debtor may, in its sole discretion, disqualify such proposed bidder from participating in Auction. In the event that the Debtor exercises its discretion and disqualifies a bidder from participating in the Auction, the deposit made by such bidder (if any) shall be returned to the bidder.

d. **Bidding At Auction.** If at least one Qualified Bidder who has submitted an Alternative Bid appears at the Auction, the Debtor shall designate what it determines, in its reasonable judgment, to be the best and highest bid received for the Property to be the leading bid at the Auction. Thereafter, the Debtor shall solicit better and higher bids for the Property, in bidding increments of at least \$50,000 from the Qualified Bidders participating in the

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Auction (including the Buyer, if it chooses to participate) until the best and highest bid for the Property has been determined by the Debtor.

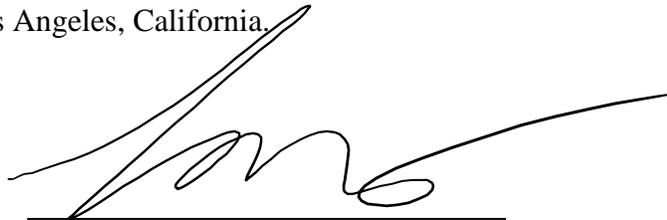
e. **Backup Bidder:** The qualified bidder who submits the second best/highest bid for the Property at the Auction shall be designated as the backup bidder the ("Back-up Bidder"). In the event that Buyer or the successful overbidder cannot timely complete the purchase of the Property, the Debtor shall be authorized to proceed with the sale of the Property to the Backup Bidder without further notice, hearing or order of the Court. In the event the Debtor intends to proceed with a closing with respect to any bid designated by the Bankruptcy Court as a "backup" bid at the hearing on the Sale Motion (a defined below), the Debtor shall provide to the party whose bid was designated as a "backup" bid not less than three (3) calendar days' prior written notice of the date set for the closing with respect to such "backup" bid.

f. **Closing of Sale and Forfeiture of Deposits:** The winning bidder will have until the first business day that is fourteen (14) days after the date of entry of a Court order granting this Motion (the "Sale Order") to consummate the sale of the Property. If the winning bidder fails to do so, the winning bidder will be deemed to have forfeited its deposit unless the Court or the Debtor agrees to provide the winning bidder with an extension of time to close the sale. If the winning bidder fails to close and forfeits its deposit, the Back-up Bidder will be notified and will have not less than three (3) calendar days after the date of the notification that the winning bidder failed to close, to close its purchase of the Property or will be deemed to have forfeited its

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deposit unless the Court or the Debtor agrees to provide such Back-up Bidder with an extension of time to close the sale. The deposit of the Back-up Bidder will be retained by the Debtor following the conclusion of the Auction and will be returned to the Back-up Bidder on the closing by the winning bidder of its purchase of the Property, unless the Back-up Bidder has forfeited its deposit pursuant to the terms and conditions set forth herein.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 12th day of September 2017, at Los Angeles, California.



LAWRENCE PERKINS

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DECLARATION OF LULU KNOWLTON

I, Lulu Knowlton, hereby declare as follows:

1. I am real estate agent and have been with Keller Williams Santa Monica/Pacific Palisades (“Keller Williams”) since February 2014. I was the Keller Williams Top Agent for The Year in 2014 and received the 2105 Triple Gold International Medallion Award for Sales. In particular, I have extensive experience in the real estate industry with the Asian American community in Southern California. I was born in Chongqing, China, and am fluent in Chinese (Mandarin), Russian and English.

2. In or about May 2016, the Debtor engaged Keller Williams and me to serve as its real estate broker (the “Broker”) to market the Property for sale. The Court thereafter entered its order authorizing the Debtor’s employment of Keller Williams to serve as its real estate broker for the Property. In the event of a successful sale of the Property to a buyer procured by the Broker, the Broker will be entitled to the payment of a broker commission equal to four percent (4%) of the gross sale price from the proceeds of such sale at the closing.

3. Although Keller Williams was employed as real estate broker in May 2016, Keller Williams began marketing the Property in early April 2016 – shortly after the commencement date of Keller Williams’ listing period and the date of the listing agreement of March 31, 2016.

4. I have extensive contacts in the Chinese and Russian communities which, historically, have been the groups purchasing real properties for highest values. The Property in question is located in a predominantly Chinese community, and my efforts included exposure of the Property and marketing it to the Chinese community, both domestically and internationally (*i.e.*, in China). The Property was marketed through the following media:

- Listed the Property on Loopnet;

- 1 • Listed the Property on MLS;
- 2 • Posted listings of the Property on Facebook and WeChat, the dominant social
- 3 media platforms used by people residing in China;
- 4 • Created a special column on FDCANET.COM, a Chinese real estate website
- 5 through WeChat;
- 6 • Marketed the Property through “The Homes” publication, a Chinese print media;
- 7 and
- 8 • Created a marketing flyer and materials related to information about the Property
- 9 for prospective purchasers.
- 10
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12 5. As offers started coming in, marketing continued. When an agreement was

13 reached with the prospective purchaser herein, Keller Williams and I continued our marketing

14 efforts of the Property. I was advised that the sale would be subject to overbid, which allowed

15 me to continue marketing efforts to seek other interested parties to overbid for the Property.

16 6. Based on our marketing efforts, numerous offers and expressions of interests were

17 received. I communicated all such expressions of interest to the Debtor as well as to the

18 Committee. I participated on numerous calls and conferences with the Debtor and the

19 Committee to ensure the continuation of proper and efficient marketing efforts and maximizing

20 value of the Property, especially considering due diligence and other contingencies sought by

21 interested parties. After extensive marketing and offer and counter-offer process, the highest and

22 best offer was received from the Buyer based on the combination of the purchase price, the short

23 due diligence contingency period, which was waived, and the nonrefundable deposit currently

24 held by escrow.

25

26 7. Although the current price of \$10 million is substantially lower than the prior

27 failed sale at \$13.5 million, this is the highest and best offer received to date after extensive

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1 marketing efforts and, based on such exposure to the marketplace, I believe that the offer is fair
2 and reasonable in this market. Nevertheless, I am hopeful that additional bidders will emerge
3 and bid at the Auction before this Court on October 3, 2017 at 11:00 a.m.

4 I declare under penalty of perjury that the foregoing is true and correct. Executed this
5 8 day of September, 2017, at Santa Monica, California.

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8 DocuSigned by:
Lulu Knowlton
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DECLARATION OF YIYAN FU

I, Yiyan Fu, hereby declare as follows:

1. I am the principal of South Lake 12, LLC ("Buyer"), the proposed buyer of the real property located at located at (i) 1020 S. Baldwin Avenue, Arcadia, CA (APN 5778-006-010) and (ii) 652 Fairview Avenue, Arcadia, California (APN 5778-006-005) (collectively, the "Property").
2. Buyer and Debtor have entered into an agreement to sell the Property for \$10 million. Buyer has placed \$300,000 into escrow pending approval of the sale by the Court. Because the contingency period has passed, I understand that the deposit is non-refundable subject to approval of the sale by the Court.
3. Neither I nor any principals of the Buyer have any prior business dealings or other connections with the Debtor. There are no agreements of any kind between the Buyer, on the one hand, and the Debtor or its insiders, on the other hand, relating to the purchase of the Property and future dealings related thereto. We made an offer through our real estate broker and negotiated the agreement through our respective brokers.
4. Buyer has initiated, negotiated, and stands ready to consummate this transaction in good faith.

I declare under penalty of perjury that the foregoing is true and correct. Executed this ___ day of September, 2017, at Arcadia, California.

 9/11/2017

YIYAN FU

EXHIBIT “1”



AMERICAN INDUSTRIAL REAL ESTATE ASSOCIATION

STANDARD INDUSTRIAL/COMMERCIAL SINGLE-TENANT LEASE – NET (DO NOT USE THIS FORM FOR MULTI-TENANT BUILDINGS)

1. Basic Provisions ("Basic Provisions")

1.1 Parties: This Lease ("Lease"), dated for reference purposes only March 31, 1999, is made by and between ARCADIA PACIFIC INVESTMENTS, LLC, a California Limited Liability Company ("Lessor") and AMF BOWLING CENTERS, INC., a Virginia Corporation ("Lessee"),

(collectively the "Parties," or individually a "Party").

1.2 Premises: That certain real property, including all improvements therein or to be provided by Lessor under the terms of this Lease, and commonly known as 1020 South Baldwin Avenue, Arcadia, CA 91007, located in the County of Los Angeles, State of California, and generally described as (describe briefly the nature of the property and, if applicable, the "Project", if the property is located within a Project) an improved structure containing a 40-lane bowling center and related businesses, together with adjoining parking areas and access ways.

*such number of months and days equal to the period from the Commencement Date to July 1, 1999, ("Premises"). (See also Paragraph 2)

1.3 Term: Ten (10) years and * months ("Original Term") commencing March 31, 1999 ("Commencement Date") and ending June 30, 2009 ("Expiration Date"). (See also Paragraph 3)

1.4 Early Possession: ("Early Possession Date").

(See also Paragraphs 3.2 and 3.3)

1.5 Base Rent: \$22,333.33 (or, \$268,000 per year) per month ("Base Rent"), payable on the First (1st) day of each month commencing (See also Paragraph 4)

If this box is checked, there are provisions in this Lease for the Base Rent to be adjusted.

1.6 Base Rent Paid Upon Execution: \$ 22,333.33 as Base Rent for the period First (1st) Month of the Lease Term

1.7 Security Deposit: \$ -0- ("Security Deposit"). (See also Paragraph 5)

1.8 Agreed Use: Bowling center, snack bar, pro shop, tanning salon and restaurant.

Lessee (See also Paragraph 6)

1.9 Insuring Party. Lessee is the "Insuring Party" unless otherwise stated herein. (See also Paragraph 8) Lessee is the Insuring Party.

1.10 Real Estate Brokers: (See also Paragraph 15)

(a) Representation: The following real estate brokers (collectively, the "Brokers") and brokerage relationships exist in this transaction (check applicable boxes):

- None represents Lessor exclusively ("Lessor's Broker");
- None represents Lessee exclusively ("Lessee's Broker"); or
- None represents both Lessor and Lessee ("Dual Agency").

(b) Payment to Brokers: Upon execution and delivery of this Lease by both Parties, Lessor shall pay to the Broker the fee agreed to in their separate written agreement (or if there is no such agreement, the sum of % of the total Base Rent for the brokerage services rendered by said Broker).

1.11 Guarantor. The obligations of the Lessee under this Lease are to be guaranteed by (none) ("Guarantor"). (See also Paragraph 37)

1.12 Addenda and Exhibits. Attached hereto is an Addendum or Addenda consisting of Paragraphs 50 through 56 and Exhibits, all of which constitute a part of this Lease.

2. Premises.

2.1 Letting. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Premises, for the term, at the rental, and upon all of the terms, covenants and conditions set forth in this Lease. Unless otherwise provided herein, any statement of size set forth in this Lease, or that may have been used in calculating rental, is an approximation which the Parties agree is reasonable and the rental based thereon is not subject to revision whether or not the actual size is more or less.

2.2 Condition. Lessor shall deliver the Premises to Lessee broom clean and free of debris on the Commencement Date or the Early Possession Date, whichever first occurs ("Start Date"), and, so long as the required service contracts described in Paragraph 7.1(b) below are obtained by Lessee within thirty (30) days following the Start Date, warrants that the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and air conditioning systems ("HVAC"), loading doors, if any, and all other such elements in the Premises, other than those constructed by Lessee, shall be in good operating condition on said date and that the structural elements of the roof, bearing walls and foundation of any buildings on the Premises (the "Building") shall be free of material defects. If a non-compliance with said warranty exists as of the Start Date, Lessor shall, as Lessor's sole obligation with respect to such matter, except as otherwise provided in this Lease, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, rectify same at Lessor's expense. If, after the Start Date, Lessee does not give Lessor written notice of any non-compliance with this warranty within: (i) one year as to the surface of the roof and the structural portions of the roof, foundations and bearing walls, (ii) six (6) months as to the HVAC systems, (iii) thirty (30) days as to the remaining systems and other elements of the Building, correction of such non-compliance shall be the obligation of Lessee at Lessee's sole cost and expense.

2.3 Compliance. Lessor warrants that the improvements on the Premises comply with all applicable laws, covenants or restrictions of record, building codes, regulations and ordinances ("Applicable Requirements") in effect on the Start Date. Said warranty does not apply to the use to which Lessee will put the Premises or to any Alterations or Utility Installations (as defined in Paragraph 7.3(a)) made or to be made by Lessee. NOTE: Lessee is responsible for determining whether or not the zoning is appropriate for Lessee's intended use, and acknowledges that past uses of the Premises may no longer be allowed. If the Premises do not comply with said warranty, Lessor shall, except as otherwise provided, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, rectify the same at Lessor's expense. If Lessee does not give Lessor written notice of a non-compliance with this warranty within six (6) months following the Start Date, correction of that non-compliance shall be the obligation of Lessee at Lessee's sole cost and expense. If the Applicable Requirements are hereafter changed (as opposed to being in existence at the Start Date, which is addressed in Paragraph 6.2(e) below) so as to require during the term of this Lease the construction of an addition to or an alteration of the Building, the remediation of any Hazardous Substance, or the reinforcement or other physical modification of the Building ("Capital Expenditure"), Lessor and Lessee shall allocate the cost of such work as follows:



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(a) Subject to Paragraph 2.3(c) below, if such Capital Expenditures are required as a result of the specific and unique use of the Premises by Lessee as compared with uses by tenants in general, Lessee shall be fully responsible for the cost thereof, provided, however that if such Capital Expenditure is required during the last two (2) years of this Lease and the cost thereof exceeds six (6) months' Base Rent, Lessee may instead terminate this Lease unless Lessor notifies Lessee, in writing, within ten (10) days after receipt of Lessee's termination notice that Lessor has elected to pay the difference between the actual cost thereof and the amount equal to six (6) months' Base Rent. If Lessee elects termination, Lessee shall immediately cease the use of the Premises which requires such Capital Expenditure and deliver to Lessor written notice specifying a termination date at least ninety (90) days thereafter. Such termination date shall, however, in no event be earlier than the last day that Lessee could legally utilize the Premises without commencing such Capital Expenditure.

(b) If such Capital Expenditure is not the result of the specific and unique use of the Premises by Lessee (such as, governmentally mandated seismic modifications), then Lessor and Lessee shall allocate the obligation to pay for such costs pursuant to the provisions of Paragraph 7.1(c); provided, however, that if such Capital Expenditure is required during the last two years of this Lease or if Lessor reasonably determines that it is not economically feasible to pay its share thereof, Lessor shall have the option to terminate this Lease upon ninety (90) days prior written notice to Lessee unless Lessee notifies Lessor, in writing, within ten (10) days after receipt of Lessor's termination notice that Lessee will pay for such Capital Expenditure. If Lessor does not elect to terminate, and fails to tender its share of any such Capital Expenditure, Lessee may advance such funds and deduct same, with interest, from Rent until Lessor's share of such costs have been fully paid. If Lessee is unable to finance Lessor's share, or if the balance of the Rent due and payable for the remainder of this Lease is not sufficient to fully reimburse Lessee on an offset basis, Lessee shall have the right to terminate this Lease upon thirty (30) days written notice to Lessor.

(c) Notwithstanding the above, the provisions concerning Capital Expenditures are intended to apply only to non-voluntary, unexpected, and new Applicable Requirements. If the Capital Expenditures are instead triggered by Lessee as a result of an actual or proposed change in use, change in intensity of use, or modification to the Premises then, and in that event, Lessee shall be fully responsible for the cost thereof, and Lessee shall not have any right to terminate this Lease.

2.4 Acknowledgements. Lessee acknowledges that: (a) it has been advised by Lessor and/or Brokers to satisfy itself with respect to the condition of the Premises (including but not limited to the electrical, HVAC and fire sprinkler systems, security, environmental aspects, and compliance with Applicable Requirements), and their suitability for Lessee's intended use, (b) Lessee has made such investigation as it deems necessary with reference to such matters and assumes all responsibility therefor as the same relate to its occupancy of the Premises, and (c) neither Lessor, Lessor's agents, nor any Broker has made any oral or written representations or warranties with respect to said matters other than as set forth in this Lease. In addition, Lessor acknowledges that: (a) Broker has made no representations, promises or warranties concerning Lessee's ability to honor the Lease or suitability to occupy the Premises, and (b) it is Lessor's sole responsibility to investigate the financial capability and/or suitability of all proposed tenants.

2.5 Lessee as Prior Owner/Occupant. The warranties made by Lessor in Paragraph 2 shall be of no force or effect if immediately prior to the Start Date Lessee was the owner or occupant of the Premises. In such event, Lessee shall be responsible for any necessary corrective work.

3. Term.
3.1 Term. The Commencement Date, Expiration Date and Original Term of this Lease are as specified in Paragraph 1.3.

3.2 Early Possession. If Lessee totally or partially occupies the Premises prior to the Commencement Date, the obligation to pay Base Rent shall be abated for the period of such early possession. All other terms of this Lease (including but not limited to the obligations to pay Real Property Taxes and insurance premiums and to maintain the Premises) shall, however, be in effect during such period. Any such early possession shall not affect the Expiration Date.

3.3 Delay In Possession. Lessor agrees to use its best commercially reasonable efforts to deliver possession of the Premises to Lessee by the Commencement Date. If, despite said efforts, Lessor is unable to deliver possession as agreed, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease. Lessee shall not, however, be obligated to pay Rent or perform its other obligations until it receives possession of the Premises. If possession is not delivered within sixty (60) days after the Commencement Date, Lessee may, at its option, by notice in writing within ten (10) days after the end of such sixty (60) day period, cancel this Lease, in which event the Parties shall be discharged from all obligations hereunder. If such written notice is not received by Lessor within said ten (10) day period, Lessee's right to cancel shall terminate. Except as otherwise provided, if possession is not tendered to Lessee by the Start Date and Lessee does not terminate this Lease, as aforesaid, any period of rent abatement that Lessee would otherwise have enjoyed shall run from the date of delivery of possession and continue for a period equal to what Lessee would otherwise have enjoyed under the terms hereof, but minus any days of delay caused by the acts or omissions of Lessee. If possession of the Premises is not delivered within four (4) months after the Commencement Date, this Lease shall terminate unless other agreements are reached between Lessor and Lessee, in writing.

3.4 Lessee Compliance. Lessor shall not be required to tender possession of the Premises to Lessee until Lessee complies with its obligation to provide evidence of insurance (Paragraph 8.5). Pending delivery of such evidence, Lessee shall be required to perform all of its obligations under this Lease from and after the Start Date, including the payment of Rent, notwithstanding Lessor's election to withhold possession pending receipt of such evidence of insurance. Further, if Lessee is required to perform any other conditions prior to or concurrent with the Start Date, the Start Date shall occur but Lessor may elect to withhold possession until such conditions are satisfied.

4. Rent.
4.1 Rent Defined. All monetary obligations of Lessee to Lessor under the terms of this Lease (except for the Security Deposit) are deemed to be rent ("Rent").

4.2 Payment. Lessee shall cause payment of Rent to be received by Lessor in lawful money of the United States, without offset or deduction (except as specifically permitted in this Lease), on or before the day on which it is due. Rent for any period during the term hereof which is for less than one (1) full calendar month shall be prorated based upon the actual number of days of said month. Payment of Rent shall be made to Lessor at its address stated herein or to such other persons or place as Lessor may from time to time designate in writing. Acceptance of a payment which is less than the amount then due shall not be a waiver of Lessor's rights to the balance of such Rent, regardless of Lessor's endorsement of any check so stating.

~~**5. Security Deposit.** Lessee shall deposit with Lessor upon execution hereof the Security Deposit as security for Lessee's faithful performance of its obligations under this Lease. If Lessee fails to pay Rent, or otherwise Defaults under this Lease, Lessor may use, apply or retain all or any portion of said Security Deposit for the payment of any amount due Lessor or to reimburse or compensate Lessor for any liability, expense, loss or damage which Lessor may suffer or incur by reason thereof. If Lessor uses or applies all or any portion of said Security Deposit, Lessee shall within ten (10) days after written request therefor deposit monies with Lessor sufficient to restore said Security Deposit to the full amount required by this Lease. If the Base Rent increases during the term of this Lease, Lessee shall, upon written request from Lessor, deposit additional moneys with Lessor so that the total amount of the Security Deposit shall at all times bear the same proportion to the increased Base Rent as the initial Security Deposit bore to the initial Base Rent. Should the Agreed Use be amended to accommodate a material change in the business of Lessee or to accommodate a sublessee or assignee, Lessor shall have the right to increase the Security Deposit to the extent necessary, in Lessor's reasonable judgment, to account for any increased wear and tear that the Premises may suffer as a result thereof. If a change in control of Lessee occurs during this Lease and following such change the financial condition of Lessee is, in Lessor's reasonable judgment, significantly reduced, Lessee shall deposit such additional monies with Lessor as shall be sufficient to cause the Security Deposit to be at a commercially reasonable level based on said change in financial condition. Lessor shall not be required to keep the Security Deposit separate from its general accounts. Within fourteen (14) days after the expiration or termination of this Lease, if Lessor elects to apply the Security Deposit only to unpaid Rent, and otherwise within thirty (30) days after the Premises have been vacated pursuant to Paragraph 7.4(c) below, Lessor shall return that portion of the Security Deposit not used or applied by Lessor. No part of the Security Deposit shall be considered to be held in trust, to bear interest or to be prepayment for any monies to be paid by Lessee under this Lease.~~

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6. Use.

6.1 Use. Lessee shall use and occupy the Premises only for the Agreed Use, or any other legal use which is reasonably comparable thereto, and for no other purpose. Lessee shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste or a nuisance, or that disturbs owners and/or occupants of, or causes damage to neighboring properties. Lessor shall not unreasonably withhold or delay its consent to any written request for a modification of the Agreed Use, so long as the same will not impair the structural integrity of the improvements on the Premises or the mechanical or electrical systems therein, is not significantly more burdensome to the Premises. If Lessor elects to withhold consent, Lessor shall within five (5) business days after such request give written notification of same, which notice shall include an explanation of Lessor's objections to the change in use.

6.2 Hazardous Substances.

(a) Reportable Uses Require Consent. The term "Hazardous Substance" as used in this Lease shall mean any product, substance, or waste whose presence, use, manufacture, disposal, transportation, or release, either by itself or in combination with other materials expected to be on the Premises, is either: (i) potentially injurious to the public health, safety or welfare, the environment or the Premises, (ii) regulated or monitored by any governmental authority, or (iii) a basis for potential liability of Lessor to any governmental agency or third party under any applicable statute or common law theory. Hazardous Substances shall include, but not be limited to, hydrocarbons, petroleum, gasoline, and/or crude oil or any products, by-products or fractions thereof. Lessee shall not engage in any activity in or on the Premises which constitutes a Reportable Use of Hazardous Substances without the express prior written consent of Lessor and timely compliance (at Lessee's expense) with all Applicable Requirements. "Reportable Use" shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority, and/or (iii) the presence at the Premises of a Hazardous Substance with respect to which any Applicable Requirements requires that a notice be given to persons entering or occupying the Premises or neighboring properties. Notwithstanding the foregoing, Lessee may use any ordinary and customary materials reasonably required to be used in the normal course of the Agreed Use, so long as such use is in compliance with all Applicable Requirements, is not a Reportable Use, and does not expose the Premises or neighboring property to any meaningful risk of contamination or damage or expose Lessor to any liability therefor. In addition, Lessor may condition its consent to any Reportable Use upon receiving such additional assurances as Lessor reasonably deems necessary to protect itself, the public, the Premises and/or the environment against damage, contamination, injury and/or liability, including, but not limited to, the installation (and removal on or before Lease expiration or termination) of protective modifications (such as concrete encasements) and/or increasing the Security Deposit.

(b) Duty to Inform Lessor. If Lessee knows, or has reasonable cause to believe, that a Hazardous Substance has come to be located in, on, under or about the Premises, other than as previously consented to by Lessor, Lessee shall immediately give written notice of such fact to Lessor, and provide Lessor with a copy of any report, notice, claim or other documentation which it has concerning the presence of such Hazardous Substance.

(c) Lessee Remediation. Lessee shall not cause or permit any Hazardous Substance to be spilled or released in, on, under, or about the Premises (including through the plumbing or sanitary sewer system) and shall promptly, at Lessee's expense, take all investigatory and/or remedial action reasonably recommended, whether or not formally ordered or required, for the cleanup of any contamination of, and for the maintenance, security and/or monitoring of the Premises or neighboring properties, that was caused or materially contributed to by Lessee, or pertaining to or involving any Hazardous Substance brought onto the Premises during the term of this Lease, by or for Lessee, or any third party.

(d) Lessee Indemnification. Lessee shall indemnify, defend and hold Lessor, its agents, employees, lenders and ground lessor, if any, harmless from and against any and all loss of rents and/or damages, liabilities, judgments, claims, expenses, penalties, and attorneys' and consultants' fees arising out of or involving any Hazardous Substance brought onto the Premises by or for Lessee, or any third party (provided, however, that Lessee shall have no liability under this Lease with respect to underground migration of any Hazardous Substance under the Premises from adjacent properties). Lessee's obligations shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Lessee, and the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease. **No termination, cancellation or release agreement entered into by Lessor and Lessee shall release Lessee from its obligations under this Lease with respect to Hazardous Substances, unless specifically so agreed by Lessor in writing at the time of such agreement.**

(e) Lessor Indemnification. Lessor and its successors and assigns shall indemnify, defend, reimburse and hold Lessee, its employees and lenders, harmless from and against any and all environmental damages, including the cost of remediation, which existed as a result of Hazardous Substances on the Premises prior to the Start Date or which are caused by the gross negligence or willful misconduct of Lessor, its agents or employees. Lessor's obligations, as and when required by the Applicable Requirements, shall include, but not be limited to, the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease.

(f) Investigations and Remediations. Lessor shall retain the responsibility and pay for any investigations or remediation measures required by governmental entities having jurisdiction with respect to the existence of Hazardous Substances on the Premises prior to the Start Date, unless such remediation measure is required as a result of Lessee's use (including "Alterations", as defined in paragraph 7.3(a) below) of the Premises, in which event Lessee shall be responsible for such payment. Lessee shall cooperate fully in any such activities at the request of Lessor, including allowing Lessor and Lessor's agents to have reasonable access to the Premises at reasonable times in order to carry out Lessor's investigative and remedial responsibilities.

(g) Lessor Termination Option. If a Hazardous Substance Condition occurs during the term of this Lease, unless Lessee is legally responsible therefor (in which case Lessee shall make the investigation and remediation thereof required by the Applicable Requirements and this Lease shall continue in full force and effect, but subject to Lessor's rights under Paragraph 6.2(d) and Paragraph 13), Lessor may, at Lessor's option, either (i) investigate and remediate such Hazardous Substance Condition, if required, as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) if the estimated cost to remediate such condition exceeds twelve (12) times the then monthly Base Rent or \$100,000, whichever is greater, give written notice to Lessee, within thirty (30) days after receipt by Lessor of knowledge of the occurrence of such Hazardous Substance Condition, of Lessor's desire to terminate this Lease as of the date sixty (60) days following the date of such notice. In the event Lessor elects to give a termination notice, Lessee may, within ten (10) days thereafter, give written notice to Lessor of Lessee's commitment to pay the amount by which the cost of the remediation of such Hazardous Substance Condition exceeds an amount equal to twelve (12) times the then monthly Base Rent or \$100,000, whichever is greater. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within thirty (30) days following such commitment. In such event, this Lease shall continue in full force and effect, and Lessor shall proceed to make such remediation as soon as reasonably possible after the required funds are available. If Lessee does not give such notice and provide the required funds or assurance thereof within the time provided, this Lease shall terminate as of the date specified in Lessor's notice of termination.

6.3 Lessee's Compliance with Applicable Requirements. Except as otherwise provided in this Lease, Lessee shall, at Lessee's sole expense, fully, diligently and in a timely manner, materially comply with all Applicable Requirements, the requirements of any applicable fire insurance underwriter or rating bureau, and the recommendations of Lessee's engineers and/or consultants which relate in any manner to the Premises, without regard to whether said requirements are now in effect or become effective after the Start Date. Lessee shall, within ten (10) days after receipt of Lessor's written request, provide Lessor with copies of all permits and other documents, and other information evidencing Lessee's compliance with any Applicable Requirements specified by Lessor, and shall immediately upon receipt, notify Lessor in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving the failure of Lessee or the Premises to comply with any Applicable Requirements.

6.4 Inspection; Compliance. Lessor and Lessor's "Lender" (as defined in Paragraph 30 below) and consultants shall have the right to enter into Premises at any time, in the case of an emergency, and otherwise at reasonable times, for the purpose of inspecting the condition of the Premises and for verifying compliance by Lessee with this Lease. The cost of any such inspections shall be paid by Lessor, unless a violation of Applicable Requirements, or a contamination is found to exist or be imminent, or the inspection is requested or ordered by a governmental authority. In such case, Lessee shall upon request reimburse Lessor for the cost of such inspections, so long as such inspection is reasonably related to the violation or contamination.



7. Maintenance; Repairs, Utility Installations; Trade Fixtures and Alterations.

7.1 Lessee's Obligations.

(a) In General. Subject to the provisions of Paragraph 2.2 (Condition), 2.3 (Compliance), 6.3 (Lessee's Compliance with Applicable Requirements), 7.2 (Lessor's Obligations), 9 (Damage or Destruction), and 14 (Condemnation), Lessee shall, at Lessee's sole expense, keep the Premises, Utility Installations, and Alterations in good order, condition and repair (whether or not the portion of the Premises requiring repairs, or the means of repairing the same, are reasonably or readily accessible to Lessee, and whether or not the need for such repairs occurs as a result of Lessee's use, any prior use, the elements or the age of such portion of the Premises), including, but not limited to, all equipment or facilities, such as plumbing, heating, ventilating, air-conditioning, electrical, lighting facilities, boilers, pressure vessels, fire protection system, fixtures, walls (interior and exterior), foundations, ceilings, roofs, floors, windows, doors, plate glass, skylights, landscaping, driveways, parking lots, fences, retaining walls, signs, sidewalks and parkways located in, on, or adjacent to the Premises. Lessee, in keeping the Premises in good order, condition and repair, shall exercise and perform good maintenance practices, specifically including the procurement and maintenance of the service contracts required by Paragraph 7.1(b) below. Lessee's obligations shall include restorations, replacements or renewals when necessary to keep the Premises and all improvements thereon or a part thereof in good order, condition and state of repair. Lessee shall, during the term of this Lease, keep the exterior appearance of the Building in a first-class condition consistent with the exterior appearance of other similar facilities of comparable age and size in the vicinity, including, when necessary, the exterior repainting of the Building.

~~(b) Service Contracts. Lessee shall, at Lessee's sole expense, procure and maintain contracts, with copies to Lessor, in customary form and substance for, and with contractors specializing and experienced in the maintenance of the following equipment and improvements ("Basic Elements"), if any, if and when installed on the Premises: (i) HVAC equipment, (ii) boiler, and pressure vessels, (iii) fire extinguishing systems, including fire alarm and/or smoke detection, (iv) landscaping and irrigation systems, (v) roof covering and drains, (vi) driveways and parking lots, (vii) utility lines, (viii) basic utility feed to the perimeter of the Building, and (ix) any other equipment, if reasonably required by Lessor.~~

(c) Replacement. Subject to Lessee's indemnification of Lessor as set forth in Paragraph 8.7 below, and without relieving Lessee of liability resulting from Lessee's failure to exercise and perform good maintenance practices, if the Basic Elements described in Paragraph 7.1(b) cannot be repaired other than at a cost which is in excess of 50% of the cost of replacing such Basic Elements, then such Basic Elements shall be replaced by Lessor, and the cost thereof shall be prorated between the Parties and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease, on the date on which Base Rent is due, an amount equal to the product of multiplying the cost of such replacement by a fraction, the numerator of which is one, and the denominator of which is the number of months of the useful life of such replacement as such useful life is specified pursuant to Federal income tax regulations or guidelines for depreciation thereof (including interest on the unamortized balance as is then commercially reasonable in the judgment of Lessor's accountants), with Lessee reserving the right to prepay its obligation at any time.

7.2 Lessor's Obligations. Subject to the provisions of Paragraphs 2.2 (Condition), 2.3 (Compliance), 9 (Damage or Destruction) and 14 (Condemnation), it is intended by the Parties hereto that Lessor have no obligation, in any manner whatsoever, to repair and maintain the Premises, or the equipment therein, all of which obligations are intended to be that of the Lessee. It is the intention of the Parties that the terms of this Lease govern the respective obligations of the Parties as to maintenance and repair of the Premises, and they expressly waive the benefit of any statute now or hereafter in effect to the extent it is inconsistent with the terms of this Lease.

7.3 Utility Installations; Trade Fixtures; Alterations.

(a) Definitions; Consent Required. The term "Utility Installations" refers to all floor and window coverings, air lines, power panels, electrical distribution, security and fire protection systems, communication systems, lighting fixtures, HVAC equipment, plumbing, and fencing in or on the Premises. The term "Trade Fixtures" shall mean Lessee's machinery and equipment that can be removed without doing material damage to the Premises. The term "Alterations" shall mean any modification of the improvements, other than Utility Installations or Trade Fixtures, whether by addition or deletion. "Lessee Owned Alterations and/or Utility Installations" are defined as Alterations and/or Utility Installations made by Lessee that are not yet owned by Lessor pursuant to Paragraph 7.4(a). Lessee shall not make any Alterations or Utility Installations to the Premises without Lessor's prior written consent. Lessee may, however, make non-structural Utility Installations to the interior of the Premises (excluding the roof) without such consent but upon notice to Lessor, as long as they are not visible from the outside, do not involve puncturing, relocating or removing the roof or any existing walls, and the cumulative cost thereof during this Lease as extended does not exceed \$50,000 in the aggregate or \$10,000 in any one year.

(b) Consent. Any Alterations or Utility Installations that Lessee shall desire to make and which require the consent of the Lessor shall be presented to Lessor in written form with detailed plans. Consent shall be deemed conditioned upon Lessee's: (i) acquiring all applicable governmental permits, (ii) furnishing Lessor with copies of both the permits and the plans and specifications prior to commencement of the work, and (iii) compliance with all conditions of said permits and other Applicable Requirements in a prompt and expeditious manner. Any Alterations or Utility Installations shall be performed in a workmanlike manner with good and sufficient materials. Lessee shall promptly upon completion furnish Lessor with as-built plans and specifications. For work which costs an amount equal to the greater of one month's Base Rent, or ~~\$10,000~~ \$25,000.00 Lessor may condition its consent upon Lessee providing a lien and completion bond in an amount equal to one and one-half times the estimated cost of such Alteration or Utility Installation and/or upon Lessee's posting an additional Security Deposit with Lessor.

(c) Indemnification. Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use on the Premises, which claims are or may be secured by any mechanic's or materialmen's lien against the Premises or any interest therein. Lessee shall give Lessor not less than ten (10) days' notice prior to the commencement of any work in, on or about the Premises, and Lessor shall have the right to post notices of non-responsibility. If Lessee shall contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend and protect itself, Lessor and the Premises against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof. If Lessor shall require, Lessee shall furnish a surety bond in an amount equal to one and one-half times the amount of such contested lien, claim or demand, indemnifying Lessor against liability for the same. If Lessor elects to participate in any such action, Lessee shall pay Lessor's attorneys' fees and costs.

7.4 Ownership; Removal; Surrender; and Restoration.

(a) Ownership. Subject to Lessor's right to require removal or elect ownership as hereinafter provided, all Alterations and Utility Installations made by Lessee shall be the property of Lessee, but considered a part of the Premises. Lessor may, at any time, elect in writing to be the owner of all or any specified part of the Lessee Owned Alterations and Utility Installations. Unless otherwise instructed per Paragraph 7.4(b) hereof, all Lessee Owned Alterations and Utility Installations shall, at the expiration or termination of this Lease, become the property of Lessor and be surrendered by Lessee with the Premises.

(b) Removal. By delivery to Lessee of written notice from Lessor not earlier than ninety (90) and not later than thirty (30) days prior to the end of the term of this Lease, Lessor may require that any or all Lessee Owned Alterations or Utility Installations be removed by the expiration or termination of this Lease. Lessor may require the removal at any time of all or any part of any Lessee Owned Alterations or Utility Installations made without the required consent.

(c) Surrender/Restoration. Lessee shall surrender the Premises by the Expiration Date or any earlier termination date, with all of the improvements, parts and surfaces thereof broom clean and free of debris, and in good operating order, condition and state of repair, ordinary wear and tear excepted. "Ordinary wear and tear" shall not include any damage or deterioration that would have been prevented by good maintenance practice. Lessee shall repair any damage occasioned by the installation, maintenance or removal of Trade Fixtures, Lessee Owned Alterations and/or Utility Installations, furnishings, and equipment as well as the removal of any storage tank installed by or for Lessee, and the removal, replacement, or remediation of any soil, material or groundwater contaminated by Lessee. Trade Fixtures shall remain the property of Lessee and shall be removed by Lessee. The failure by Lessee to timely vacate the Premises pursuant to this Paragraph 7.4(c) without the express written consent of Lessor shall constitute a holdover under the provisions of Paragraph 26 below.

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8. Insurance; Indemnity.

8.1 Payment For Insurance. Lessee shall pay for all insurance required under Paragraph 8 except to the extent of the cost attributable to liability insurance carried by Lessor under Paragraph 8.2(b) in excess of \$2,000,000 per occurrence. Premiums for policy periods commencing prior to or extending beyond the Lease term shall be prorated to correspond to the Lease term. Payment shall be made by Lessee to Lessor within ten (10) days following receipt of an invoice.

8.2 Liability Insurance. (and Lessor's mortgage-lender)

(a) Carried by Lessee. Lessee shall obtain and keep in force a Commercial General Liability Policy of Insurance protecting Lessee and Lessor against claims for bodily injury, personal injury and property damage based upon or arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than \$2,000,000 per occurrence with an "Additional Insured-Managers or Lessors of Premises Endorsement" and contain the "Amendment of the Pollution Exclusion Endorsement" for damage caused by heat, smoke or fumes from a hostile fire. The Policy shall not contain any intra-insured exclusions as between insured persons or organizations, but shall include coverage for liability assumed under this Lease as an "insured contract" for the performance of Lessee's indemnity obligations under this Lease. The limits of said insurance shall not, however, limit the liability of Lessee nor relieve Lessee of any obligation hereunder. All insurance carried by Lessee shall be primary to and not contributory with any similar insurance carried by Lessor, whose insurance shall be considered excess insurance only.

(b) Carried by Lessor. Lessor may, but shall not be obligated to, maintain liability insurance as described in Paragraph 8.2(a), in addition to, and not in lieu of, the insurance required to be maintained by Lessee. Lessee shall not be named as an additional insured therein.

8.3 Property Insurance - Building, Improvements and Rental Value.

(a) Building and Improvements. The Insuring Party shall obtain and keep in force a policy or policies in the name of Lessor, with loss payable to Lessor, any groundlessor, and to any Lender(s) insuring loss or damage to the Premises. The amount of such insurance shall be equal to the full replacement cost of the Premises, as the same shall exist from time to time, or the amount required by any Lenders, but in no event more than the commercially reasonable and available insurable value thereof. If Lessor is the Insuring Party, however, Lessee Owned Alterations and Utility Installations, Trade Fixtures, and Lessee's personal property shall be insured by Lessee under Paragraph 8.4 rather than by Lessor. If the coverage is available and commercially appropriate, such policy or policies shall insure against all risks of direct physical loss or damage (except the perils of flood and/or earthquake unless required by a Lender), including coverage for debris removal and the enforcement of any Applicable Requirements requiring the upgrading, demolition, reconstruction or replacement of any portion of the Premises as the result of a covered loss. Said policy or policies shall also contain an agreed valuation provision in lieu of any coinsurance clause, waiver of subrogation, and inflation guard protection causing an increase in the annual property insurance coverage amount by a factor of not less than the adjusted U.S. Department of Labor Consumer Price Index for All Urban Consumers for the city nearest to where the Premises are located. If such insurance coverage has a deductible clause, the deductible amount shall not exceed \$1,000 per occurrence, and Lessee shall be liable for such deductible amount in the event of an Insured Loss. \$500,000

(b) Rental Value. The Insuring Party shall obtain and keep in force a policy or policies in the name of Lessor with loss payable to Lessor and any Lender, insuring the loss of the full Rent for one (1) year. Said insurance shall provide that in the event the Lease is terminated by reason of an insured loss, the period of indemnity for such coverage shall be extended beyond the date of the completion of repairs or replacement of the Premises, to provide for one full year's loss of Rent from the date of any such loss. Said insurance shall contain an agreed valuation provision in lieu of any coinsurance clause, and the amount of coverage shall be adjusted annually to reflect the projected Rent ~~payable by Lessee, for the next twelve (12) month period. Lessee shall be liable for any deductible amount in the event of such loss.~~

(c) Adjacent Premises. If the Premises are part of a larger building, or of a group of buildings owned by Lessor which are adjacent to the Premises, the Lessee shall pay for any increase in the premiums for the property insurance of such building or buildings if said increase is caused by Lessee's acts, omissions, use or occupancy of the Premises.

8.4 Lessee's Property/Business Interruption Insurance.

(a) Property Damage. Lessee shall obtain and maintain insurance coverage on all of Lessee's personal property, Trade Fixtures, and Lessee Owned Alterations and Utility Installations. Such insurance shall be full replacement cost coverage with a deductible of not to exceed \$1,000 per occurrence. The proceeds from any such insurance shall be used by Lessee for the replacement of personal property, Trade Fixtures and Lessee Owned Alterations and Utility Installations. Lessee shall provide Lessor with written evidence that such insurance is in force.

(b) Business Interruption. Lessee shall obtain and maintain loss of income and extra expense insurance in amounts sufficient to reimburse Lessee for direct or indirect loss of earnings attributable to all perils commonly insured against by prudent lessees in the business of Lessee or attributable to prevention of access to the Premises as a result of such perils.

(c) No Representation of Adequate Coverage. Lessor makes no representation that the limits or forms of coverage of insurance specified herein are adequate to cover Lessee's property, business operations or obligations under this Lease.

8.5 Insurance Policies. Insurance required herein shall be by companies duly licensed or admitted to transact business in the state where the Premises are located, and maintaining during the policy term a "General Policyholders Rating" of at least B+, V, as set forth in the most current issue of "Best's Insurance Guide", or such other rating as may be required by a Lender. Lessee shall not do or permit to be done anything which invalidates the required insurance policies. Lessee shall, prior to the Start Date, deliver to Lessor certified copies of policies of such insurance or certificates evidencing the existence and amounts of the required insurance. No such policy shall be cancelable or subject to modification except after thirty (30) days prior written notice to Lessor. Lessee shall, at least thirty (30) days prior to the expiration of such policies, furnish Lessor with evidence of renewals or "insurance binders" evidencing renewal thereof, or Lessor may order such insurance and charge the cost thereof to Lessee, which amount shall be payable by Lessee to Lessor upon demand. Such policies shall be for a term of at least one year, or the length of the remaining term of this Lease, whichever is less. If either Party shall fail to procure and maintain the insurance required to be carried by it, the other Party may, but shall not be required to, procure and maintain the same.

8.6 Waiver of Subrogation. Without affecting any other rights or remedies, Lessee and Lessor each hereby release and relieve the other, and waive their entire right to recover damages against the other, for loss of or damage to its property arising out of or incident to the perils required to be insured against herein. The effect of such releases and waivers is not limited by the amount of insurance carried or required, or by any deductibles applicable hereto. The Parties agree to have their respective property damage insurance carriers waive any right to subrogation that such companies may have against Lessor or Lessee, as the case may be, so long as the insurance is not invalidated thereby.

8.7 Indemnity. Except for Lessor's gross negligence or willful misconduct, Lessee shall indemnify, protect, defend and hold harmless the Premises, Lessor and its agents, Lessor's master or ground lessor, partners and Lenders, from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' fees, expenses and/or liabilities arising out of, involving, or in connection with, the use and/or occupancy of the Premises by Lessee. If any action or proceeding is brought against Lessor by reason of any of the foregoing matters, Lessee shall upon notice defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessee in such defense. Lessor need not have first paid any such claim in order to be defended or indemnified.

8.8 Exemption of Lessor from Liability. Lessor shall not be liable for injury or damage to the person or goods, wares, merchandise or other property of Lessee, Lessee's employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, HVAC or lighting fixtures, or from any other cause, whether the said injury or damage results from conditions arising upon the Premises or upon other portions of the Building of which the Premises are a part, or from other sources or places. Lessor shall not be liable for any damages arising from any act or neglect of any other tenant of Lessor. Notwithstanding Lessor's negligence or breach of this Lease, Lessor shall under no circumstances be liable for injury to Lessee's business or for any loss of income or profit therefrom.

9. Damage or Destruction.

9.1 Definitions.

(a) "Premises Partial Damage" shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations, which can reasonably be repaired in six (6) months or less from the date of the damage or destruction.

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Lessor shall notify Lessee in writing within thirty (30) days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(b) "Premises Total Destruction" shall mean damage or destruction to the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which cannot reasonably be repaired in six (6) months or less from the date of the damage or destruction. Lessor shall notify Lessee in writing within thirty (30) days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(c) "Insured Loss" shall mean damage or destruction to improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which was caused by an event required to be covered by the insurance described in Paragraph 8.3(a), irrespective of any deductible amounts or coverage limits involved.

(d) "Replacement Cost" shall mean the cost to repair or rebuild the improvements owned by Lessor at the time of the occurrence to their condition existing immediately prior thereto, including demolition, debris removal and upgrading required by the operation of Applicable Requirements, and without deduction for depreciation.

(e) "Hazardous Substance Condition" shall mean the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Substance as defined in Paragraph 6.2(a), in, on, or under the Premises.

9.2 Partial Damage - Insured Loss. If a Premises Partial Damage that is an Insured Loss occurs, then Lessor shall, at Lessor's expense, repair such damage (but not Lessee's Trade Fixtures or Lessee Owned Alterations and Utility Installations) as soon as reasonably possible and this Lease shall continue in full force and effect; provided, however, that Lessee shall, at Lessor's election, make the repair of any damage or destruction the total cost to repair of which is \$10,000 or less, and, in such event, Lessor shall make any applicable insurance proceeds available to Lessee on a reasonable basis for that purpose. Notwithstanding the foregoing, if the required insurance was not in force or the insurance proceeds are not sufficient to effect such repair, the Insuring Party shall promptly contribute the shortage in proceeds (except as to the deductible which is Lessee's responsibility) as and when required to complete said repairs. In the event, however, such shortage was due to the fact that, by reason of the unique nature of the improvements, full replacement cost insurance coverage was not commercially reasonable and available, Lessor shall have no obligation to pay for the shortage in insurance proceeds or to fully restore the unique aspects of the Premises unless Lessee provides Lessor with the funds to cover same, or adequate assurance thereof, within ten (10) days following receipt of written notice of such shortage and request therefor. If Lessor receives said funds or adequate assurance thereof within said ten (10) day period, the party responsible for making the repairs shall complete them as soon as reasonably possible and this Lease shall remain in full force and effect. If such funds or assurance are not received, Lessor may nevertheless elect by written notice to Lessee within ten (10) days thereafter to: (i) make such restoration and repair as is commercially reasonable with Lessor paying any shortage in proceeds, in which case this Lease shall remain in full force and effect; or (ii) have this Lease terminate thirty (30) days thereafter. Lessee shall not be entitled to reimbursement of any funds contributed by Lessee to repair any such damage or destruction. Premises Partial Damage due to flood or earthquake shall be subject to Paragraph 9.3, notwithstanding that there may be some insurance coverage, but the net proceeds of any such insurance shall be made available for the repairs if made by either Party.

subject to the provisions hereof.

9.3 Partial Damage - Uninsured Loss. If a Premises Partial Damage that is not an Insured Loss occurs, unless caused by a negligent or willful act of Lessee (in which event Lessee shall make the repairs at Lessee's expense), Lessor may either: (i) repair such damage as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) terminate this Lease by giving written notice to Lessee within thirty (30) days after receipt by Lessor of knowledge of the occurrence of such damage. Such termination shall be effective sixty (60) days following the date of such notice. In the event Lessor elects to terminate this Lease, Lessee shall have the right within ten (10) days after receipt of the termination notice to give written notice to Lessor of Lessee's commitment to pay for the repair of such damage without reimbursement from Lessor. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within thirty (30) days after making such commitment. In such event this Lease shall continue in full force and effect, and Lessee shall proceed to make such repairs as soon as reasonably possible after the required funds are available. If Lessee does not make the required commitment, this Lease shall terminate as of the date specified in the termination notice. SEE ADDENDUM.

9.4 Total Destruction. Notwithstanding any other provision hereof, if a Premises Total Destruction occurs, this Lease shall terminate sixty (60) days following such Destruction. If the damage or destruction was caused by the gross negligence or willful misconduct of Lessee, Lessor shall have the right to recover Lessor's damages from Lessee, except as provided in Paragraph 8.6.

9.5 Damage Near End of Term. If at any time during the last six (6) months of this Lease there is damage for which the cost to repair exceeds one (1) month's Base Rent, whether or not an Insured Loss, Lessor may terminate this Lease effective sixty (60) days following the date of occurrence of such damage by giving a written termination notice to Lessee within thirty (30) days after the date of occurrence of such damage. Notwithstanding the foregoing, if Lessee at that time has an exercisable option to extend this Lease or to purchase the Premises, then Lessee may preserve this Lease by, (a) exercising such option and (b) providing Lessor with any shortage in insurance proceeds (or adequate assurance thereof) needed to make the repairs on or before the earlier of (i) the date which is ten days after Lessee's receipt of Lessor's written notice purporting to terminate this Lease, or (ii) the day prior to the date upon which such option expires. If Lessee duly exercises such option during such period and provides Lessor with funds (or adequate assurance thereof) to cover any shortage in insurance proceeds, Lessor shall, at Lessor's commercially reasonable expense, repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. If Lessee fails to exercise such option and provide such funds or assurance during such period, then this Lease shall terminate on the date specified in the termination notice and Lessee's option shall be extinguished.

9.6 Abatement of Rent; Lessee's Remedies.

(a) Abatement. In the event of Premises Partial Damage or Premises Total Destruction or a Hazardous Substance Condition for which Lessee is not responsible under this Lease, the Rent payable by Lessee for the period required for the repair, remediation or restoration of such damage shall be abated in proportion to the degree to which Lessee's use of the Premises is impaired, but not to exceed the proceeds received from the Rental Value insurance. All other obligations of Lessee hereunder shall be performed by Lessee, and Lessor shall have no liability for any such damage, destruction, remediation, repair or restoration except as provided herein.

(b) Remedies. If Lessor shall be obligated to repair or restore the Premises and does not commence, in a substantial and meaningful way, such repair or restoration within ninety (90) days after such obligation shall accrue, Lessee may, at any time prior to the commencement of such repair or restoration, give written notice to Lessor and to any Lenders of which Lessee has actual notice, of Lessee's election to terminate this Lease on a date not less than sixty (60) days following the giving of such notice. If Lessee gives such notice and such repair or restoration is not commenced within thirty (30) days thereafter, this Lease shall terminate as of the date specified in said notice. If the repair or restoration is commenced within said thirty (30) days, this Lease shall continue in full force and effect. "Commence" shall mean either the unconditional authorization of the preparation of the required plans, or the beginning of the actual work on the Premises, whichever first occurs. SEE ADDENDUM.

9.7 Termination-Advance Payments. Upon termination of this Lease pursuant to Paragraph 6.2(g) or Paragraph 9, an equitable adjustment shall be made concerning advance Base Rent and any other advance payments made by Lessee to Lessor. Lessor shall, in addition, return to Lessee so much of Lessee's Security Deposit as has not been, or is not then required to be, used by Lessor.

9.8 Waive Statutes. Lessor and Lessee agree that the terms of this Lease shall govern the effect of any damage to or destruction of the Premises with respect to the termination of this Lease and hereby waive the provisions of any present or future statute to the extent inconsistent herewith.

10. Real Property Taxes.

10.1 Definition of "Real Property Taxes." As used herein, the term "Real Property Taxes" shall include any form of assessment; real estate, general, special, ordinary or extraordinary, or rental levy or tax (other than inheritance, personal income or estate taxes); improvement bond; and/or license fee imposed upon or levied against any legal or equitable interest of Lessor in the Premises, Lessor's right to other income therefrom, and/or Lessor's business of leasing, by any authority having the direct or indirect power to tax and where the funds are generated

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with reference to the Building address and where the proceeds so generated are to be applied by the city, county or other local taxing authority of a jurisdiction within which the Premises are located. The term "Real Property Taxes" shall also include any tax, fee, levy, assessment or charge, or any increase therein, imposed by reason of events occurring during the term of this Lease, including but not limited to, a change in the ownership of the Premises.

10.2

(a) **Payment of Taxes.** Lessee shall pay the Real Property Taxes applicable to the Premises during the term of this Lease. Subject to Paragraph 10.2(b), all such payments shall be made at least ten (10) days prior to any delinquency date. Lessee shall promptly furnish Lessor with satisfactory evidence that such taxes have been paid. If any such taxes shall cover any period of time prior to or after the expiration or termination of this Lease, Lessee's share of such taxes shall be prorated to cover only that portion of the tax bill applicable to the period that this Lease is in effect, and Lessor shall reimburse Lessee for any overpayment. If Lessee shall fail to pay any required Real Property Taxes, Lessor shall have the right to pay the same, and Lessee shall reimburse Lessor therefor upon demand. **SEE ADDENDUM.**

(b) **Advance Payment.** In the event Lessee incurs a late charge on any Rent payment, Lessor may, at Lessor's option, estimate the current Real Property Taxes, and require that such taxes be paid in advance to Lessor by Lessee, either: (i) in a lump sum amount equal to the installment due, at least twenty (20) days prior to the applicable delinquency date, or (ii) monthly in advance with the payment of the Base Rent. If Lessor elects to require payment monthly in advance, the monthly payment shall be an amount equal to the amount of the estimated installment of taxes divided by the number of months remaining before the month in which said installment becomes delinquent. When the actual amount of the applicable tax bill is known, the amount of such equal monthly advance payments shall be adjusted as required to provide the funds needed to pay the applicable taxes. If the amount collected by Lessor is insufficient to pay such Real Property Taxes when due, Lessee shall pay Lessor, upon demand, such additional sums as are necessary to pay such obligations. All moneys paid to Lessor under this Paragraph may be intermingled with other moneys of Lessor and shall not bear interest. In the event of a Breach by Lessee in the performance of its obligations under this Lease, then any balance of funds paid to Lessor under the provisions of this Paragraph may at the option of Lessor, be treated as an additional Security Deposit.

10.3 **Joint Assessment.** If the Premises are not separately assessed, Lessee's liability shall be an equitable proportion of the Real Property Taxes for all of the land and improvements included within the tax parcel assessed, such proportion to be conclusively determined by Lessor from the respective valuations assigned in the assessor's work sheets or such other information as may be reasonably available.

10.4 **Personal Property Taxes.** Lessee shall pay, prior to delinquency, all taxes assessed against and levied upon Lessee Owned Alterations, Utility Installations, Trade Fixtures, furnishings, equipment and all personal property of Lessee. When possible, Lessee shall cause such property to be assessed and billed separately from the real property of Lessor. If any of Lessee's said personal property shall be assessed with Lessor's real property, Lessee shall pay Lessor the taxes attributable to Lessee's property within ten (10) days after receipt of a written statement.

11. **Utilities.** Lessee shall pay for all water, gas, heat, light, power, telephone, trash disposal and other utilities and services supplied to the Premises, together with any taxes thereon. If any such services are not separately metered to Lessee, Lessee shall pay a reasonable proportion, to be determined by Lessor, of all charges jointly metered. Such charges shall not contain any "mark-up" or "add-on" by Lessor.

12. **Assignment and Subletting.**

12.1 **Lessor's Consent Required.** **SEE ADDENDUM.**

(a) Lessee shall not voluntarily or by operation of law assign, transfer, mortgage or encumber (collectively, "assign or assignment") or sublet all or any part of Lessee's interest in this Lease or in the Premises without Lessor's prior written consent.

(b) A change in the control of Lessee shall constitute an assignment requiring consent. The transfer, on a cumulative basis, of twenty-five percent (25%) or more of the voting control of Lessee shall constitute a change in control for this purpose.

(c) The involvement of Lessee or its assets in any transaction, or series of transactions (by way of merger, sale, acquisition, financing, transfer, leveraged buy-out or otherwise), whether or not a formal assignment or hypothecation of this Lease or Lessee's assets occurs, which results or will result in a reduction of the Net Worth of Lessee by an amount greater than twenty-five percent (25%) of such Net Worth as it was represented at the time of the execution of this Lease or at the time of the most recent assignment to which Lessor has consented, or as it exists immediately prior to said transaction or transactions constituting such reduction, whichever was or is greater, shall be considered an assignment of this Lease to which Lessor may withhold its consent. "Net Worth of Lessee" shall mean the net worth of Lessee (excluding any guarantors) established under generally accepted accounting principles.

(d) An assignment or subletting without consent shall, at Lessor's option, be a Default curable after notice per Paragraph 13.1(c), or a noncurable Breach without the necessity of any notice and grace period. If Lessor elects to treat such unapproved assignment or subletting as a noncurable Breach, Lessor may either: (i) terminate this Lease, or (ii) upon thirty (30) days written notice, increase the monthly Base Rent to one hundred ten percent (110%) of the Base Rent then in effect. Further, in the event of such Breach and rental adjustment, (i) the purchase price of any option to purchase the Premises held by Lessee shall be subject to similar adjustment to one hundred ten percent (110%) of the price previously in effect, and (ii) all fixed and non-fixed rental adjustments scheduled during the remainder of the Lease term shall be increased to One Hundred Ten Percent (110%) of the scheduled adjusted rent.

(e) Lessee's remedy for any breach of Paragraph 12.1 by Lessor shall be limited to compensatory damages and/or injunctive relief.

12.2 **Terms and Conditions Applicable to Assignment and Subletting.**

(a) Regardless of Lessor's consent, any assignment or subletting shall not: (i) be effective without the express written assumption by such assignee or sublessee of the obligations of Lessee under this Lease, (ii) release Lessee of any obligations hereunder, or (iii) alter the primary liability of Lessee for the payment of Rent or for the performance of any other obligations to be performed by Lessee.

(b) Lessor may accept Rent or performance of Lessee's obligations from any person other than Lessee pending approval or disapproval of an assignment. Neither a delay in the approval or disapproval of such assignment nor the acceptance of Rent or performance shall constitute a waiver or estoppel of Lessor's right to exercise its remedies for Lessee's Default or Breach.

(c) Lessor's consent to any assignment or subletting shall not constitute a consent to any subsequent assignment or subletting.

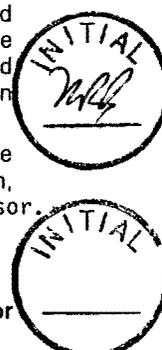
(d) In the event of any Default or Breach by Lessee, Lessor may proceed directly against Lessee, any Guarantors or anyone else responsible for the performance of Lessee's obligations under this Lease, including any assignee or sublessee, without first exhausting Lessor's remedies against any other person or entity responsible therefore to Lessor, or any security held by Lessor.

(e) Each request for consent to an assignment or subletting shall be in writing, accompanied by information relevant to Lessor's determination as to the financial and operational responsibility and appropriateness of the proposed assignee or sublessee, including but not limited to the intended use and/or required modification of the Premises, if any, together with a fee of \$1,000 or ten percent (10%) of the current monthly Base Rent applicable to the portion of the Premises which is the subject of the proposed assignment or sublease, whichever is greater, as consideration for Lessor's considering and processing said request. Lessee agrees to provide Lessor with such other or additional information and/or documentation as may be reasonably requested.

(f) Any assignee of, or sublessee under, this Lease shall, by reason of accepting such assignment or entering into such sublease, be deemed to have assumed and agreed to conform and comply with each and every term, covenant, condition and obligation herein to be observed or performed by Lessee during the term of said assignment or sublease, other than such obligations as are contrary to or inconsistent with provisions of an assignment or sublease to which Lessor has specifically consented to in writing.

12.3 **Additional Terms and Conditions Applicable to Subletting.** The following terms and conditions shall apply to any subletting by Lessee of all or any part of the Premises and shall be deemed included in all subleases under this Lease whether or not expressly incorporated therein:

(a) Lessee hereby assigns and transfers to Lessor all of Lessee's interest in all Rent payable on any sublease, and Lessor may collect such Rent and apply same toward Lessee's obligations under this Lease; provided, however, that until a Breach shall occur in the performance of Lessee's obligations, Lessee may collect said Rent. Lessor shall not, by reason of the foregoing or any assignment of such sublease, nor by reason of the collection of Rent, be deemed liable to the sublessee for any failure of Lessee to perform and comply with any of Lessee's obligations to such sublessee. Lessee hereby irrevocably authorizes and directs any such sublessee, upon receipt of a written notice



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from Lessor stating that a Breach exists in the performance of Lessee's obligations under this Lease, to pay to Lessor all Rent due and to become due under the sublease. Sublessee shall rely upon any such notice from Lessor and shall pay all Rents to Lessor without any obligation or right to inquire as to whether such Breach exists, notwithstanding any claim from Lessee to the contrary.

(b) In the event of a Breach by Lessee, Lessor may, at its option, require sublessee to attorn to Lessor, in which event Lessor shall undertake the obligations of the sublessor under such sublease from the time of the exercise of said option to the expiration of such sublease; provided, however, Lessor shall not be liable for any prepaid rents or security deposit paid by such sublessee to such sublessor or for any prior Defaults or Breaches of such sublessor.

(c) Any matter requiring the consent of the sublessor under a sublease shall also require the consent of Lessor.

(d) No sublessee shall further assign or sublet all or any part of the Premises without Lessor's prior written consent.

(e) Lessor shall deliver a copy of any notice of Default or Breach by Lessee to the sublessee, who shall have the right to cure the Default of Lessee within the grace period, if any, specified in such notice. The sublessee shall have a right of reimbursement and offset from and against Lessee for any such Defaults cured by the sublessee.

13. Default; Breach; Remedies.

13.1 Default; Breach. A "Default" is defined as a failure by the Lessee to comply with or perform any of the terms, covenants, conditions or rules under this Lease. A "Breach" is defined as the occurrence of one or more of the following Defaults, and the failure of Lessee to cure such Default within any applicable grace period:

(a) The abandonment of the Premises; or the vacating of the Premises without providing a commercially reasonable level of security, or where the coverage of the property insurance described in Paragraph 8.3 is jeopardized as a result thereof, or without providing reasonable assurances to minimize potential vandalism.

(b) The failure of Lessee to make any payment of Rent ~~or any Security Deposit~~ required to be made by Lessee hereunder, whether to Lessor or to a third party, when due, to provide reasonable evidence of insurance or surety bond, or to fulfill any obligation under this Lease which endangers or threatens life or property, where such failure continues for a period of ~~thirty (30)~~ **ten (10)** business days following written notice to Lessee.

(c) The failure by Lessee to provide (i) reasonable written evidence of compliance with Applicable Requirements, (ii) the service contracts, (iii) the rescission of an unauthorized assignment or subletting, (iv) a Estoppel Certificate, (v) a requested subordination, (vi) evidence concerning any guaranty and/or Guarantor, (vii) any document requested under Paragraph 42 (easements), or (viii) any other documentation or information which Lessor may reasonably require of Lessee under the terms of this Lease, where any such failure continues for a period of ten (10) days following written notice to Lessee.

(d) A Default by Lessee as to the terms, covenants, conditions or provisions of this Lease, or of the rules adopted under Paragraph 40 hereof, other than those described in subparagraphs 13.1(a), (b) or (c), above, where such Default continues for a period of thirty (30) days after written notice; provided, however, that if the nature of Lessee's Default is such that more than thirty (30) days are reasonably required for its cure, then it shall not be deemed to be a Breach if Lessee commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion.

(e) The occurrence of any of the following events: (i) the making of any general arrangement or assignment for the benefit of creditors; (ii) becoming a "debtor" as defined in 11 U.S.C. § 101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within sixty (60) days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within thirty (30) days or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within thirty (30) days; provided, however, in the event that any provision of this subparagraph (e) is contrary to any applicable law, such provision shall be of no force or effect, and not affect the validity of the remaining provisions.

(f) The discovery that any financial statement of Lessee or of any Guarantor given to Lessor was materially false.

(g) If the performance of Lessee's obligations under this Lease is guaranteed: (i) the death of a Guarantor, (ii) the termination of a Guarantor's liability with respect to this Lease other than in accordance with the terms of such guaranty, (iii) a Guarantor's becoming insolvent or the subject of a bankruptcy filing, (iv) a Guarantor's refusal to honor the guaranty, or (v) a Guarantor's breach of its guaranty obligation on an anticipatory basis, and Lessee's failure, within sixty (60) days following written notice of any such event, to provide written alternative assurance or security, which, when coupled with the then existing resources of Lessee, equals or exceeds the combined financial resources of Lessee and the Guarantors that existed at the time of execution of this Lease.

13.2 Remedies. If Lessee fails to perform any of its affirmative duties or obligations, within ten (10) days after written notice (or in case of an emergency, without notice), Lessor may, at its option, perform such duty or obligation on Lessee's behalf, including but not limited to the obtaining of reasonably required bonds, insurance policies, or governmental licenses, permits or approvals. The costs and expenses of any such performance by Lessor shall be due and payable by Lessee upon receipt of invoice therefor. If any check given to Lessor by Lessee shall not be honored by the bank upon which it is drawn, Lessor, at its option, may require all future payments to be made by Lessee to be by cashier's check. In the event of a Breach, Lessor may, with or without further notice or demand, and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such Breach:

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession to Lessor. In such event Lessor shall be entitled to recover from Lessee: (i) the unpaid Rent which had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that the Lessee proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by the Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, and that portion of any leasing commission paid by Lessor in connection with this Lease applicable to the unexpired term of this Lease. The worth at the time of award of the amount referred to in provision (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of the District within which the Premises are located at the time of award plus one percent (1%). Efforts by Lessor to mitigate damages caused by Lessee's Breach of this Lease shall not waive Lessor's right to recover damages under Paragraph 12. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Lessor shall have the right to recover in such proceeding any unpaid Rent and damages as are recoverable therein, or Lessor may reserve the right to recover all or any part thereof in a separate suit. If a notice and grace period required under Paragraph 13.1 was not previously given, a notice to pay rent or quit, or to perform or quit given to Lessee under the unlawful detainer statute shall also constitute the notice required by Paragraph 13.1. In such case, the applicable grace period required by Paragraph 13.1 and the unlawful detainer statute shall run concurrently, and the failure of Lessee to cure the Default within the greater of the two such grace periods shall constitute both an unlawful detainer and a Breach of this Lease entitling Lessor to the remedies provided for in this Lease and/or by said statute.

(b) Continue the Lease and Lessee's right to possession and recover the Rent as it becomes due, in which event Lessee may sublet or assign, subject only to reasonable limitations. Acts of maintenance, efforts to relet, and/or the appointment of a receiver to protect the Lessor's interests, shall not constitute a termination of the Lessee's right to possession.

(c) Pursue any other remedy now or hereafter available under the laws or judicial decisions of the state wherein the Premises are located. The expiration or termination of this Lease and/or the termination of Lessee's right to possession shall not relieve Lessee from liability

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under any indemnity provisions of this Lease as to matters occurring or accruing during the term hereof or by reason of Lessee's occupancy of the Premises.

13.3 **Inducement Recapture.** Any agreement for free or abated rent or other charges, or for the giving or paying by Lessor to or for Lessee of any cash or other bonus, inducement or consideration for Lessee's entering into this Lease, all of which concessions are hereinafter referred to as "**Inducement Provisions**," shall be deemed conditioned upon Lessee's full and faithful performance of all of the terms, covenants and conditions of this Lease. Upon Breach of this Lease by Lessee, any such Inducement Provision shall automatically be deemed deleted from this Lease and of no further force or effect, and any rent, other charge, bonus, inducement or consideration theretofore abated, given or paid by Lessor under such an Inducement Provision shall be immediately due and payable by Lessee to Lessor, notwithstanding any subsequent cure of said Breach by Lessee. The acceptance by Lessor of rent or the cure of the Breach which initiated the operation of this paragraph shall not be deemed a waiver by Lessor of the provisions of this paragraph unless specifically so stated in writing by Lessor at the time of such acceptance.

13.4 **Late Charges.** Lessee hereby acknowledges that late payment by Lessee of Rent will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to processing and accounting charges, and late charges which may be imposed upon Lessor by any Lender. Accordingly, if any Rent shall not be received by Lessor within five (5) days after such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall pay to Lessor a one-time late charge equal to ~~ten percent (10%)~~ **Five Percent (5%)** of each such overdue amount. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of such late payment. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's Default or Breach with respect to such overdue amount, nor prevent the exercise of any of the other rights and remedies granted hereunder. In the event that a late charge is payable hereunder, whether or not collected, for three (3) consecutive installments of Base Rent, then notwithstanding any provision of this Lease to the contrary, Base Rent shall, at Lessor's option, become due and payable quarterly in advance.

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13.5 **Interest.** Any monetary payment due Lessor hereunder, other than late charges, not received by Lessor, when due as to scheduled payments (such as Base Rent) or within thirty (30) days following the date on which it was due for non-scheduled payment, shall bear interest from the date when due, as to scheduled payments, or the thirty-first (31st) day after it was due as to non-scheduled payments. The interest ("**Interest**") charged shall be equal to the prime rate reported in the Wall Street Journal as published closest prior to the date when due plus four percent (4%), but shall not exceed the maximum rate allowed by law. Interest is payable in addition to the potential late charge provided for in Paragraph 13.4.

13.6 **Breach by Lessor.**

(a) **Notice of Breach.** Lessor shall not be deemed in breach of this Lease unless Lessor fails within a reasonable time to perform an obligation required to be performed by Lessor. For purposes of this Paragraph, a reasonable time shall in no event be less than thirty (30) days after receipt by Lessor, and any Lender whose name and address shall have been furnished Lessee in writing for such purpose, of written notice specifying wherein such obligation of Lessor has not been performed; provided, however, that if the nature of Lessor's obligation is such that more than thirty (30) days are reasonably required for its performance, then Lessor shall not be in breach if performance is commenced within such thirty (30) day period and thereafter diligently pursued to completion.

(b) **Performance by Lessee on Behalf of Lessor.** In the event that neither Lessor nor Lender cures said breach within thirty (30) days after receipt of said notice, or if having commenced said cure they do not diligently pursue it to completion, then Lessee may elect to cure said breach at Lessee's expense and offset from Rent an amount equal to the greater of one month's Base Rent or the Security Deposit, and to pay an excess of such expense under protest, reserving Lessee's right to reimbursement from Lessor. Lessee shall document the cost of said cure and supply said documentation to Lessor.

14. **Condemnation.** If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively "**Condemnation**"), this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than ten percent (10%) of any building portion of the premises, or more than twenty-five percent (25%) of the land area portion of the premises not occupied by any building, is taken by Condemnation, Lessee may, at Lessee's option, to be exercised in writing within ten (10) days after Lessor shall have given Lessee written notice of such taking (or in the absence of such notice, within ten (10) days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If Lessee does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Base Rent shall be reduced in proportion to the reduction in utility of the Premises caused by such Condemnation. Condemnation awards and/or payments shall be the property of Lessor, whether such award shall be made as compensation for diminution in value of the leasehold, the value of the part taken, or for severance damages; provided, however, that Lessee shall be entitled to any compensation for Lessee's relocation expenses, loss of business goodwill and/or Trade Fixtures, without regard to whether or not this Lease is terminated pursuant to the provisions of this Paragraph. All Alterations and Utility Installations made to the Premises by Lessee, for purposes of Condemnation only, shall be considered the property of the Lessee and Lessee shall be entitled to any and all compensation which is payable therefor. In the event that this Lease is not terminated by reason of the Condemnation, Lessor shall repair any damage to the Premises caused by such Condemnation. SEE ADDENDUM.

15. **Brokers' Fee.**

~~15.1 **Additional Commission.** In addition to the payments owed pursuant to Paragraph 1.10 above, and unless Lessor and the Brokers otherwise agree in writing, Lessor agrees that: (a) if Lessee exercises any Option, (b) if Lessee acquires any rights to the Premises or other premises owned by Lessor and located within the same Project, if any, within which the Premises is located, (c) if Lessee remains in possession of the Premises, with the consent of Lessor, after the expiration of this Lease, or (d) if Base Rent is increased, whether by agreement or operation of an escalation clause herein, then, Lessor shall pay Brokers a fee in accordance with the schedule of said Brokers in effect at the time of the execution of this Lease.~~

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[Signature]

15.2 **Assumption of Obligations.** Any buyer or transferee of Lessor's interest in this Lease shall be deemed to have assumed Lessor's obligation hereunder. Each Broker shall be a third party beneficiary of the provisions of Paragraphs 1.10, 15, 22 and 31. If Lessor fails to pay to a Broker any amounts due as and for commissions pertaining to this Lease when due, then such amounts shall accrue Interest. In addition, if Lessor fails to pay any amounts to Lessee's Broker when due, Lessee's Broker may send written notice to Lessor and Lessee of such failure and if Lessor fails to pay such amounts within ten (10) days after said notice, Lessee shall pay said monies to its Broker and offset such amounts against Rent. In addition, Lessee's Broker shall be deemed to be a third party beneficiary of any commission agreement entered into by and/or between Lessor and Lessor's Broker.

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~~15.3 **Representations and Indemnities of Broker Relationships.** Lessee and Lessor each represent and warrant to the other that it has had no dealings with any person, firm, broker or finder (other than the Brokers, if any) in connection with this Lease, and that no one other than said named Brokers is entitled to any commission or finder's fee in connection herewith. Lessee and Lessor do each hereby agree to indemnify, protect, defend and hold the other harmless from and against liability for compensation or charges which may be claimed by any such unnamed broker, finder or other similar party by reason of any dealings or actions of the indemnifying Party, including any costs, expenses, attorneys' fees reasonably incurred with respect thereto.~~

16. **Estoppel Certificates.**

(a) Each Party (as "**Responding Party**") shall within ten (10) days after written notice from the other Party (the "**Requesting Party**") execute, acknowledge and deliver to the Requesting Party a statement in writing in form similar to the then most current "**Estoppel Certificate**" form published by the American Industrial Real Estate Association, plus such additional information, confirmation and/or statements as may be reasonably requested by the Requesting Party.

(b) If the Responding Party shall fail to execute or deliver the Estoppel Certificate within such ten day period, the Requesting Party may execute an Estoppel Certificate stating that: (i) the Lease is in full force and effect without modification except as may be represented by the Requesting Party, (ii) there are no uncured defaults in the Requesting Party's performance, and (iii) if Lessor is the Requesting Party, not more than one month's rent has been paid in advance. Prospective purchasers and encumbrancers may rely upon the Requesting Party's Estoppel Certificate, and the Responding Party shall be estopped from denying the truth of the facts contained in said Certificate.

(c) If Lessor desires to finance, refinance, or sell the Premises, or any part thereof, Lessee and all Guarantors shall deliver to any potential lender or purchaser designated by Lessor such financial statements as may be reasonably required by such lender or purchaser, including but not limited to Lessee's financial statements for the past three (3) years. All such financial statements shall be received by Lessor and such lender or purchaser in confidence and shall be used only for the purposes herein set forth. [SEE ADDENDUM].

17. **Definition of Lessor.** The term "Lessor" as used herein shall mean the owner or owners at the time in question of the fee title to the Premises, or, if this is a sublease, of the Lessee's interest in the prior lease. In the event of a transfer of Lessor's title or interest in the Premises or this Lease, Lessor shall deliver to the transferee or assignee (in cash or by credit) any unused Security Deposit held by Lessor. Except as provided in Paragraph 15, upon such transfer or assignment and delivery of the Security Deposit, as aforesaid, the prior Lessor shall be relieved of all liability with respect to the obligations and/or covenants under this Lease thereafter to be performed by the Lessor. Subject to the foregoing, the obligations and/or covenants in this Lease to be performed by the Lessor shall be binding only upon the Lessor as hereinabove defined. Notwithstanding the above, and subject to the provisions of Paragraph 20 below, the original Lessor under this Lease, and all subsequent holders of the Lessor's interest in this Lease shall remain liable and responsible with regard to the potential duties and liabilities of Lessor pertaining to Hazardous Substances as outlined in Paragraph 6 above.

18. **Severability.** The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

19. **Days.** Unless otherwise specifically indicated to the contrary, the word "days" as used in this Lease shall mean and refer to calendar days.

20. **Limitation on Liability.** Subject to the provisions of Paragraph 17 above, the obligations of Lessor under this Lease shall not constitute personal obligations of Lessor, the individual partners of Lessor or its or their individual partners, directors, officers or shareholders, and Lessee shall look to the Premises, and to no other assets of Lessor, for the satisfaction of any liability of Lessor with respect to this Lease, and shall not seek recourse against the individual partners of Lessor, or its or their individual partners, directors, officers or shareholders, or any of their personal assets for such satisfaction.

21. **Time of Essence.** Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties under this Lease.

22. **No Prior or Other Agreements; Broker Disclaimer.** This Lease contains all agreements between the Parties with respect to any matter mentioned herein, and no other prior or contemporaneous agreement or understanding shall be effective. Lessor and Lessee each represents and warrants to the Brokers that it has made, and is relying solely upon, its own investigation as to the nature, quality, character and financial responsibility of the other Party to this Lease and as to the nature, quality and character of the Premises. Brokers have no responsibility with respect thereto or with respect to any default or breach hereof by either Party. The liability (including court costs and Attorneys' fees), of any Broker with respect to negotiation, execution, delivery or performance by either Lessor or Lessee under this Lease or any amendment or modification hereto shall be limited to an amount up to the fee received by such Broker pursuant to this Lease; provided, however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker.

23. **Notices.** with same-day hard-copy thereof by registered or certified mail

23.1 **Notice Requirements.** All notices required or permitted by this Lease shall be in writing and may be delivered in person (by hand or by courier) or may be sent by regular, certified or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by facsimile transmission, and shall be deemed sufficiently given if served in a manner specified in this Paragraph 23. The addresses noted adjacent to a Party's signature on this Lease shall be that Party's address for delivery or mailing of notices. Either Party may by written notice to the other specify a different address for notice, except that upon Lessee's taking possession of the Premises, the Premises shall constitute Lessee's address for notice. A copy of all notices to Lessor shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to time hereafter designate in writing.

23.2 **Date of Notice.** Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. If sent by regular mail the notice shall be deemed given forty-eight (48) hours after the same is addressed as required herein and mailed with postage prepaid. Notices delivered by United States Express Mail or overnight courier that guarantee next day delivery shall be deemed given twenty-four (24) hours after delivery of the same to the Postal Service or courier. Notices transmitted by facsimile transmission or similar means shall be deemed delivered upon telephone confirmation of receipt, provided a copy is also delivered via delivery or mail. If notice is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

24. **Waivers.** No waiver by Lessor of the Default or Breach of any term, covenant or condition hereof by Lessee, shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent Default or Breach by Lessee of the same or of any other term, covenant or condition hereof. Lessor's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Lessor's consent to, or approval of, any subsequent or similar act by Lessee, or be construed as the basis of an estoppel to enforce the provision or provisions of this Lease requiring such consent. The acceptance of Rent by Lessor shall not be a waiver of any Default or Breach by Lessee. Any payment by Lessee may be accepted by Lessor on account of moneys or damages due Lessor, notwithstanding any qualifying statements or conditions made by Lessee in connection therewith, which such statements and/or conditions shall be of no force or effect whatsoever unless specifically agreed to in writing by Lessor at or before the time of deposit of such payment.

25. **Recording.** Either Lessor or Lessee shall, upon request of the other, execute, acknowledge and deliver to the other a short form memorandum of this Lease for recording purposes. The Party requesting recordation shall be responsible for payment of any fees applicable thereto.

26. **No Right To Holdover.** Lessee has no right to retain possession of the Premises or any part thereof beyond the expiration or termination of this Lease. In the event that Lessee holds over, then the Base Rent shall be increased to one hundred fifty percent (150%) of the Base Rent applicable during the month immediately preceding the expiration or termination. Nothing contained herein shall be construed as consent by Lessor to any holding over by Lessee.

27. **Cumulative Remedies.** No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

28. **Covenants and Conditions; Construction of Agreement.** All provisions of this Lease to be observed or performed by Lessee are both covenants and conditions. In construing this Lease, all headings and titles are for the convenience of the parties only and shall not be considered a part of this Lease. Whenever required by the context, the singular shall include the plural and vice versa. This Lease shall not be construed as if prepared by one of the parties, but rather according to its fair meaning as a whole, as if both parties had prepared it.

29. **Binding Effect; Choice of Law.** This Lease shall be binding upon the parties, their personal representatives, successors and assigns and be governed by the laws of the State in which the Premises are located. Any litigation between the Parties hereto concerning this Lease shall be initiated in the county in which the Premises are located.

30. **Subordination; Attornment; Non-Disturbance.** Subject to Paragraph 30.3,

30.1 **Subordination.** This Lease and any Option granted hereby shall be subject and subordinate to any ground lease, mortgage, deed of trust, or other hypothecation or security device (collectively, "Security Device"), now or hereafter placed upon the Premises, to any and all advances made on the security thereof, and to all renewals, modifications, and extensions thereof. Lessee agrees that the holders of any such Security Devices (in this Lease together referred to as "Lender") shall have no liability or obligation to perform any of the obligations of Lessor under this Lease. Any Lender may elect to have this Lease and/or any Option granted hereby superior to the lien of its Security Device by giving written notice thereof to Lessee, whereupon this Lease and such Options shall be deemed prior to such Security Device, notwithstanding the relative dates of the documentation or recordation thereof.

30.2 **Attornment.** Subject to the non-disturbance provisions of Paragraph 30.3, Lessee agrees to attorn to a Lender or any other party who acquires ownership of the Premises by reason of a foreclosure of a Security Device, and that in the event of such foreclosure, such party

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owner shall not: (i) be liable for any act or omission of any prior lessor or with respect to events occurring prior to acquisition of ownership; (ii) be subject to any offsets or defenses which Lessee might have against any prior lessor, or (iii) be bound by prepayment of more than one (1) month's rent.

and conditioned upon

30.3 **Non-Disturbance.** With respect to Security Devices entered into by Lessor after the execution of this Lease, Lessee's subordination of this Lease shall be subject to receiving a commercially reasonable non-disturbance agreement (a "Non-Disturbance Agreement") from the Lender which Non-Disturbance Agreement provides that Lessee's possession of the Premises, and this Lease, including any options to extend the term hereof, will not be disturbed so long as Lessee is not in Breach hereof and attorns to the record owner of the Premises. Further, within sixty (60) days after the execution of this Lease, Lessor shall use its commercially reasonable efforts to obtain a Non-Disturbance Agreement from the holder of any pre-existing Security Device which is secured by the Premises. In the event that Lessor is unable to provide the Non-Disturbance Agreement within said sixty (60) days, then Lessee may, at Lessee's option, directly contact Lessor's lender and attempt to negotiate for the execution and delivery of a Non-Disturbance Agreement.

30.4 **Self-Executing.** The agreements contained in this Paragraph 30 shall be effective without the execution of any further documents; provided, however, that, upon written request from Lessor or a Lender in connection with a sale, financing or refinancing of the Premises, Lessee and Lessor shall execute such further writings as may be reasonably required to separately document any subordination, attornment and/or Non-Disturbance Agreement provided for herein.

31. **Attorneys' Fees.** If any Party or Broker brings an action or proceeding involving the Premises to enforce the terms hereof or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term, "Prevailing Party" shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. In addition, Lessor shall be entitled to attorneys' fees, costs and expenses incurred in the preparation and service of notices of Default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such Default or resulting Breach.

32. **Lessor's Access; Showing Premises; Repairs.** Lessor and Lessor's agents shall have the right to enter the Premises at any time, in the case of an emergency, and otherwise at reasonable times for the purpose of showing the same to prospective purchasers, lenders, or lessees, and making such alterations, repairs, improvements or additions to the Premises as Lessor may deem necessary. All such activities shall be without abatement of rent or liability to Lessee. Lessor may at any time place on the Premises any ordinary "For Sale" signs and Lessor may during the last six (6) months of the term hereof place on the Premises any ordinary "For Lease" signs. Lessee may at any time place on or about the Premises any ordinary "For Sublease" sign.

33. **Auctions.** Lessee shall not conduct, nor permit to be conducted, any auction upon the Premises without Lessor's prior written consent. Lessor shall not be obligated to exercise any standard of reasonableness in determining whether to permit an auction.

34. **Signs.** Except for ordinary "For Sublease" signs, Lessee shall not place any sign upon the exterior of the Premises without Lessor's prior written consent. All signs must comply with all Applicable Requirements.

35. **Termination; Merger.** Unless specifically stated otherwise in writing by Lessor, the voluntary or other surrender of this Lease by Lessee, the mutual termination or cancellation hereof, or a termination hereof by Lessor for Breach by Lessee, shall automatically terminate any sublease or lesser estate in the Premises; provided, however, that Lessor may elect to continue any one or all existing subtenancies. Lessor's failure within ten (10) days following any such event to elect to the contrary by written notice to the holder of any such lesser interest, shall constitute Lessor's election to have such event constitute the termination of such interest.

36. **Consents.** Except as otherwise provided herein, wherever in this Lease the consent of a Party is required to an act by or for the other Party, such consent shall not be unreasonably withheld or delayed. Lessor's actual reasonable costs and expenses (including but not limited to architects', attorneys', engineers' and other consultants' fees) incurred in the consideration of, or response to, a request by Lessee for any Lessor consent, including but not limited to consents to an assignment, a subletting or the presence or use of a Hazardous Substance, shall be paid by Lessee upon receipt of an invoice and supporting documentation therefor. Lessor's consent to any act, assignment or subletting shall not constitute an acknowledgment that no Default or Breach by Lessee of this Lease exists, nor shall such consent be deemed a waiver of any then existing Default or Breach, except as may be otherwise specifically stated in writing by Lessor at the time of such consent. The failure to specify herein any particular condition to Lessor's consent shall not preclude the imposition by Lessor at the time of consent of such further or other conditions as are then reasonable with reference to the particular matter for which consent is being given. In the event that either Party disagrees with any determination made by the other hereunder and reasonably requests the reasons for such determination, the determining party shall furnish its reasons in writing and in reasonable detail within ten (10) business days following such request.

37. **Guarantor.**

~~37.1 **Execution.** The Guarantors, if any, shall each execute a guaranty in the form most recently published by the American Industrial Real Estate Association, and each such Guarantor shall have the same obligations as Lessee under this Lease.~~

~~37.2 **Default.** It shall constitute a Default of the Lessee if any Guarantor fails or refuses, upon request to provide: (a) evidence of the execution of the guaranty, including the authority of the party signing on Guarantor's behalf to obligate Guarantor, and in the case of a corporate Guarantor, a certified copy of a resolution of its board of directors authorizing the making of such guaranty, (b) current financial statements, (c) a Escrow Certificate, or (d) written confirmation that the guaranty is still in effect.~~

38. **Quiet Possession.** Subject to payment by Lessee of the Rent and performance of all of the covenants, conditions and provisions on Lessee's part to be observed and performed under this Lease, Lessee shall have quiet possession and quiet enjoyment of the Premises during the term hereof.

39. **Options. [SEE ADDENDUM].**

39.1 **Definition.** "Option" shall mean: (a) the right to extend the term of or renew this Lease or to extend or renew any lease that Lessee has on other property of Lessor; ~~(b) the right of first refusal or first offer to lease either the Premises or other property of Lessor; (c) the right to purchase or the right of first refusal to purchase the Premises or other property of Lessor.~~

39.2 **Options Personal To Original Lessee.** Each Option granted to Lessee in this Lease is personal to the original Lessee, and cannot be assigned or exercised by anyone other than said original Lessee and only while the original Lessee is in full possession of the Premises and, if requested by Lessor, with Lessee certifying that Lessee has no intention of thereafter assigning or subletting.

39.3 **Multiple Options.** In the event that Lessee has any multiple Options to extend or renew this Lease, a later Option cannot be exercised unless the prior Options have been validly exercised.

39.4 **Effect of Default on Options.**

(a) Lessee shall have no right to exercise an Option: (i) during the period commencing with the giving of any notice of Default and continuing until said Default is cured, (ii) during the period of time any Rent is unpaid (without regard to whether notice thereof is given Lessee), (iii) during the time Lessee is in Breach of this Lease, or (iv) in the event that Lessee has been given three (3) or more notices of separate Default, whether or not the Defaults are cured, during the twelve (12) month period immediately preceding the exercise of the Option.

(b) The period of time within which an Option may be exercised shall not be extended or enlarged by reason of Lessee's inability to exercise an Option because of the provisions of Paragraph 39.4(a).

(c) An Option shall terminate and be of no further force or effect, notwithstanding Lessee's due and timely exercise of the Option, if, after such exercise and prior to the commencement of the extended term, (i) Lessee fails to pay Rent for a period of thirty (30) days after such Rent becomes due (without any necessity of Lessor to give notice thereof), (ii) Lessor gives to Lessee three (3) or more notices of separate Default during any twelve (12) month period, whether or not the Defaults are cured, or (iii) if Lessee commits a Breach of this Lease.

40. **Multiple Buildings.** If the Premises are a part of a group of buildings controlled by Lessor, Lessee agrees that it will observe all reasonable rules and regulations which Lessor may make from time to time for the management, safety, and care of said properties, including

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the care and cleanliness of the grounds and including the parking, loading and unloading of vehicles, and that Lessee will pay its fair share of common expenses incurred in connection therewith.

41. **Security Measures.** Lessee hereby acknowledges that the rental payable to Lessor hereunder does not include the cost of guard service or other security measures, and that Lessor shall have no obligation whatsoever to provide same. Lessee assumes all responsibility for the protection of the Premises, Lessee, its agents and invitees and their property from the acts of third parties.

42. **Reservations.** Lessor reserves to itself the right, from time to time, to grant, without the consent or joinder of Lessee, such easements, rights and dedications that Lessor deems necessary, and to cause the recordation of parcel maps and restrictions, so long as such easements, rights, dedications, maps and restrictions do not unreasonably interfere with the use of the Premises by Lessee. Lessee agrees to sign any documents reasonably requested by Lessor to effectuate any such easement rights, dedication, map or restrictions.

43. **Performance Under Protest.** If at any time a dispute shall arise as to any amount or sum of money to be paid by one Party to the other under the provisions hereof, the Party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" and such payment shall not be regarded as a voluntary payment and there shall survive the right on the part of said Party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said Party to pay such sum or any part thereof, said Party shall be entitled to recover such sum or so much thereof as it was not legally required to pay.

44. **Authority.** If either Party hereto is a corporation, trust, limited liability company, partnership, or similar entity, each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on its behalf. Each party shall, within thirty (30) days after request, deliver to the other party satisfactory evidence of such authority.

45. **Conflict.** Any conflict between the printed provisions of this Lease and the typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions.

46. **Offer.** Preparation of this Lease by either Party or their agent and submission of same to the other Party shall not be deemed an offer to lease to the other Party. This Lease is not intended to be binding until executed and delivered by all Parties hereto.

47. **Amendments.** This Lease may be modified only in writing, signed by the Parties in interest at the time of the modification. As long as they do not materially change Lessee's obligations hereunder, Lessee agrees to make such reasonable non-monetary modifications to this Lease as may be reasonably required by a Lender in connection with the obtaining of normal financing or refinancing of the Premises.

48. **Multiple Parties.** If more than one person or entity is named herein as either Lessor or Lessee, such multiple Parties shall have joint and several responsibility to comply with the terms of this Lease.

49. **Mediation and Arbitration of Disputes.** An Addendum requiring the Mediation and/or the Arbitration of all disputes between the Parties and/or Brokers arising out of this Lease is is not attached to this Lease.

LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN, AND BY THE EXECUTION OF THIS LEASE SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES.

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

- SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS LEASE.
- RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PREMISES. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING OF THE PREMISES, THE STRUCTURAL INTEGRITY, THE CONDITION OF THE ROOF AND OPERATING SYSTEMS, AND THE SUITABILITY OF THE PREMISES FOR LESSEE'S INTENDED USE.

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

[SEE ADDENDUM] .

The parties hereto have executed this Lease at the place and on the dates specified above their respective signatures.

Executed at: Los Angeles, California
on: _____

By **LESSOR:**
ARCADIA PACIFIC INVESTMENTS, LLC
A California Limited Liability Company

By: _____
Name Printed: Robert Yu
Title: Managing Member

By: _____
Name Printed: _____
Title: _____

Address: c/o R.Y. PROPERTIES, INC.
212 S. Palm Avenue, Suite 200, Alhambra, CA 91801

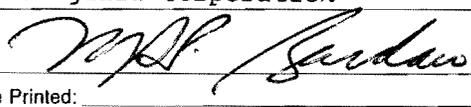
Telephone: (626) 282-3100

Facsimile: (626) 282-6588

Federal ID No. _____

Executed at: _____
on: _____

By **LESSEE:**
AMF BOWLING CENTERS, INC.
A Virginia Corporation

By: 
Name Printed: _____
Title: _____

By: _____
Name Printed: _____
Title: _____

Address: _____

Telephone: () _____

Facsimile: () _____

Federal ID No. _____

NOTE: These forms are often modified to meet changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most current form: AMERICAN INDUSTRIAL REAL ESTATE ASSOCIATION, 700 So. Flower Street, Suite 600, Los Angeles, California 90017. (213) 687-8777. Fax No. (213) 687-8616

ADDENDUM TO
STANDARD INDUSTRIAL/COMMERCIAL
SINGLE-TENANT LEASE - NET

The following additional provisions are hereby added to and shall be deemed part of and incorporated into the attached *Standard Industrial/Commercial Single-Tenant Lease - Net*, dated as of even date therewith.

50. Base Rent.

The Base Rent for the Premises shall be **\$268,000.00 per year** (payable at the rate of **\$22,333.33** per month) for the first (1st) FIVE (5) years of the Lease Term, and then **\$294,800.00 per year** (payable **\$24,566.67** per month), for the second (and last) FIVE (5) years of the original Lease Term.

51. Options.

A. Subject to the provisions of Paragraph 39 of the Lease, Lessor hereby grants to Lessee **Two (2) consecutive Options of FIVE (5) Years** for each Option, to be taken successively. The Base Rent for the First (1st) Option Period shall be **\$324,280.00 per year** (payable **\$27,023.33** per month), and the Base Rent for the Second (2nd) Option Period shall be **\$356,708.00 per year** (payable **\$29,725.67** per month).

B. Each Option must be exercised in writing given by Lessee to Lessor (and actually received by Lessor) not earlier than nine (9) months nor later than six (6) months before the date the Option Period, if properly and timely exercised, would commence (namely, upon the expiration date of the immediately preceding term of the Lease). Unless the Option is so exercised, timely and properly, such Option shall lapse and be of no force or effect, and Lessee shall have no rights of renewal or extension of the Lease as to such Option.

52. Security System and Services.

Lessee shall provide at its expense (and to Lessor's complete exclusion therefrom) any or all security-guard or patrol services, theft alarm systems and other similar security or protective systems, within and about the Premises, as Lessee may elect in its sole discretion.

53. Parking and Access-ways.

A. As part of the Premises, Lessor has leased to Lessee certain areas improved as a parking lot and access-way, which are adjacent and/or appurtenant to the stand-alone building housing the Premises and bowling alleys therein. Lessee understands and acknowledges that portions of such areas may be subject to non-exclusive and temporary use, ingress and egress to and from the public streets and neighboring properties (being currently used as business offices

and retail businesses) by the owners thereof and their respective lessees and customers, pursuant to the provisions of a reciprocal easement agreement, recorded on March 31, 1961, as Instrument No. 1024.

B. Whereas, Lessor (and Lessee, by virtue of this Lease) may enjoy similar non-exclusive and temporary use, ingress and egress to and from similar areas adjoining such other owners' properties, pursuant to the foregoing agreement. Lessee shall be responsible for the costs and expenses to repair and maintain the parking and access areas comprising the Premises, which directly adjoin the Premises, including without limitation any re-surfacing, re-paving, re-striping, landscaping and the like, associated therewith.

54. Tenant's Offset Rights.

(A) If Lessee as buyer incurs or suffers any actual damage, loss or injury arising out of its ownership of the bowling center business comprising the Premises, which results from proven misrepresentation or false warranty by the seller BOWLING SQUARE, INC. ("Seller"), of those certain representations and warranties contained in *Schedule "A"* to that Contract between such Seller and Lessee-buyer, dated March 15, 1999, covering the purchase and sale of such business, then Lessee shall provide written notice to Lessor hereunder of such damage, loss or injury, including adequate documentation and other pertinent evidence to support its claims of such damage/loss/injury. Upon Lessor's receipt of such Lessee's notice, both parties, using the utmost good faith and fair dealing with one another, shall have thirty (30) days after such receipt within which to resolve such claims mutually and to all parties' satisfaction. If, despite such efforts, the parties cannot reach a mutual resolution within the foregoing period, then Lessee shall be entitled by written notice to Lessor to offset Lessee's claim of such damage, loss or injury against and deduct the same from the monthly Base Rent coming due and payable under this Lease, until such claim has been satisfied in full.

(B) Notwithstanding Lessee's exercise of its offset right, above, none of Lessor's rights and remedies hereunder, at law or in equity, shall be waived, impaired or otherwise adversely affected thereby, and Lessor shall retain and preserve all of such rights and remedies, including the filing of any legal action or other proceedings to enforce the same.

(C) Provided, that Lessee shall not be entitled to exercise the foregoing right if it shall be then in breach or default under any provision of this Lease.

55. Revisions to Lease Provisions.

A. Paragraph 9.3.

1. In clarification of this Paragraph of the Lease, upon Lessee's written commitment to repair the damage and uninsured loss, Lessee shall provide Lessor with its written estimate and description of the required repairs, including the estimated costs, time and similar factors to complete the same, within thirty (30) days following such written commitment to Lessor. Lessor and Lessee shall mutually and in good faith agree upon the final scope and

extent of such repairs within thirty (30) days after presentation to Lessor of the estimated repairs by Lessee, whereupon the Lease shall not terminate but continue instead. Lessee shall commence and diligently pursue the required work, subject to compliance with all applicable codes, ordinances, rules and regulations of regulatory and governmental agencies.

2. For repair costs not exceeding the sum of Fifty Thousand Dollars (\$50,000), following completion of the necessary repairs and receipt of a certificate of occupancy (as and if applicable), Lessee shall be entitled to offset against but not exceeding the monthly Base Rent the amount equal to one-twelfth (1/12) of the total costs over a period of twelve (12) months thereafter. (Any portion of such costs above \$50,000 shall be absorbed by Lessee, without deduction, offset or counterclaim against Lessor.)

B. Paragraph 9.6(b). In clarification of this Paragraph of the Lease, as an alternative to the termination notice by Lessee, it may also give Lessor written notice of Lessee's intention to repair or restore the Premises, in lieu of Lessor's actions to do so, by providing Lessor with Lessee's written commitment to perform such repairs/restoration and otherwise complying with the provisions stated in Paragraph 9.3, above, in which case the limitations, timing and other provisions thereof shall govern Lessee's actions under this Paragraph.

C. Paragraph 10.2(a). In addition to the provisions of this Paragraph, Lessor agrees to provide Lessee with copies of the tax bills and statements promptly upon its receipt of the same. Upon prior written notice to and reasonable consent of Lessor, Lessee shall be entitled to contest such taxes provided that it shall have paid or advanced the same (including under protest) such that no delinquency or default under the Lease shall occur thereby.

D. Paragraph 12.1.

1. Notwithstanding any provision in this Paragraph to the contrary, Lessee shall be entitled, without Lessor's prior consent, but upon prior written notice to Lessor, to transfer or assign this Lease to any parent, subsidiary or affiliated company as a result of merger, consolidation or other similar corporate restructuring, by which Lessee owns more than fifty percent (50%) of the beneficial interest in such latter company or by which more than fifty percent (50%) of Lessee's beneficial interest is owned thereby. No such assignment or transfer shall relieve Lessee of its duties and liabilities under the Lease.

2. In addition, subject to reasonably prior written notice to Lessor and Lessor's mortgage lender ("Lessor's Lender"), Lessee shall be entitled to record a leasehold mortgage from its own lender, including modifications and renewals thereof, against Lessee's tenant-title under the Lease, so long as such recording does not constitute any lien or defect against Lessor's title to the underlying fee-title ownership of the real property Project of which the Premises are a part. Any such recording by Lessee must receive the prior written approval of Lessor's Lender and otherwise shall be subject to the applicable provisions of the mortgage held thereby against Lessor's title.

E. Paragraph 14. In addition to the provisions of this Paragraph, should any condemnation or other eminent-domain action cause the loss of Twenty-Five Percent (25%) or more of the parking spaces in the parking lot within and which directly adjoins the Premises, and if Lessor is unable to provide substantially equivalent (and convenient) replacement parking in lieu of such spaces, then Lessee shall be entitled to terminate this Lease upon not less than sixty (60) days prior written notice to Lessor, if Lessee in the exercise of its good-faith business judgment concludes that such loss would materially and adversely affect Lessee's business in the Premises.

F. Paragraph 16(c). For purposes of this Paragraph, Lessee shall be entitled to substitute and submit in lieu of its "financial statements" the Form 10-K public reports and/or statements which it has filed with applicable public regulatory agencies, such as the federal Securities and Exchange Commission and/or Internal Revenue Service, so long as such latter reports/statements contain substantially the same information as in such financial statements.

56. Further Acts; Counterparts.

The parties each agree to execute such further and additional instruments and to do or refrain from such further acts, as may be reasonably necessary or appropriate to carry out the terms and conditions of this instrument and to allow each other party to realize fully and adequately the benefits accorded to it hereunder. This instrument may be executed in multiple counterparts, each of which shall be deemed an original document, but all of which together shall constitute one and the same original instrument.

IN WITNESS WHEREOF, the parties have executed and delivered this instrument effective as of the date first written above, regardless of the actual date of the signing hereof.

Lessor:

ARCADIA PACIFIC INVESTMENTS, LLC
A California Limited Liability Company

By: _____
Name: Robert Yu, Managing Member

Lessee:

AMF BOWLING CENTERS, INC.
A Virginia Corporation

By:  _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

[end of Addendum]

AMENDMENT TO LEASE AGREEMENT

THIS AMENDMENT TO LEASE AGREEMENT is made as of this 18th day of February, 2002, by and between Arcadia Pacific Investments, LLC, a California limited liability company ("Landlord"), and AMF Bowling Centers, Inc., a Virginia corporation ("Tenant").

RECITALS

WHEREAS, Landlord and Tenant are parties to that certain Standard Industrial/Commercial Single Tenant Lease-Net dated March 31, 1999 and modified and amended by that certain Addendum, and by that certain Second Addendum both likewise dated March 31, 1999 (the "Lease Agreement") of certain land and improvements located at 1031 South Baldwin Avenue, Arcadia, CA 91007 and commonly referred to as Bowling Square Lanes (as more particularly described in the Lease Agreement, the "Demised Premises") for the operation of a bowling center.

WHEREAS, Landlord and Tenant desire to amend the Lease Agreement on the terms and conditions set forth herein.

NOW, THEREFORE, Landlord and Tenant hereby agree to amend the Lease Agreement as follows:

1. Rent. Sections 1.5, 4.2 and 50 of the Lease Agreement are hereby modified and amended by revising the annual and monthly Base Rent figures contained in the Lease Agreement to reflect the following new amounts for the balance of the initial term:

	<u>Period</u>	<u>Annual Base Rent</u>	<u>Monthly Base Rent</u>
Jy MA FEBRUARY 28	March 1, 2002 to March 31, 2004	\$256,000	\$21,333.33
	MARCH 1 April 1, 2004 to February 28, 2007	\$282,800	\$23,566.67
	March 1, 2007 to June 30, 2009	\$294,800	\$24,566.67

2. Release. By its execution of this Amendment, and for good and valuable consideration, the receipt and sufficiency of which Landlord acknowledges, Landlord agrees that upon the payment by Tenant of any pre-petition rent under the Lease Agreement, Landlord releases any claim for cure

that Landlord may otherwise have in connection with the Tenant's assumption of the Lease Agreement in the Tenant's pending chapter 11 case and any other pre-petition or post-petition claims that Landlord may have against Tenant as of the effective date of this Amendment.

3. Memorandum. Section 25 of the Lease Agreement is deleted and the following new section is added to the Lease Agreement in its place:

Memorandum of Lease. Landlord hereby agrees that it shall promptly execute and notarize a recordable Memorandum of Lease setting forth the provisions of the Lease, as amended hereby, if requested by Tenant. The original Memorandum of Lease shall be retained by Tenant and shall be recorded by Tenant, at Tenant's election.

4. ~~Household Mortgage~~. Section 10.1 (d) of the Lease Agreement is hereby deleted and the following new section is added to the Lease Agreement in its place:

~~Tenant shall have the right, at its option, to assign its interest under this Lease as collateral for any other obligation, or to encumber its interest in the Lease with a mortgage, deed of trust, or other security interest. If Tenant has provided notice of such an assignment or mortgage or pledge of its interest in this Lease to Landlord, together with the name and address of the beneficiary of such mortgage, deed of trust, assignment or other security instrument (the "Beneficiary"), Landlord agrees to provide to the Beneficiary copies of any notice or notices of default by Tenant under this Lease which are provided to Tenant, and agrees that the Beneficiary shall have a reasonable period of time (which period shall not be any shorter than the notice and cure periods provided to Tenant hereunder) in which to remedy, at its option, any default of which it receives notice.~~

5. Mortgagee Consent. Landlord shall, within two (2) business days of the execution of this Amendment, submit this Amendment to any mortgagee holding an interest in the Demised Premises (the "Current Mortgagee") for such Current Mortgagee's consent to the terms and conditions hereof. Landlord shall thereafter use good faith, reasonable efforts to obtain such consent from Current Mortgagee no later than the ninetieth (90th) day following the date this Amendment is executed (the "Approval Period"). If Tenant requests that the Bankruptcy Court approve the assumption of this Lease Agreement prior to Tenant's receipt of the Current Mortgagee's consent, the Court's order approving such assumption shall be expressly conditioned upon receipt by Tenant of the Current Mortgagee's consent prior to the conclusion of the Approval Period, and the Lease Agreement shall, notwithstanding any such

order approving the assumption of the Lease Agreement, be automatically deemed rejected on the final day of the Approval Period upon failure of this condition. Landlord agrees to acknowledge its approval of this condition by countersigning any motion, order or other instrument submitted by Tenant to the Bankruptcy Court requesting such Court's conditional approval of the assumption of the Lease Agreement on the terms set forth herein. In the event that the Lease Agreement is rejected as a result of the failure of this condition, the Landlord shall be entitled to any rights and remedies otherwise afforded to it had the Lease Agreement been deemed rejected as of the final day of the Approval Period, rather than conditionally assumed under the Bankruptcy Court's order approving the assumption.

6. Ratification and Effectiveness. Landlord and Tenant agree that, except as expressly modified by this Amendment, the Lease Agreement remains in full force and effect. This Amendment shall become effective when the Bankruptcy Court, in which the Tenant's chapter 11 case is pending, approves the assumption of the Lease Agreement (as amended herein) under 11 U.S.C. Section 365(b); provided, however, that in conjunction with the Court's approval, such Amendment shall, to the extent that the Rent is adjusted under this Amendment for any period prior to such effective date, be retroactively effective to such prior date as to the Rent adjustment.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date and year first written above.

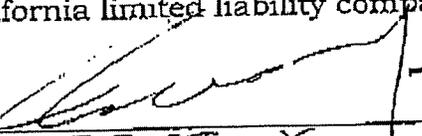
TENANT

AMF BOWLING CENTERS, INC.

By: 
Name: Mark S. Hatcher
Its: vice president, Real Estate

LANDLORD

ARCADIA PACIFIC INVESTMENTS, LLC, a
California limited liability company

By: 
Name: ROBERT YU
Its: MANAGING MEMBER

SECOND ADDENDUM TO LEASE

THIS SECOND ADDENDUM TO LEASE (this "Addendum") is entered into as of March 31, 1999, by and between ARCADIA PACIFIC INVESTMENTS, LLC, a California limited liability company ("Lessor"), and AMF BOWLING CENTERS, INC., a Virginia corporation ("Lessee").

RECITALS

A. Lessor and Lessee entered into a Standard Industrial/Commercial Single-Tenant Lease - Net dated March 31, 1999, with addendum, pursuant to which Lessor has leased to Lessee, and Lessee has leased from Lessor, the premises described therein known as 1031 South Baldwin Avenue, Arcadia, CA 91007 (the "Lease").

B. Lessee purchased certain assets of Bowling Square, Inc., a California corporation ("Bowling Square"), used in the operation of the bowling center at the Premises pursuant to Purchase Agreement dated March 15, 1999 (the "Purchase Contract"). Bowling Square and Lessor are related entities.

C. Paragraph 19 of the Purchase Contract provided that Lessor and/or Bowling Square would be responsible to correct certain fire code violations, as more particularly set forth in such paragraph. Such paragraph also provided for Lessee to be entitled to offset amounts expended by Lessee to correct such violations, in accordance with the terms of such paragraph.

D. Lessor and Lessee desire to amend the Lease as provided herein.

AMENDMENT

In consideration of the premises herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, Lessor and Lessee agree that the Lease is hereby amended as follows:

1. The following is added as paragraph 56:

56. Fire Code Violation. Lessor agrees to use its best efforts to correct the fire code violation or violations described in Exhibit A attached hereto (the "Violations"). Upon completion of the work to correct the Violations, Lessor shall obtain and deliver to Lessee written confirmation from the appropriate regulatory body confirming that the Violations have been corrected, and that the Center is now in compliance with the applicable fire regulations. All costs and expenses associated with the

foregoing will be borne by Lessor or Bowling Square, but not by Lessee. Lessor and/or Bowling Square shall have the right to appeal the decision of the regulatory body if the costs or conditions to correct the Violations are unreasonable, provided that Lessee is legally permitted to continue full operation of its business at the Premises as currently operated, for its intended use, without material interruption, and further provided that upon conclusion of any final appeal, Landlord will correct the Violations and obtain a confirmation letter from the appropriate regulatory body in accordance with the decision on appeal. Any fines and/or penalties resulting from the Violations will promptly be paid by Lessor and/or Bowling Square, but not by Lessee. If the Violations are not corrected and a confirmation letter from the appropriate regulatory body obtained within a reasonable period after the beginning of the Term, or, if the matter is appealed by Lessor or Bowling Square, within a reasonable period of time after the final decision on the appeal, or at any time if Lessee's right to operate the Premises for its intended use in the same manner as it is currently being operated is materially jeopardized, Lessee shall be entitled, but not obligated, to take reasonable steps to correct the Violations, and any expenses incurred by Lessee to correct the Violations, together with any fines or penalties imposed on Lessee as a result of the Violations, shall be reimbursed to Lessee by Bowling Square immediately upon demand. If not paid within thirty (30) days, Lessee shall be entitled to offset such amounts from any rent or other amounts payable by Lessee under the Lease. This additional right of offset shall be exercised in accordance with the provisions of paragraph 54 of the Lease. For purposes of this paragraph 56, Lessee's full operation of the Premises in the same manner as it is currently being used and/or operated will be deemed to have been materially interrupted or jeopardized if the Premises is closed for any period when it would otherwise be open for business, except for any voluntary closing by Lessee. The foregoing is not a limitation on any other matters that would constitute a material interruption of Lessee's operation of the Premises.

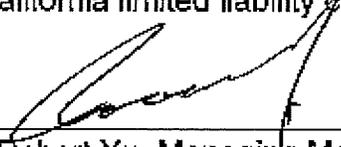
2. Lessor and Lessee agree that the legal description of the Premises is shown on Exhibit B attached hereto.

3. Any capitalized terms used herein and not otherwise defined herein shall have the same meanings as set forth in the Lease. Lessor and Lessee ratify and affirm that the Lease remains in full force and effect, unamended except as set forth in this Addendum.

WITNESS the following signatures:

LESSOR:

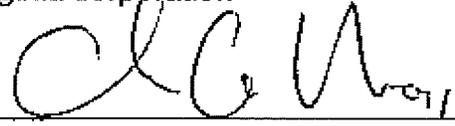
ARCADIA PACIFIC INVESTMENTS, LLC,
a California limited liability company

By: 

Robert Yu, Managing Member

LESSEE:

AMF BOWLING CENTERS, INC.,
a Virginia corporation

By: 

Charles G. Moss
Senior Vice President - Corporate Development

#158393 v.2 15832.00367



**City of
Arcadia**
**Fire
Department**

February 22, 1999

Bowling Square
1020 S. Baldwin Ave.
Arcadia, Ca. 91007

Attn: Mr. Gary Ford

RECEIVED
MAR 10 1999
Law Offices of
Juan Cohen, Kurohachi, Hong, Kishida & Hirose

Subject: Building Code Violation and Fire Code Violation

CHARLIE

Dear Mr. Ford:

This Office has performed a fire inspection on 09-23-98 at your business location and found a few code violations; most of them are being updated or corrected but the Area Separation Fire Doors did not pass the re-inspection.

The purpose of the area separation fire door is one of the code requirement to increase the building square footage, since it can not work properly to assure the fire and life safety requirement, this office have decided to ask you to comply the code with Fire Sprinkler System and Fire Alarm System. *WHAT DOES THIS MEAN*

The above mentioned Systems shall be Designed and submitted for plan check within four weeks, and installed and pass inspection prior to the end of April 1999. Any delay of the schedule will be substituted by 24 hour fire watch. A pre-design meeting can be arranged with fire prevention bureau.

If you have any question, Please do not hesitate to call on us at (626) 574-5104

Best Regards

[Signature]
Ping-Li Yen
Fire Inspector

Cc: Fire Marshal / Chief Crabb

Fire Prevention Bureau
650 South Baldwin Avenue
Arcadia, CA 91006
(626) 574-5104

EXHIBIT B

PARCEL 1:

LOT 37 OF TRACT NO. 3430, IN THE CITY OF ARCADIA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 42, PAGE 32 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

EXCEPTING THEREFROM THE NORTH 67.11 FEET, MEASURED ALONG THE WEST LINE OF SAID LOT.

ALSO EXCEPTING THEREFROM THE WESTERLY 15.00 FEET, MEASURED AT RIGHT ANGLES FROM THE WESTERLY LINE OF SAID LOT.

ALSO EXCEPT THE INTEREST IN THE SOUTHERLY 30 FEET, MEASURED AT RIGHT ANGLES TO THE SOUTHERLY LINE OF SAID LOT, AS CONVEYED TO CITY OF ARCADIA BY DEED RECORDED JANUARY 6, 1961 IN BOOK D1084 PAGE 846, OFFICIAL RECORDS.

PARCEL 2:

A PORTION OF LOTS 36 AND 37 OF TRACT NO. 3430, IN THE CITY OF ARCADIA, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 42, PAGE 32 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

THE SOUTHERLY 72.89 FEET OF LOT 36, SAID 72.89 FEET BEING MEASURED ALONG THE WESTERLY LINE OF LOT 36 AND THE NORTHERLY 67.11 FEET OF LOT 37 67.11 FEET BEING MEASURED ALONG THE WESTERLY LINE OF LOT 37.

EXCEPT THEREFROM THE WESTERLY 15 FEET, MEASURED AT RIGHT ANGLES, TO THE WESTERLY LINE OF SAID LOTS 36 AND 37.

PARCEL 3:

THE EASTERLY 100 FEET OF LOT 35 OF TRACT NO. 3430, IN THE CITY OF ARCADIA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 42, PAGE 32 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 4:

AN EASEMENT FOR INGRESS AND EGRESS OVER THE WESTERLY 20.00 FEET OF THE EASTERLY 42.00 FEET OF LOT 36 OF TRACT NO. 3430, IN THE CITY OF ARCADIA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 42, PAGE 32 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE SOUTHERLY 72.89 FEET, MEASURED ALONG THE WESTERLY LINE OF SAID LOT 36.



November 14, 2013

Certified Mail – Return Receipt Requested

Goldstone Project Management, Inc.
3218 East Holt Ave., #102
West Covina, CA 91791

Attn: Lucy Gao, Management Member

Re: Standard Industrial/Commercial Single-Tenant Lease-Net dated 3/31/99, modified and amended by that certain Addendum, and by that certain Second Addendum, both dated 3/31/99, and by that certain Amendment dated 2/18/02 (collectively, the "Lease") by and between Goldstone Project Management, LLC, successor by assignment to Arcadia Pacific Investments, LLC (Lessor) and AMF Bowling Centers, Inc. (Lessee)
Property: Bowling Square Lanes, 1020 S. Baldwin Ave., Arcadia, CA - Center #623

Dear Ms. Gao:

As you are aware the original or current term of the above captioned Lease will expire June 30, 2014. Pursuant to Paragraph 51A of said Lease (Addendum), Lessee wishes to exercise its second and final option to extend the Lease for one (1) additional five (5) year term, commencing July 1, 2014 and expiring June 30, 2019. During the "Second Option Period", the annual base rent will be \$356,708.00, payable in monthly installments of \$29,725.67. All the rest and remainder of the Lease terms shall continue in full force and effect.

This letter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

If you have any questions, please contact me at 804/730-4493. I look forward to another successful term.

Very truly yours,

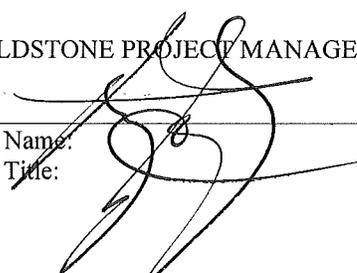
Mark S. Hatcher
Vice President of Real Estate

/ag

cc: Cox, Castle & Nicholson, LLP
(Attn: Melissa Lam [mlam@coxcastle.com])

SEEN AND ACKNOWLEDGED:

GOLDSTONE PROJECT MANAGEMENT, INC.

By: 
Name:
Title:

Date: 11/25/13

EXHIBIT “2”



Branch:
WFG National Title Company of California
700 N. Brand Blvd, Suite 1100
Glendale, CA 91203
(818) 638-7501
Fax (818) 240-2196
E-mail: teamjulie@wfgtitleco.com

Amended - PRELIMINARY REPORT

Title Officer: Julie Alvarado

ORDER NO. 5345862-JA

Ref. No.: 160527-SS

Central Escrow Group, Inc.
1015 South Baldwin Avenue, Suite A
Arcadia, , CA 91007
Attn.: Sarah Shum

Property Address:
1020 South Baldwin Ave & 652 Fairview Avenue
Arcadia, CA 91007
APN: 5778-006-010 & 5778-006-005

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

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Exhibit A attached. 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 A. 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 below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

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

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

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

ALTA 2006 Extended Loan Policy
CLTA Owner's Standard Coverage
Issued by WFG National Title Insurance Company

Dated as of **July 18, 2017** at **7:30 a.m.**

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

A fee as to Parcel(s) 1, 2 and 3, an easement as to Parcel(s) 4

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

Liberty Asset Management Corporation, a California corporation, subject to item no.(s) 19, 20 and 21 herein

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

(See "Legal Description" Exhibit A attached hereto and made a part hereof)

Exhibit A
Legal Description

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

Parcel 1:

Lot 37 of Tract No. 3430, in the City of Arcadia, County of Los Angeles, State of California, as per map recorded in Book 42, Page 32 of Maps, in the office of the County Recorder of said County.

Except therefrom the North 67.11 feet, measured along the West line of said Lot.

Also except therefrom the Westerly 15.00 feet, measured at right angles from the Westerly line of said Lot. Also except the interest in the Southerly 30 feet, measured at right angles to the Southerly line of said Lot, as conveyed to City of Arcadia, by deed recorded January 6, 1961 in Book D1084, Page 846 of Official Records.

Parcel 2:

A portion of Lots 36 and 37 of Tract No. 3430, in the City of Arcadia, County of Los Angeles, State of California, as per map recorded in Book 42 Page 32 of Maps, in the office of the County Recorder of said County, described as follows:

The Southerly 72.89 feet of Lot 36, said 72.89 feet being measured along the Westerly line of Lot 36 and the Northerly 67.11 feet of Lot 37, 67.11 feet being measured along the Westerly line of Lot 37.

Except therefrom the Westerly 15 feet, measured at right angles, to the Westerly line of said Lots 36 and 37.

Parcel 3:

The Easterly 100 feet of Lot 35 of Tract No. 3430, in the City of Arcadia, County of Los Angeles, State of California, as per map recorded in Book 42 Page 32 of Maps, in the office of the County Recorder of said County.

Parcel 4:

A non-exclusive easement for ingress and egress over the Westerly 20.00 feet of the Easterly 42.00 feet of Lot 36 of Tract No. 3430, in the City of Arcadia, County of Los Angeles, State of California, as per map recorded in Book 42, Page 32 of Maps, in the office of the County Recorder of said County.

Except the Southerly 72.89 feet, measured along the Westerly line of said Lot 36.

APN: **5778-006-010 & 5778-006-005**

At the date hereof exceptions to coverage in addition to the printed exceptions and Exclusions contained in said policy would be as follows:

1. General and special taxes and assessments for the fiscal year 2017-2018, a lien not yet due or payable.

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

First installment: \$76,841.89, paid
Second installment: \$76,841.88, delinquent
Penalty: \$7,694.18
Tax Rate Area: 01906
A. P. No.: 5778-006-010

Said matter affects Parcels 1 and 2

1b. Said property has been declared tax defaulted for non-payment of delinquent taxes for the fiscal year 2015-2016 and subsequent years, if any.

Parcel No.: 5778-006-010
Amount to redeem by August 31, 2017, is \$138,499.00
Amount to redeem by September 30, 2017, is \$140,242.85
Amount to redeem by October 31, 2017, is \$141,986.69

The amount(s) shown herein include the amount(s) due under Item(s) 1a, above.

Said matter affects Parcels 1 and 2

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

First installment: \$8,728.28, paid
Second installment: \$8,728.26, delinquent
Penalty: \$882.82
Tax Rate Area: 01906
A. P. No.: 5778-006-005

Said matter affects Parcel 3

1d. Said property has been declared tax defaulted for non-payment of delinquent taxes for the fiscal year 2015-2016 and subsequent years, if any.

Parcel No.: 5778-006-005
Amount to redeem by August 31, 2017, is \$19,824.71
Amount to redeem by September 30, 2017, is \$20,069.31
Amount to redeem by October 31, 2017, is \$20,313.90

The amount(s) shown herein include the amount(s) due under Item(s) 1b, above.

- 1e. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
- 1f. Assessments, for community facility districts, if any, affecting said land which may exist by virtue of assessment maps or notices filed by said districts.
2. Water rights, claims or title to water, whether or not shown by the public records.
3. An easement for pole lines and conduits and incidental purposes, recorded July 21, 1955 in Book 48424, Page 112 of Official Records.

Granted to: Pacific Telephone and Telegraph Company, a corporation
Affects: as described therein

4. An easement for pole lines and conduits and incidental purposes, recorded July 21, 1955 in Book 48424, Page 119 of Official Records.

Granted to: Pacific Telephone and Telegraph Company, a corporation
Affects: as described therein

5. An easement for poles and incidental purposes, recorded July 27, 1955 in Book 48424, Page 406 of Official Records.

Granted to: Southern California Edison Company, a corporation
Affects: as described therein

6. The terms, conditions and provisions contained in the document entitled, "Reciprocal Easement Agreement" recorded March 31, 1961 as Instrument No. 1024 in Book D1173, Page 763, Official Records.

The within agreement shall not be cancelled or materially altered without the consent of the City of Arcadia.

Reference is hereby made to said document for full particulars.

7. Covenants, conditions, restrictions and easements in the document recorded March 31, 1961 as Instrument No. 1024 in Book D1173, Page 763 of Official Records, which provide that a violation thereof shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, sexual orientation, familial status, disability, handicap, national origin, genetic information, gender, gender identity, gender expression, marital status, source of income (as defined in subdivision (p) of Section 12955), or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Section 12955 of the California Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

8. An easement for poles and incidental purposes, recorded April 25, 1962 as Instrument No. 5006 in Book D1592, Page 741 of Official Records.

Granted to: Southern California Edison Company, a corporation
Affects: as described therein

9. An easement for storm water and surface drainage and incidental purposes, recorded October 26, 1962 as Instrument No. 5363 of Official Records.

Granted to: Anthony Piscetelli and Maria Piscetelli, husband and wife
Affects: as described therein

10. Terms and provisions of an unrecorded lease dated March 29, 1999, by and between Arcadia Pacific Investments, LLC, a California limited liability company as lessor and AMF Bowling Centers, Inc., a Virginia Corporation as lessee, as disclosed by a Memorandum of Lease recorded April 6, 1999 as Instrument No: 1999-583725 of Official Records.

No assurance is made as to the present ownership of the leasehold created by said lease, nor as to other matters affecting the rights or interests of the lessor or lessee in said lease.

11. A deed of trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby

Amount: \$4,000,000.00
Dated: August 29, 2012
Trustor: Goldstone Project Management LLC, a California Limited Liability Company
Trustee: First American Title Insurance Company
Beneficiary: Shanghai Commercial Bank, Ltd.
Recorded: September 14, 2012 as Instrument No. 20121383317, Official Records

12. A document entitled "Assignment of Rents" recorded September 14, 2012 as Instrument No. 20121383318 of Official Records, as additional security for the payment of the indebtedness secured by the deed of trust referred to as Item No. 12.

Said matter affects said land and other property.

13. The effect of a document entitled, "Hazardous Substances Certificate and Indemnity Agreement", dated August 29, 2012, executed by and between Goldstone Project Management LLC, a California Limited Liability Company and Shanghai Commercial Bank, Ltd. , recorded September 14, 2012 as Instrument No. 20121383319, Official Records.

Reference is hereby made to said document for full particulars.

14. A financing statement recorded September 14, 2012 as Instrument No. 20121383320, Official Records.

Debtor: Goldstone Project Management LLC
Secured party: Shanghai Commercial Bank, Ltd.

15. A deed of trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby

Amount: \$1,500,000.00
Dated: February 11, 2014
Trustor: Goldstone Project Management LLC
Trustee: Blue Sky Communications, a California corporation
Beneficiary: Blue Sky Communications,
Recorded: March 10, 2014 as Instrument No. 20140240912, Official Records

A document recorded May 28, 2015 as Instrument No. 20150617966 of Official Records provides that Lantern Brands Incorporated, a California corporation was substituted as trustee under the deed of trust.

A Notice of Default recorded June 2, 2015 as Instrument No. 20150644778, Official Records.

An Amended Notice of Default recorded July 1, 2015 as Instrument No. 20150787134, Official Records.

Said matter affects: Parcels 1, 2 and 4

16. A deed of trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby

Amount: \$4,608,381.63
Dated: July 15, 2014
Trustor: Goldstone Project Management LLC
Trustee: First American Title Company, a California corporation
Beneficiary: Huesing Holdings, LLC
Recorded: September 19, 2014 as Instrument No. 20140995914, Official Records

To avoid delays at time of closing,

Please submit the original note and deed of trust together with a (property executed) Substitution of Trustee and Full Reconveyance to this office, at least one week prior to the close of escrow.

17. A lien for unsecured property taxes, evidenced by a certificate recorded by the tax collector of Los Angeles County, recorded February 4, 2016 as Instrument No. 20160128354 of Official Records.

Debtor: WASHE LLC
Park Inn Radisson
Year & No.: 15/49200823
Amount: \$16,588.02, and any other amounts due thereunder.

18. A lien for unsecured property taxes, evidenced by a certificate recorded by the tax collector of Los Angeles County, recorded November 30, 2016 as Instrument No. 20161499957 of Official Records.

Debtor: WASHE LLC
Year & No.: 16/40796953
Amount: \$16,538.75, and any other amounts due thereunder.

19. The requirement we be furnished an affidavit from Goldstone Project Management LLC to substantiate the deed recorded September 29, 2014 as Instrument No. 20141029258 of Official Records wherein WASHE, LLC, a California limited liability company acquired title, along with a current statement of information for consideration prior to our committing to issue the insurance requested.

Said declaration should be notarized by a notary public familiar to this company.

20. The requirement we be furnished an affidavit from WASHE, LLC, a California limited liability company to substantiate the deed recorded February 26, 2016 as Instrument No. 20160211452 of Official Records wherein Liberty Asset Management Corporation, a California corporation acquired title, along with a current statement of information for consideration prior to our committing to issue the insurance requested.

Said declaration should be notarized by a notary public familiar to this company.

21. Proceedings pending in the Bankruptcy Court of the Central District of the U.S. District Court, California, entitled in re: Liberty Asset Management Corporation, Debtor, Case No. 2:16-bk-13575-TD, wherein a petition for relief was filed on March 21, 2016.

22. Any facts, rights, interests or claims that may exist or arise by reason of the following matters disclosed by an inspection of said land :

(A) 2' wall on South side extends past boundary to the South by 0.2';

(B) the building overhang on the West and South sides extend past boundary to the West and South by up to 8.9'

(C) The building is extends on Southern California easements recorded Book 48424 page 406 noted in Schedule B, Item 5 and easement per Book D-1592 page 741 noted in Schedule B, Item 8

23. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other facts which a correct survey would disclose, and which are not shown by the public records.
24. Rights of Parties in possession of said land by reason of any unrecorded leases.

Please submit any such leases to this company for our examination.

25. The transaction contemplated in connection with this report is subject to the review and approval of the Company's Corporate Underwriting Department. The Company reserves the right to add additional items or make further requirements after such review.

REQUIREMENTS:

Req. No. 1: Statements of information from all parties to the transaction.

Req. No. 2: With respect to Washe LLC, a limited liability company:

- a. A copy of its operating agreement and any amendments thereto;
- b. If it is a California limited liability company, that a certified copy of its articles of organization (LLC-1) and any certificate of correction (LLC-11), certificate of amendment (LLC-2), or restatement of articles of organization (LLC-10) be recorded in the public records;
- c. If it is a foreign limited liability company, that a certified copy of its application for registration (LLC-5) be recorded in the public records;
- d. With respect to any deed, deed of trust, lease, subordination agreement or other document or instrument executed by such limited liability company and presented for recordation by the Company or upon which the Company is asked to rely, that such document or instrument be executed in accordance with one of the following, as appropriate:
 - (i) If the limited liability company properly operates through officers appointed or elected pursuant to the terms of a written operating agreement, such document must be executed by at least two duly elected or appointed officers, as follows: the chairman of the board, the president or any vice president, and any secretary, assistant secretary, the chief financial officer or any assistant treasurer;
 - (ii) 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 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.
- e. Other requirements which the Company may impose following its review of the material required herein and other information which the Company may require.

Req. No. 3: With respect to Liberty Asset Management Corporation, a California corporation

- a. A certificate of good standing of recent date issued by the Secretary of State of the corporation's state of domicile.
- b. A certified copy of a resolution of the Board of Directors authorizing the contemplated transaction and designating which corporate officers shall have the power to execute on behalf of the corporation.
- c. Other requirements which the Company may impose following its review of the material required herein and other information which the Company may require.

NOTES:

- Note No. 1: This report does not reflect requests for notice of default, requests for notice of delinquency, subsequent transfers of easements, and similar matters not germane to the issuance of the policy of title insurance anticipated hereunder.
- Note No. 2: If this company is requested to disburse funds in connection with this transaction, Chapter 598 of 1989 Mandates of the California Insurance Code requires hold periods for checks deposited to escrow or sub-escrow accounts. Such periods vary depending upon the type of check and anticipated methods of deposit should be discussed with the escrow officer.
- Note No. 3: No endorsement issued in connection with the policy and relating to covenants, conditions or restrictions provides coverage for environmental protection.
- Note No. 4: Special recordings: Due to a severe budget shortfall, many county recorders have announced that severe limitations will be placed on the acceptance of "special recordings."
- Note No. 5: Homeowners association: if the property herein described is subject to membership in a homeowners association, it will become necessary that we be furnished a written statement from the said homeowners association of which said property is a member, which provides that all liens, charges and/or assessments levied on said land have been paid. Said statement should provide clearance up to and including the time of closing. In order to avoid unnecessary delays at the time of closing, we ask that you obtain and forward said statement at your earliest convenience.
- Note No. 6: Demands: This company requires that all beneficiary demands be current at the time of closing. If the demand has expired and a current demand cannot be obtained it may be necessary to hold money whether payoff is made based on verbal figures or an expired demand.
- Note No. 7: Line of credit payoffs: If any deed of trust herein secures a line of credit, we will require that the account be frozen and closed and no additional advances be made to the borrower. If the beneficiary is unwilling to freeze the account, we will require you submit to us all unused checks, debit vouchers, and/or credit cards associated with the loan along with a letter (affidavit) signed by the trustor stating that no additional advances will be made under the credit line. If neither of the above is possible, it will be necessary to hold any difference between the demand balance and the maximum available credit.
- Note No. 8: Maps: 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. WFG National Title Company of California expressly disclaims any liability for alleged loss or damages which may result from reliance upon this map.
- Note No. 9: The Homeowner's Policy applies only if each insured named in Schedule A is a Natural Person (as Natural Person is defined in said policy). If each insured to be named in Schedule A is not such a Natural Person, then a CLTA Owners Policy will be issued.
- Note No. 10: In the event of cancellation or if the transaction has not closed within a reasonable time period, the rate imposed and collectable shall be as defined in the Company's currently filed Schedule of Rates and Fees, pursuant to Section 12404 of the California Insurance code, unless other provisions are made. In accordance with said Section of the California Insurance Code, the Company has adopted a uniform practice by which the charges under this provision may be waived or cancelled.
- Note No. 11: A ***Preliminary Change of Ownership Report (PCOR)*** must be filed with each conveyance in the County Recorder's office for the county where the property is located. If a document evidencing a change in ownership is presented to the Recorder for recordation without the concurrent filing of a PCOR, the Recorder may charge an additional recording fee of twenty dollars (\$20). State law also provides for a penalty of be levied if the Change of Ownership Report is not returned to the Assessor within a timely filing period. The penalty for failure to file a Change in Ownership Statement is \$100 or 10% of the new tax bill, whichever is greater, but not to exceed \$2,500.

Note No. 12: This report is preparatory to the issuance of an ALTA Loan Policy. We have no knowledge of any fact which would preclude the issuance of the policy with CLTA endorsement forms 100 and 116 and if applicable, 115 and 116.2 attached.

When issued, the CLTA endorsement form 116 or 116.2, if applicable will reference

a Commercial Properties

known as **1020 South Baldwin Avenue, City of Arcadia, County of Los Angeles, California as to Parcel 1 and**

652 Fairview Avenue, City of Arcadia, County of Los Angeles, California as to Parcel 3

Note No. 13: According to the public records, there have been no deeds conveying the land described herein within a period of twenty four months prior to the date of this report, except as follows:

A deed recorded February 26, 2016 as Instrument No. 20160214452, Official Records.

Grantor: Washe, LLC, a California Limited Liability Company
Grantee: Liberty Asset Management Corporation, a California Corporation

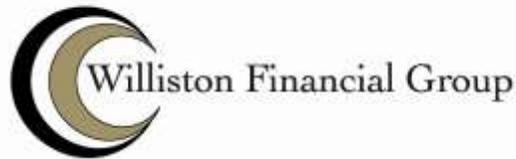


**Please call your Escrow Officer if your answer is
“Yes” to any of the following questions**

- ◆ At any time during the preceding 6 months, has there been, or is there currently, any work or construction of improvements on the property?
- ◆ Are any of the parties currently vested in title, on the property herein currently Incapacitated or Deceased?
- ◆ Are any of the principals of the transaction intending to use a Power of Attorney to execute any of the documentation involved in this transaction?
- ◆ Has there been a recent change of marital status of any of the principals involved in this transaction?
- ◆ Is the property herein intended to be transferred into a Trust, Partnership, Corporation, or Limited Liability Company?
- ◆ Do the sellers of the property reside outside the state of California?
- ◆ Will the property described herein be part of a Tax Deferred Exchange?

In order to better serve you, We ask that you remember:

- ◆ All parties signing documents must have a valid Photo Identification Card, Drivers License, or Passport for notarial acknowledgment.
- ◆ Please call your Escrow Officer with any Loan or Lien payoff information, if required, he or she may order payoff demands in a timely manner, & advise your Escrow Officer of any loan(s) that are to be assumed by the buyer.
- ◆ If parties are obtaining a loan, your Escrow Officer will need to have the Fire/Hazard Insurance, agent name & phone number to add the new lender on the policy as a loss payee.
- ◆ If there is to be a change of ownership, it will be necessary for the parties acquiring title to indicate how they would like to be vested. **WFG National Title Company of California** has a worksheet available that will briefly explain each of the various methods of holding title (please feel free to request a copy from us). Note: Each method by which you can hold title has different legal &/or tax considerations & parties are encouraged to obtain advise from an Attorney, CPA, or other professional knowledgeable in this area.



ABOUT YOUR PRIVACY

At WFG, we believe it is important to protect the privacy and confidences of our customers. This notice is intended to explain how we collect, use, and protect any information that we may collect. It will explain the choices you may make about the use of that information.

What Information Do We Collect About You?

We collect certain types of information about you. This may consist of:

- Your name, address, and telephone number.
- Your email address.
- Your social security or government ID numbers.
- Your financial information.

We collect this information from:

- The application or other forms you fill out with us.
- The correspondence you and others direct to us.
- Our transactions with you.
- Others involved in your transaction, including the real estate agent or lender.

In some cases, we collect information from third parties. For instance, we may receive real estate information from local assessor's offices.

How Do We Use This Information?

We use the information we collect to respond to your requests. **WE DO NOT SHARE** your information with other companies.

How Can You "Opt Out?"

We do not share your information so there is no need to opt out.

The information We Collect About You On Our Website

When you enter our website, we automatically collect and store certain information. This consists of:

- Your IP Address
- (Internet Protocol Address) and domain name.
- The type of browser and operating system you use.
- The time of your visit.
- The pages of our site you visit.

If you register with us or fill out an on online survey, we will collect additional personal information, such as your name, telephone number, email address and mailing address.

Cookie Usage

In order to provide you with customized service, we make use of “cookies.” Cookies are essentially files that help us identify your computer and respond to it. You may disable cookies on your own computer, but you may not be able to download online documents unless cookies are enabled.

How We Use Information

The information we collect concerning:

- Your browser
- The time and date of your visit
- The web pages or services you accessed

is used for administrative and technical purposes. For instance, we may use it to count the number of visitors to our site and determine the most popular pages. We may also use it to review types of technology you are using, determine which link brought you here, assess how our advertisements on other sites are working, and to help with maintenance.

We use information contained in your emails only for the purpose of responding to those emails. If we ask you to fill out any forms or surveys, we will use the information we receive only for the specific purposes indicated in those forms or surveys.

Your Right to See and Correct Information

If you wish to see the information collected about you, please contact your settlement agent.

Children’s Policy

We do not knowingly collect information from children under the age of 18. We delete any information that we discover has been provided by children.

Security

--Generally

We make every effort to protect the integrity of your information. Any personal information you enter into online forms or surveys will be encrypted to ensure it remains private. We limit the right of access to your information to employees that need to use the information to respond to or process your request or transaction. We also take industry standard (IPSEC) measures to protect our sites from malicious intrusions or hacking.

--Phishing and Pretexting

As you know, consumers are increasingly targeted by unscrupulous persons attempting to acquire sensitive personal or financial information, by impersonating legitimate businesses. We will never send you an unsolicited email or other communication requesting your private information. If you receive a communication directing you to enter your personal information, please disregard the instruction and contact us immediately at Compliance@wfgnationaltitle.com.

Do Not Track

Because there is not an industry-standard process or defined criteria to permit a user to opt out of tracking their internet access (Do Not Track or DNT), we do not currently respond to the various DNT signals.

How to Contact Us

If you have any questions about our privacy policy, please contact WFG:

- By email: Compliance@wfgnationaltitle.com
- By telephone: 800-385-1590
- By fax: 503-974-9596
- By mail: 12909 SW 68th Pkwy, Suite 350, Portland, OR 97223
- In person: 12909 SW 68th Pkwy, Suite 350, Portland, OR 97223

Oregon Residents

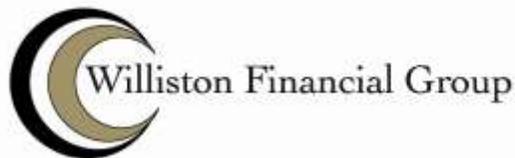
We may not disclose personal or privileged information about you unless we provide you with a disclosure authorization form that is executed by you or your representative and otherwise complies with certain statutory requirements. Any such authorization is not valid for more than 24 months and may be revoked by you at any time, subject to the rights of anyone who relied on the authorization prior to your notice of revocation.

In addition, if your personal or privileged information was collected or received by us in connection with a title insurance transaction, we cannot disclose such information if the disclosure authorization form that you executed is more than one year old or if the requested disclosure is for a purpose other than a purpose expressly permitted by statute.

You have the right at any time to request in writing access to recorded personal information about you that is reasonably described by you and reasonably available to us. Within 30 days of the date of our receipt of any such written request from you, we will inform you of the nature and substance of any such information, permit you to see and copy that information or obtain a copy by mail, disclose the identity, if recorded, of the persons to whom we have disclosed such information during the previous two years, and provide you with a summary of the procedures by which you may request that such information be corrected, amended or deleted.

WFG FAMILY

WILLISTON FINANCIAL GROUP LLC
WFG NATIONAL TITLE INSURANCE COMPANY
WFG LENDER SERVICES, LLC
WFGLS TITLE AGENCY OF UTAH, LLC
WFG NATIONAL TITLE COMPANY OF WASHINGTON, LLC
WFG NATIONAL TITLE COMPANY OF CALIFORNIA
WFG NATIONAL TITLE COMPANY OF TEXAS, LLC D/B/A WFG NATIONAL TITLE COMPANY
UNIVERSAL TITLE PARTNERS, LLC
VALUTRUST SOLUTIONS, LLC
WILLISTON ENTERPRISE SOLUTIONS & TECHNOLOGY, LLC





**Disclosure to Consumer of Available Discounts
Pursuant to California Code of Regulations Section 2355.3**

In compliance with Section 2355.3 of the California Code of Regulations, if the current transaction involves an improved, one-to-four family, residential dwelling, the proposed insured may be entitled to certain cost reductions and/or discounts in their title insurance premiums and/or settlement service charges, pursuant to the programs listed below, and as further described in the Company's current Schedule of Rates and Rules for the State of California, currently on file with the California Department of Insurance. The reductions and/or discounts available are:

Churches or Charitable Non-Profit Corporations	Consumer Direct Rates
Credit for Reports on Subsequent Policies	Disaster Loans
Electronic Commerce	Expedited/Electronic Refinance Rates
Group Title Discount Program	Refinance Bulk Rates 1, 2, 3
Special "REO" Rate	Limited Escrow Rates
First Time Buyer(s)	Home Equity Escrow rate
Senior Citizen Rate	REO Escrow Rate
U.S. Military Rate	Group Rate Escrow and Title Discount Program
Previous Title Policy Rate	

Application of the Reductions and/or Discounts listed above shall be governed by the rules and requirements set forth in the Schedule of Rates and Rules on file in the office of the California Insurance Commissioner. Multiple programs may or may not be applied. Pursuant to the above referenced California Code of Regulations Section, neither provision nor acceptance of this form shall constitute a waiver of the consumer's right to be charged the filed rate.

With the receipt of the Preliminary Report to which this Disclosure Form is attached, the proposed insured acknowledges that they have been notified that they may be entitled to certain cost reductions and/or discounts, as listed above and as more particularly described in the Company's Schedule of Rates and Rules, currently on file in the office of the Insurance Commissioner of the State of California.



Notice of Opportunity to Earn Interest

You have the opportunity to earn interest on the funds you deposit with us by instructing us to deposit your funds into an interest bearing account. (You do not have an opportunity to earn interest on any funds deposited by a lender.) If you elect to earn interest, there is an additional fee in the amount of \$50.00 for establishing and maintaining such an account. It is important that you consider this cost as it may exceed the actual interest you earn.

Example: A regular savings deposit of \$1,000.00 at an average interest rate of 3.0%* per annum for a 30 day period:

<u>Deposit</u>	x	<u>Rate</u>	÷	<u>Annual</u>	x	<u>Days</u>	=	<u>Total Interest Earned</u>
\$1,000.00	x	.03	÷	360	x	30	=	\$2.50

PLEASE READ THE FOLLOWING CAREFULLY:

A. If you do not want to have your funds deposited into an interest-bearing account, please initial below this paragraph and return this Notice and such will constitute an instruction to us that your funds be deposited into **WFG National Title Company of California** general escrow account. Likewise, non-receipt of this form will also constitute an instruction to us that your funds be deposited into **WFG National Title Company of California** general escrow account. For important information regarding the general escrow accounts, please read the disclosure in Paragraph C below.

Initials _____

B. If you elect to have your funds earn interest in an interest-bearing account using **WFG National Title Company of California** depository bank, you **MUST** sign this form below, and return to **WFG National Title Company of California** both this signed form and a W-9 form, which can be provided upon request. Please be advised that you will be responsible for reporting all earnings to the applicable taxing authorities.

C. Should you not elect to earn interest on your deposit, your funds will be deposited into our general escrow account at a financial institution insured by the FDIC. The general escrow account is restricted and protected against claims by third parties or creditors of **WFG National Title Company of California**. This is a non-interest bearing account; however, **WFG National Title Company of California**, may receive certain financial benefits from that financial institution because of the general escrow account and its on-going banking relationship. These benefits may include, without limitation, credits allowed by such financial institution on loans to **WFG National Title Company of California** and earnings on investments made with the proceeds of such loans, accounting, reporting and other services and products of such financial institution. We do not have an obligation to account to you in any manner for the value of, or to compensate any party for, any benefit received by **WFG National Title Company of California**. Any such benefits shall be deemed additional compensation of **WFG National Title Company of California** for its services in connection with the escrow.

ELECTION TO EARN INTEREST:

I HEREBY AUTHORIZE AND DIRECT, WFG NATIONAL TITLE COMPANY OF CALIFORNIA TO OPEN AN INTEREST BEARING ACCOUNT AT WFG NATIONAL TITLE COMPANY OF CALIFORNIA DEPOSITORY BANK AND TO CHARGE THE ADDITIONAL FEE FOR THIS SERVICE.

SIGNATURE: _____

DATE: _____

SIGNATURE: _____

DATE: _____

* Please note that this interest rate is only an example and **WFG National Title Company of California** does not guaranty the availability of any specific rate.

CLTA Preliminary Report Form - Exhibit A (06-05-14)

CLTA STANDARD COVERAGE POLICY - 1990

EXCLUSIONS FROM COVERAGE

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

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

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

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

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.

Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

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

EXCLUSIONS

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

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

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

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

LIMITATIONS ON COVERED RISKS

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

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

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

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16:	1% of Policy Amount or \$2,500.00 (which is less)	\$10,000.00
Covered Risk 18	1% of Policy Amount or \$5,000.00 (which is less)	\$25,000.00
Covered Risk 19:	1% of Policy Amount or \$5,000.00 (which is less)	\$25,000.00
Covered Risk 21:	1% of Policy Amount or \$2,500.00 (which is less)	\$25,000.00

2006 ALTA LOAN POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending laws.
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 from 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 that are not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

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 by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (02-03-10)

EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions, or location of any improvement erected on the Land; (iii) the subdivision of land; or (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental policy power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters.

- (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or law 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. The Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. The Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
- (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.

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 by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (02-03-10)

EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions, or location of any improvement erected on the Land; (iii) the subdivision of land; or (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters.
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.

4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or law 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. The Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. The Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.

STATEMENT OF INFORMATION

CONFIDENTIAL - TO BE USED ONLY IN CONNECTION WITH ORDER NO: , ESCROW NO. 5345862, AND PROPERTY ADDRESS: 1020 SOUTH BALDWIN AVE & 652 FAIRVIEW AVENUE, ARCADIA, CA 91007

1. IMPROVEMENTS: NONE/VACANT LAND SINGLE RESIDENCE MULTIPLE RESIDENCE COMMERCIAL
 2. OCCUPIED BY: OWNER TENANTS
 3. CONSTRUCTION WITHIN LAST 6 MONTHS? YES NO
 IF YES, INDICATE WORK DONE: _____

<p>PARTY 1</p> <p>FIRST _____ MIDDLE <input type="checkbox"/> NONE _____ LAST _____</p> <p>FORMER LAST NAME(S), IF ANY _____</p> <p>BIRTHPLACE _____ BIRTH DATE _____</p> <p>SOCIAL SECURITY NUMBER _____ DRIVER'S LICENSE _____</p> <p>NAME OF FORMER SPOUSE/REGISTERED DOMESTIC PARTNER _____</p>	<p>PARTY 2</p> <p>FIRST _____ MIDDLE <input type="checkbox"/> NONE _____ LAST _____</p> <p>FORMER LAST NAME(S), IF ANY _____</p> <p>BIRTHPLACE _____ BIRTH DATE _____</p> <p>SOCIAL SECURITY NUMBER _____ DRIVER'S LICENSE _____</p> <p>NAME OF FORMER SPOUSE/REGISTERED DOMESTIC PARTNER _____</p>
--	--

MARRIAGE

SINGLE MARRIED UNMARRIED DATE OF MARRIAGE/DIVORCE: _____

PARTY 1

RESIDENCES FOR LAST 10 YEARS

ADDRESS _____	CITY _____	STATE _____	FROM (DATE) TO (DATE) _____
ADDRESS _____	CITY _____	STATE _____	FROM (DATE) TO (DATE) _____
ADDRESS _____	CITY _____	STATE _____	FROM (DATE) TO (DATE) _____

OCCUPATIONS FOR LAST 10 YEARS

OCCUPATION _____	FIRM NAME _____	ADDRESS _____	NUMBER OF YEARS _____
OCCUPATION _____	FIRM NAME _____	ADDRESS _____	NUMBER OF YEARS _____

PARTY 2

RESIDENCES FOR LAST 10 YEARS

ADDRESS _____	CITY _____	STATE _____	FROM (DATE) TO (DATE) _____
ADDRESS _____	CITY _____	STATE _____	FROM (DATE) TO (DATE) _____
ADDRESS _____	CITY _____	STATE _____	FROM (DATE) TO (DATE) _____

OCCUPATIONS FOR LAST 10 YEARS

OCCUPATION _____	FIRM NAME _____	ADDRESS _____	NUMBER OF YEARS _____
OCCUPATION _____	FIRM NAME _____	ADDRESS _____	NUMBER OF YEARS _____

THE UNDERSIGNED DECLARE, UNDER PENALTY OF PERJURY, THAT THE FOREGOING IS TRUE AND CORRECT.

EXECUTED ON _____ (DATE), AT _____ (CITY).

BY _____ BY _____

HOME TELEPHONE: _____ HOME TELEPHONE _____

BUSINESS TELEPHONE _____ BUSINESS TELEPHONE _____

EMAIL _____ EMAIL _____



WFG National Title Company of California
700 N. Brand Blvd, Suite 1100
Glendale, CA 91203
teamjulie@wfgtitleco.com

COMMERCIAL OWNER'S AFFIDAVIT

Escrow Number: 160527-SS
Title Number: 5345862-JA

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

See Exhibit "A" attached hereto and incorporated herein by this reference

1. That there have been no construction, repairs, alterations, improvements made, ordered or contracted to be made on or to the Property, nor materials ordered within the last 6 months (or 90 days after completion of work) which have not been paid for, nor are there any fixtures attached to the Property which have not been paid for in full; and there are no outstanding or disputed claims for any such work or item, except:

_____.

That the work of improvement, if any:

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

2. That there has been no work done, nor notice received that work is to be done by the municipality (city, borough, or township), or at its direction, including but not limited to the installation of water or sewer lines, or for improvements such as paving or repaving of streets or alleys, or the installation of curbs or sidewalks.

3. That there are no unrecorded leases or agreements affecting the Property, and there is no one in possession of or that has access to the Property, other than: **(enter N/A if such is true)**

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

4. That there are no (i) private charges or assessments against the Property, (ii) rights of prior approval of a future purchaser or occupant of the Property, or (iii) rights of first refusal or options to purchase all or any part of the Property except:

(enter "none" or N/A if such is true)

5. That there are no unpaid real estate taxes or assessments except as shown on the current tax roll. That the undersigned has not received any supplemental tax bill which is unpaid.
6. That no actions in bankruptcy have been filed by or against the corporation in any federal court or any other court of competent jurisdiction.
7. That there are no matters pending against the Affiant that could give rise to a lien that would attach to the property between the most recent effective date of the title commitment and the recording of the interest to be insured, and that the Affiant has not and will not execute any instrument that would adversely affect the title or interest to be insured.

8. That this affidavit is given for the purpose of insuring WFG National Title Insurance Company and/or its agent to issue its policies of title insurance which may provide coverage as to the matters listed above. The undersigned acknowledge that they have read the foregoing and fully understand the legal aspects of any misrepresentation and/or untrue statements made herein and indemnify and hold harmless WFG NATIONAL TITLE INSURANCE COMPANY against liability occasioned by reason of reliance upon the statements made herein.

Executed this ____ day of _____, the, 2015

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on _____ at _____.

Entity Name:

By:
Name:
Its:

State of _____, County of _____) SS.

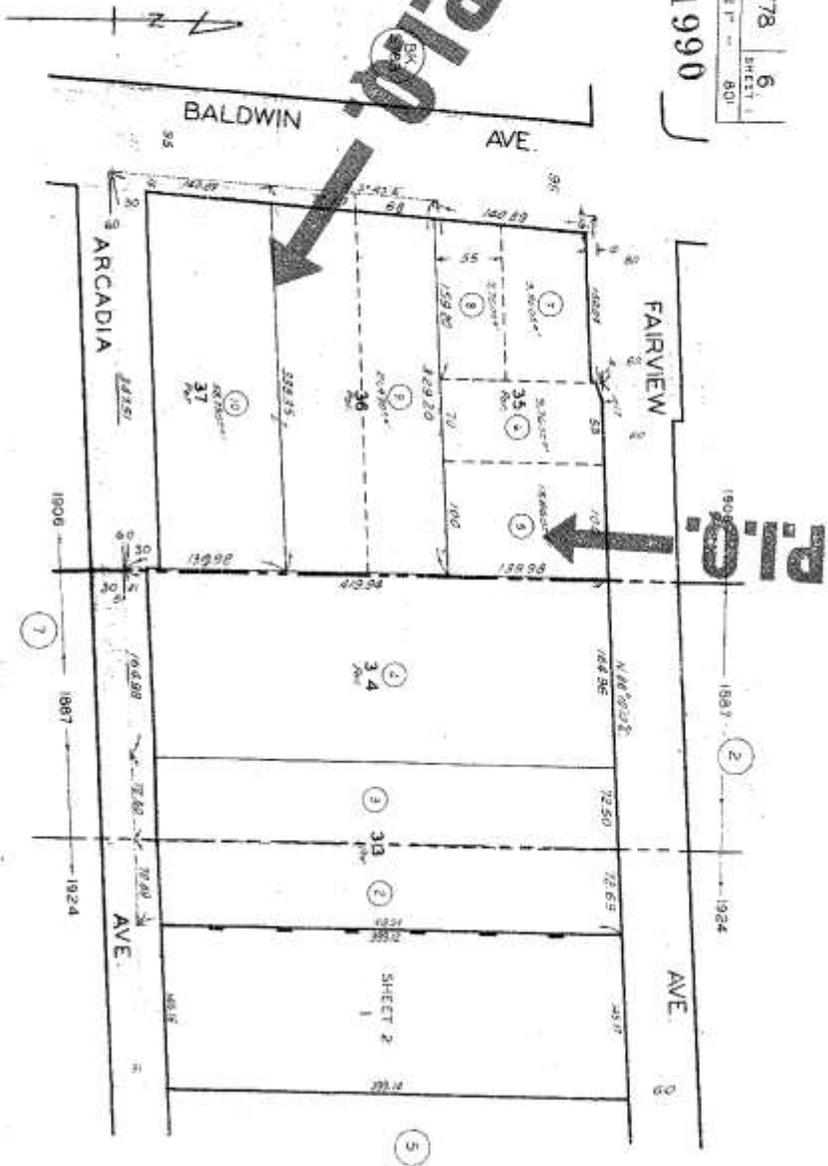
This instrument was acknowledged before me on this ____ day of _____, 2015 by

Print Name:
Notary Public for State of:
My commission expires:

Order: 5345862
Doc: ASSESSOR MAP

5778 6
SCALE 1" = 80'
SHEET 1

1990



CODE
1987
1906
1924
FOR PREV. ASSGPT. SITE
5783-21

TRACT NO. 3430
M.B. 42-32
CONDOMINIUM
TRACT NO. 44034
M.B. 1093-87-68

ASSASSOR'S MAP
COUNTY OF LOS ANGELES, CALIF.

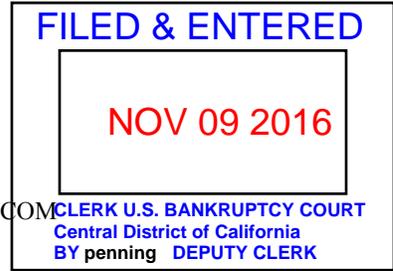
5778 6
SCALE 1" = 80'
SHEET 1

WFG Title

- 1 -

EXHIBIT “3”

1 DAVID B. GOLUBCHIK (State Bar No. 185520)
EVE H. KARASIK (State Bar No. 155356)
2 JEFFREY S. KWONG (State Bar No. 288239)
3 LEVENE, NEALE, BENDER, YOO & BRILL L.L.P.
10250 Constellation Boulevard, Suite 1700
4 Los Angeles, California 90067
Telephone: (310) 229-1234
5 Facsimile: (310) 229-1244
6 Email: DBG@LNBYB.com; EHK@LNBYB.COM; JSK@LNBYB.COM



7 Attorneys for Debtor and Debtor in Possession

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

11 In re) Case No. 2:16-bk-13575-TD
12)
13 LIBERTY ASSET MANAGEMENT) Chapter 11
CORPORATION)
14 Debtor and Debtor in Possession.)

**ORDER GRANTING “DEBTOR’S
MOTION FOR ENTRY OF AN ORDER:
(A) APPROVING SALE OF PROPERTY
FREE AND CLEAR OF LIENS, CLAIMS
AND INTERESTS; (B) APPROVING
ASSUMPTION AND ASSIGNMENT OF
EXISTING LEASE; (C) ALLOWING
SECURED CLAIM; AND (D) GRANTING
RELATED RELIEF”**

15)
16)
17) Hearing
18)
19)

20)
21)
22) Date: November 4, 2016
23) Time: 11:00 a.m.
24) Place: Courtroom 1345
25) 255 E. Temple Street
26) Los Angeles, CA
27)
28)

1 At the above-referenced date, time and location, the Honorable Thomas B. Donovan,
2 United States Bankruptcy Judge for the Central District of California, held a hearing (the
3 "Hearing") on the *Debtor's Motion For Entry Of An Order: (A) Approving Sale Of Property*
4 *Free And Clear Of Liens, Claims And Interests; (B) Approving Assumption And Assignment Of*
5 *the Existing Lease; (C) Allowing Secured Claim; And (D) Granting Related Relief;*
6 *Memorandum Of Points And Authorities; Declaration Of Lawrence Perkins In Support Thereof*
7 (the "Motion") in connection with the Chapter 11 bankruptcy case (the "Bankruptcy Case") of
8 Liberty Asset Management Corporation, the above-captioned debtor and debtor in possession
9 herein (the "Debtor"). Appearances at the Hearing were made as set forth on the record of the
10 Court.

11 Upon consideration of the Motion [Doc. No. 227], and the Memorandum of Points and
12 Authorities and Declaration of Lawrence Perkins (the "Perkins Declaration"), Declaration of
13 Lulu Knowlton (the "Knowlton Declaration"), Declaration of Ted Hsu (the "Hsu Declaration"),
14 Response to the Motion filed by Shanghai Commercial Bank [Doc. No. 242], Limited
15 Opposition to the Motion filed by Los Angeles County Assessor and Tax Collection [Doc. No.
16 255], Notice Of Submission Of Documents Received From TT Investment Los Angeles Fund I,
17 LLC ("Buyer") in Connection with the Motion [Doc. No. 257], Opposition to the Motion filed by
18 Brook Parker LLC, Chin-I Tu, Chiu-Mei Chen, George Eshoo, Great Vista Real Estate
19 Investment Corporation, HT 2011 REO Management, LLC, Jean Hung, Remy Associates, Inc.,
20 Wan-Ting Liu, Washe LLC, Wen-Che Liu and Yu-Fang Liu Chen (collectively, the "Objecting
21 Parties") [Doc. No. 261], Opposition to the Motion filed by Interested Party Benjamin Kirk
22 [Doc. No. 262], Debtor's Omnibus Reply to the Oppositions [Doc. No. 264], Declaration of Lulu
23 Knowlton in support of the Omnibus Reply [Doc. No. 265], all evidence submitted in support of
24 the foregoing, the statements, representations and arguments of counsel made on the record at the
25 hearing on the Motion, the entire record of this bankruptcy case, and based further upon the
26 findings of fact and conclusions of law as stated on the record (which are hereby incorporated by
27 reference pursuant to Rule 7052 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy
28

1 Rules”), and it appearing that notice of the Motion and the sale of the Property¹ and assignment
2 of the Existing Lease was proper, and for good cause appearing,

3 **THE COURT HEREBY FINDS AND DETERMINES THAT:**²

4 **Jurisdiction, Final Order and Statutory Predicates**

5 A. This Court has jurisdiction to hear and determine this matter pursuant to
6 28 U.S.C. §§ 157(b)(1) and 1334(a). This is a core proceeding pursuant to 28 U.S.C. §
7 157(b)(2)(A), (N) and (O). Venue is proper in this District and in this Court pursuant to
8 28 U.S.C. §§ 1408 and 1409.

9 B. The statutory predicates for the relief requested in the Motion are §§ 105(a),
10 363 and 365 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 6006, and 9006, and
11 Local Bankruptcy Rules 2002 and 6004-1.

12 C. This Order constitutes a final order within the meaning of 28 U.S.C. § 158(a).

13 **Notice of the Motion.**

14 D. The notice of the Motion was properly served in accordance with Federal
15 Rules of Bankruptcy Procedure and Central District of California Local Bankruptcy Rules.

16 E. A separate *Notice of Sale of Estate Property* [Doc. No. 229, filed on September
17 19, 2016 relating to the sale of the Property was filed with the Court and posted on the Court’s
18 website.

19 F. Notice of the Hearing was reasonably calculated to provide all interested
20 parties with appropriate and sufficient notice of the sale of the Property and assignment of the
21 Existing Lease, and the hearing, under all of the facts and circumstances of the present case.

22
23 _____
24 ¹ Capitalized terms used and not defined herein having the meanings set forth in the Motion
and annexed Memorandum of Points and Authorities.

25 ² The findings and conclusions set forth herein constitute the Court’s findings of fact and
26 conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding
27 pursuant to Bankruptcy Rule 9014. All findings of fact and conclusions of law announced by
the Court at the sale hearing in relation to the Motion are hereby incorporated herein to the
28 extent not inconsistent herewith. To the extent that any of the following findings of fact
constitute conclusions of law, they are adopted as such. To the extent any of the following
conclusions of law constitute findings of fact, they are adopted as such.

1 G. As evidenced by the declarations of service previously filed with this Court,
2 adequate and sufficient notice of the Motion, hearing and sale of the Property and assignment
3 of the Existing Lease, has been provided in accordance with sections 105(a), 363 and 365 of
4 the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 6006, and 9006, and Local Bankruptcy
5 Rules 2002 and 6004-1. The notices described above were good, sufficient, and appropriate
6 under the circumstances, and no other or further notice of the Motion, Hearing, and the sale of
7 the Property or assignment of the Existing Lease is or shall be required.

8 H. The disclosures made by the Debtor and the Buyer concerning the Motion,
9 Hearing, and sale of the Property and assignment of the Existing Lease were good, complete,
10 and adequate.

11 I. A reasonable opportunity to object and be heard with respect to the Motion and
12 the relief requested therein, hearing, and sale of the Property and assignment of the Existing
13 Lease, has been afforded to all interested persons and entities, including the Notice Parties.

14 **The Auction and Successful Bidders**

15 J. Due to the fact that no interested parties were determined to be “Qualified
16 Bidder” for the Property, an Auction for the sale of the Property was not required and was not
17 held.

18 K. Based on the foregoing, the Buyer is deemed to be the successful bidder on the
19 terms and conditions set forth in the Asset Purchase Agreement dated August 16, 2016
20 between Buyer and the Debtor (the “APA”), and the Court’s “*Order Granting Debtor’s*
21 *Notice Of Motion And Motion For Entry Of An Order Approving Bidding Procedures For*
22 *Sale Of Real Property And Improvements And Assumption And Assignment Of Lease*” [Doc.
23 No. 214]. A copy of the APA is annexed to the Perkins Declaration as Exhibit “1.”

24 **Good Faith of Buyer**

25 L. The APA was negotiated, proposed, and entered into by the Debtor and the
26 Buyer without collusion, and in good faith, and resulted from arm’s length bargaining
27 positions

28 M. Neither the Debtor, nor Buyer has engaged in any conduct that would cause or

1 permit the APA to be avoided under section 363(n) of the Bankruptcy Code. Specifically, the
2 Buyer has not acted in a collusive manner with any person and the purchase price pursuant to
3 the APA to be paid the Buyer for the Property and the Existing Lease was not controlled by
4 any agreement among bidders.

5 N. Buyer has acted in good faith with respect to the sale of the Property and
6 assignment of the Existing Lease and if all of the conditions to closing occur subject to the
7 terms and provisions of the APA are satisfied, Buyer shall purchase the Property and take
8 assignment of the Existing Lease. If the closing occurs, Buyer shall purchase the Property and
9 take assignment of the Existing Lease in good faith, and shall be a good-faith buyer within the
10 meaning of section 363(m) of the Bankruptcy Code, and is therefore entitled to all of the
11 protections afforded by Bankruptcy Code section 363(m). Buyer has proceeded in good faith
12 in all respects in connection with this proceeding in that, among other things: (i) Buyer
13 recognized that the Debtor was free to deal with any other party interested in acquiring the
14 Property and the Existing Lease; (ii) Buyer in no way induced or caused the chapter 11 filing
15 by the Debtor; and (iii) all payments to be made by Buyer in connection with the Property and
16 the Existing Lease have been disclosed.

17 **Highest or Best Offer**

18 O. The sale process conducted by the Debtor afforded a full, fair, and reasonable
19 opportunity for any person or entity to make an offer to purchase the Property and take
20 assignment of the Existing Lease. The Court approved the Debtor's proposed Bidding
21 Procedures for the Property and the Existing Lease. The Debtor employed Keller Williams as
22 broker to market the Property and the Existing Lease and, as set forth in the Perkins
23 Declaration and the Knowlton Declarations, the Debtor and its broker conducted an expansive
24 and complete marketing process for the sale of the Property and assignment of the Existing
25 Lease.

26 P. The sale of the Property and assignment of the Existing Lease to Buyer, after
27 all conditions set forth in the APA are satisfied, maximizes the value of the Property and the
28 Existing Lease and provides a better recovery for the Debtor's estate than would be provided

1 by any other available alternative in light of the current circumstances of this bankruptcy case.
2 The Debtor's determination that the sale of the applicable Property and assignment of the
3 Existing Lease to Buyer constitutes the highest or best offer for such assets constitutes a valid
4 and sound exercise of the Debtor's business judgment.

5 **Section 363(f) is Satisfied**

6 Q. The conditions of section 363(f) of the Bankruptcy Code have been satisfied in
7 full; therefore, pursuant to the APA, the Debtor is authorized to and shall sell the Property free
8 and clear of all Interests in the Property, including the liens of Shanghai Commercial Bank,
9 Ltd., the Buyer, and Huesing Holdings, LLC, with the liens of Shanghai Commercial Bank,
10 Ltd, the Buyer, and Huesing Holdings, LLC, to attach to the sale proceeds with the same
11 validity and priority as such liens had prepetition and prior to the sale of the Property.
12 "Interests" is defined collectively as any and all obligations, interests, rights, pledges, liens
13 (including, without limitation, mechanics', materialmens' and other consensual and non-
14 consensual liens, and statutory liens), mortgages, deeds of trust, security interests, claims
15 (including any "claim" as defined in section 101(5) of the Bankruptcy Code), liabilities, debt
16 obligations, losses, penalties, leases, charges, offsets, contracts, options, rights of first refusal,
17 rights of first offer, rights of first sale, rights of notice, easements, servitudes, proxies, voting
18 trusts or agreements, transfer restrictions under any agreement, conditional sale or other title
19 retention agreements, recoupment, hypothecations, demands, licenses, sublicenses,
20 assignments, indentures, loan agreements, instruments, debts, rights of recovery, guaranties,
21 contractual commitments, restrictions, labor and employment rights and claims, employee
22 benefit agreements and obligations, collective bargaining agreements and obligations, pension
23 rights and claims, claims based on reimbursement, contribution, indemnity, exoneration,
24 products liability, tortious conduct, property damage, personal injury, alter-ego or taxes,
25 claims based on pension plan contribution and related liabilities, environmental liabilities or
26 obligations (including, without limitation, toxic tort claims), options to purchase, regulatory
27 violations, decrees of any court or governmental entity, charges or any kind or nature, debts
28 arising in any way in connection with any agreements, acts, or failures to act, reclamation

1 claims, and obligation claims, in each case, of whatever kind, nature or description in, against
2 or with respect to the Property, or the Debtor, having arisen, existed, or accrued prior to and
3 though the closing date provided for in the APA, whether direct or indirect, absolute or
4 contingent, choate or inchoate, filed or unfiled, scheduled or unscheduled, noticed or
5 unnoticed, recorded or unrecorded, perfected or unperfected, material or non-material,
6 disputed or undisputed, known or unknown, matured or unmatured, liquidated or unliquidated,
7 arising or imposed by agreement, understanding, law, equity, statute or otherwise, and
8 whether arising prior to, on or after the commencement of the Bankruptcy Case, including
9 claims or liabilities otherwise arising under doctrines of successor liability, de facto merger or
10 substantial continuity or liabilities or obligations under any law or order, but excluding
11 obligations of the purchaser under the APA and the term and provisions of the Order.

12 R. Buyer would not enter into the APA, and would not consummate the sale of
13 the Property if the sale of the Property to Buyer was not free and clear of all such Interests.
14 Buyer shall not be responsible for any Interests.

15 S. The Debtor is entitled to sell the Property to Buyer free and clear of all
16 Interests against the Debtor, its estate, or any of the Property because, in each case, one or
17 more of the standards set forth in sub-sections 363(f)(1)-(5) of the Bankruptcy Code has been
18 satisfied. To the extent such Interests are liens, the Purchase Price is greater than the
19 aggregate value of all liens on the Property pursuant to Bankruptcy Code section 363(f)(3).
20 Those holders of Interests against the Debtor, its estate, or any of the Property who did not
21 object to the Motion and the sale of the Property are deemed to have consented pursuant to
22 sections 363(f)(2) of the Bankruptcy Code. Any other holders of Interests (except as
23 otherwise provided herein) are adequately protected by having their Interests, if any, in each
24 instance against the Debtor, its estate, or any of the Property, attach to the net proceeds of the
25 Property, in which such creditor or claimant alleges an Interest, in the same order of priority,
26 with the same validity, force, and effect that such Interest had prior to the sale of the Property,
27 without further order of the Court, subject to any claims and defenses the Debtor and its estate
28 may possess with respect thereto.

1 T. The Debtor demonstrated the requisite business judgment to assume and assign
2 the Existing Lease to Buyer.

3 U. Based upon representations by the Debtor that the Debtor and the Committee
4 have reviewed evidence submitted by Buyer with respect to its secured claim, and are satisfied
5 that such evidence is appropriate, the allowance of the Adjusted Buyer Claim as an allowed
6 secured claim in the reduced amount of \$900,000 is appropriate.

7 **IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:**

8 1. The Oppositions to the Motion are hereby overruled;

9 2. The oral motion of the Official Committee of Unsecured Creditors
10 (“Committee”) to deny standing to the Objecting Parties to object to, or be heard in connection
11 with, the Motion for failure to comply with Fe.R.Bankr.P. 2019 is hereby granted;

12 3. The relief requested in the Motion is granted and approved as set forth in this
13 Order, and the sale of the Property and assignment of the Existing Lease to Buyer is approved.
14 The Debtor is authorized to enter into, execute and deliver the APA and to perform Debtor’s
15 obligations under the documents and consummate any transactions contemplated thereby.

16 4. Pursuant to sections 363(b) and (f) of the Bankruptcy Code, the Debtor is
17 authorized, empowered and directed to take any and all actions necessary or appropriate to
18 (a) consummate the sale of the Property and assignment of the Existing Lease to Buyer pursuant
19 to and in accordance with the terms and conditions of the APA, (b) close the sale of the Property
20 and assignment of the Existing Lease, if the conditions to closing set forth in the APA are
21 satisfied, and (c) complete, execute and deliver, perform under, consummate and implement the
22 APA together with all additional instruments and documents contemplated thereby or are
23 reasonably necessary or desirable to implement the APA and the sale of the Property or which
24 are otherwise reasonably requested by Buyer.

25 5. The Debtor’s assumption and assignment to Buyer of the Existing Lease is
26 hereby approved, with such assumption and assignment to be effective as of the date of the
27 Closing, pursuant to Bankruptcy Code section 365.

28 6. Upon the entry of this Order, and prior to closing, the escrow company is hereby

1 ordered and instructed to transfer to the Debtor the deposit made by Buyer, in the amount of
2 \$405,000.

3 7. Upon closing, the Debtor is authorized, but not directed, to pay over, or instruct
4 escrow to pay over, the proceeds realized by the Debtor from the sale of the Property and
5 assignment of the Existing Lease as follows:

- 6 a. Customary and ordinary closing costs, including escrow and title costs;
- 7 b. Broker commission to Keller Williams;
- 8 c. Unpaid and outstanding real property taxes due and owing to Los Angeles
9 County Assessor and Tax Collector, subject to Debtor's right to seek
10 reimbursement of such amounts, plus attorneys' fees and costs, from the
11 tenant under the Existing Lease, as provided therein, which the Debtor may
12 pursue through a separate proceeding;
- 13 d. Shanghai Commercial Bank, Ltd., in the amount of approximately
14 \$3,477,921.95 (plus accrued interest, fees and costs) on account of the
15 Shanghai Commercial Bank, Ltd. first priority allowed secured claim in full
16 and complete satisfaction of Shanghai Commercial Bank's claims secured by
17 the Property; and
- 18 e. TT Investment Los Angeles Fund I, LLC, in the amount of \$900,000 in full
19 and complete satisfaction of the secured claim(s) of Blue Sky
20 Communications which was allegedly assigned by Blue Skye
21 Communications to TT Investment Los Angeles Fund I, LLC, provided that
22 such payment shall be deferred until such time as appropriate claim
23 assignment documents are filed with the Court and procedures are carried out
24 to effectuate such assignment.

25 8. The balance of the sale proceeds shall be maintained by the Debtor pending
26 further order of this Court.

27 9. This Order shall be binding in all respects upon the Debtor, its estate, all
28 creditors of, and holders of equity interests in, the Debtor, any holders of Interests in, against, or

1 on all or any portion of the Property and the Existing Lease (whether known or unknown),
2 Buyer and all successors and assigns of Buyer, and trustees, if any, subsequently appointed in
3 the Debtor's chapter 11 case or upon a conversion of the Debtor's case to a chapter 7 case under
4 the Bankruptcy Code (a "Trustee"). This Order and the APA (conditioned upon the satisfaction
5 of the conditions to closing pursuant thereto) shall inure to the benefit of the Debtor, its
6 bankruptcy estate, and the respective successors and assigns of each of the foregoing, including
7 without limitation any Trustee or any person or entity appointed pursuant to any plan confirmed
8 in the Bankruptcy Case with authority over the Debtor or any assets or property of the Debtor.

9 10. Pursuant to sections 105(a), 363(b), 363(f) and 365 of the Bankruptcy Code, in
10 exchange for the purchase price paid by Buyer, the Debtor is authorized to transfer the Debtor's
11 interest in and convey the Property and the Existing Lease to Buyer on the closing date provided
12 for in the APA, and such transfers shall constitute legal, valid, binding, and effective transfers of
13 the Debtor's interest in the Property and shall vest Buyer, with all right, title and interest of the
14 Debtor in and to the Property and the Existing Lease, and, upon the Debtor's receipt of the
15 respective purchase price from Buyer, shall be free and clear of all Interests, with all such
16 Interests, including the liens of Shanghai Commercial Bank, Ltd., the Buyer, and Huesing
17 Holdings, LLP, to attach to the net proceeds of the sale as set forth herein, with the same
18 validity, force, and effect, and in the same order of priority, which such Interests had against the
19 Property prepetition and now have against the Property immediately prior to the sale of the
20 Property, subject to any rights, claims, and defenses the Debtor or its estate, as applicable, may
21 possess with respect thereto. Upon the closing, Buyer shall take title to and possession of the
22 Property free and clear of any and all Interests.

23 11. If any person or entity which has filed statements or other documents or
24 agreements evidencing liens on, or Interests in, all or any portion of the Property shall not have
25 delivered to the Debtor prior to the closing, in proper form for filing and executed by the
26 appropriate parties, termination statements, instruments of satisfaction, releases of liens and
27 easements, and any other documents necessary for the purpose of documenting the release of all
28 liens or interests which the person or entity has or may assert with respect to all or any portion

1 of the Property, the Debtor and Buyer, on behalf of the Debtor, are hereby authorized to execute
2 and file such statements, instruments, releases, and other documents on behalf of such person or
3 entity with respect to the Property and the Existing Lease. Notwithstanding the foregoing, the
4 provisions of this Order authorizing the transfer of the Property and Existing Lease to Buyer,
5 respectively, free and clear of all Interests of any kind or nature whatsoever shall be self-
6 executing and notwithstanding the failure of the Debtor, Buyer, or any other party to execute,
7 file, or obtain termination statements, instruments of satisfaction, release of liens and easements,
8 and any other documents necessary for the purpose of documenting the release of all liens or
9 interests with respect to all or any portion of the Property and Existing Lease, all such Interests
10 shall be deemed unconditionally released, discharged, terminated, divested, void, and
11 unenforceable upon the occurrence of the closing.

12 12. This Order is and shall be binding upon and govern the acts of all persons and
13 entities, including, without limitation, all filing agents, filing officers, title agents, title
14 companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative
15 agencies, governmental departments, secretaries of state, federal, state, and local officials, and
16 all other persons and entities who may be required by operation of law, the duties of their office,
17 or contract, to accept, file, register, or otherwise record or release any documents or instruments,
18 or who may be required to report or insure any title or state of title in or to any lease; and each
19 of the foregoing persons and entities is hereby directed to accept for filing any and all of the
20 documents and instruments necessary and appropriate to consummate the transaction.

21 13. The purchase of the Property and assignment of the Existing Lease was
22 undertaken by Buyer without collusion and in good faith, as that term is defined in section
23 363(m) of the Bankruptcy Code, and accordingly, the reversal or modification on appeal of the
24 authorization provided herein to consummate the Property sale or Existing Lease assignment
25 shall not affect the validity of the Property sale or Existing Lease assignment, unless such
26 authorization and sale and assignment are duly stayed pending such appeal. Buyer is a good
27 faith buyer within the meaning of section 363(m) of the Bankruptcy Code and, as such, is
28 entitled to the full protections of section 363(m) of the Bankruptcy Code.

EXHIBIT “4”



CALIFORNIA
 ASSOCIATION
 OF REALTORS

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

Date Prepared: 07/18/2017

1. OFFER:

- A. THIS IS AN OFFER FROM Yiyun Fu and or assignees, CYTS USA LLC ("Buyer").
 Individual(s), A Corporation, A Partnership, An LLC, An LLP, or Other
- B. THE REAL PROPERTY to be acquired is 1020 S Baldwin Ave, situated in
Arcadia (City), Los Angeles (County), California, 91007-7234 (Zip Code), Assessor's Parcel No. _____ ("Property").
- C. THE PURCHASE PRICE offered is Ten Million Dollars \$ 10,000,000.00
- D. CLOSE OF ESCROW shall occur on _____ (date) (or 60 Days After Acceptance).
- E. Buyer and Seller are referred to herein as the "Parties." Brokers are not Parties to this Agreement.

2. AGENCY:

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

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

- A. INITIAL DEPOSIT: Deposit shall be in the amount of _____ \$ 300,000.00
 (1) Buyer Direct Deposit: Buyer shall deliver deposit directly to Escrow Holder by electronic funds transfer, cashier's check, personal check, other _____ within 3 business days after Acceptance (or _____);
 OR (2) Buyer Deposit with Agent: Buyer has given the deposit by personal check (or _____) to the agent submitting the offer (or to _____), made payable to _____ The deposit shall be held uncashed until Acceptance and then deposited with Escrow Holder within 3 business days after Acceptance (or _____).
 Deposit checks given to agent shall be an original signed check and not a copy.

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

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

D. LOAN(S):

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

E. ADDITIONAL FINANCING TERMS: This offer is all cash, however should Buyer elect to obtain a loan, it will be Buyer's choice.

- F. BALANCE OF DOWN PAYMENT OR PURCHASE PRICE in the amount of _____ \$ 9,700,000.00 to be deposited with Escrow Holder pursuant to Escrow Holder instructions.

- G. PURCHASE PRICE (TOTAL): _____ \$ 10,000,000.00

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

Buyer's Initials (_____) (CU)
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 CPA REVISED 12/15 (PAGE 1 OF 11)

Seller's Initials (_____) (MF)



COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 1 OF 11)

Property Address: 1020 S Baldwin Ave, Arcadia, CA 91007-7234 Date: July 18, 2017

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

J. **LOAN TERMS:**

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

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

(3) **LOAN CONTINGENCY REMOVAL:**

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

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

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

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

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

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

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

5. **ADDENDA AND ADVISORIES:**

A. ADDENDA:	<input checked="" type="checkbox"/> Addendum # <u> 1 </u> (C.A.R. Form ADM)
<input type="checkbox"/> Back Up Offer Addendum (C.A.R. Form BUO)	<input type="checkbox"/> Court Confirmation Addendum (C.A.R. Form CCA)
<input type="checkbox"/> Septic, Well and Property Monument Addendum (C.A.R. Form SWPI)	
<input type="checkbox"/> Short Sale Addendum (C.A.R. Form SSA)	<input type="checkbox"/> Other
B. BUYER AND SELLER ADVISORIES:	<input checked="" type="checkbox"/> Buyer's Inspection Advisory (C.A.R. Form BIA)
<input type="checkbox"/> Probate Advisory (C.A.R. Form PA)	<input type="checkbox"/> Statewide Buyer and Seller Advisory (C.A.R. Form SBISA)
<input type="checkbox"/> Trust Advisory (C.A.R. Form TA)	<input type="checkbox"/> REO Advisory (C.A.R. Form REO)
<input type="checkbox"/> Short Sale Information and Advisory (C.A.R. Form SSIA)	<input type="checkbox"/> Other

6. **OTHER TERMS:** see addendum #1

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 _____

B. **GOVERNMENT REQUIREMENTS AND RETROFIT:**

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

Buyer's Initials () (CUL)

Seller's Initials () ()

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Property Address: 1020 S Baldwin Ave, Arcadia, CA 91007-7234

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

C. ESCROW AND TITLE:

- (1) (a) Buyer Seller shall pay escrow fee 50/50 between Buyer/Seller
- (b) Escrow Holder shall be Central Escrow Group, Sarah Shum
- (c) The Parties shall, within 5 (or) Days After receipt, sign and return Escrow Holder's general provisions.
- (2) (a) Buyer Seller shall pay for owner's title insurance policy specified in paragraph 17E
- (b) Owner's title policy to be issued by 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 Owners' Association ("OA") transfer fee
- (4) Seller shall pay OA fees for preparing all documents required to be delivered by Civil Code §4525.
- (5) Buyer Seller shall pay OA fees for preparing all documents other than those required by Civil Code §4525.
- (6) Buyer to pay for any HOA certification fee.
- (7) Buyer Seller shall pay for any private transfer fee
- (8) Buyer Seller shall pay for Natural Hazard Report
- (9) Buyer Seller shall pay for

3. ITEMS INCLUDED IN AND EXCLUDED FROM SALE:

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

B. ITEMS INCLUDED IN SALE:

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

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

D. OTHER ITEMS:

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

9. CLOSING AND POSSESSION:

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

Buyer's Initials K (CUL)

Seller's Initials () ()

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

10. SECURITY DEPOSITS: Security deposits, if any, to the extent they have not been applied by Seller in accordance with any rental agreement and current Law, shall be transferred to Buyer on Close Of Escrow. Seller shall notify each tenant, in compliance with the Civil Code.

11. SELLER DISCLOSURES:

A. NATURAL AND ENVIRONMENTAL DISCLOSURES: Seller shall, within the time specified in paragraph 18, if required by Law: (i) Deliver to Buyer earthquake guides (and questionnaire) and environmental hazards booklet; (ii) even if exempt from the obligation to provide an NHD, disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.

B. ADDITIONAL DISCLOSURES: Within the time specified in paragraph 18, Seller shall Deliver to Buyer, in writing, the following disclosures, documentation and information:

(1) RENTAL SERVICE AGREEMENTS: (i) All current leases, rental agreements, service contracts, and other agreements pertaining to the operation of the Property; and (ii) a rental statement including names of tenants, rental rates, period of rental, date of last rent increase, security deposits, rental concessions, rebates, or other benefits, if any, and a list of delinquent rents and their duration. Seller represents that no tenant is entitled to any concession, rebate, or other benefit, except as set forth in these documents.

(2) INCOME AND EXPENSE STATEMENTS: The books and records, including a statement of income and expense for the 12 months preceding Acceptance. Seller represents that the books and records are those maintained in the ordinary and normal course of business, and used by Seller in the computation of federal and state income tax returns.

(3) TENANT ESTOPPEL CERTIFICATES: (If checked) Tenant estoppel certificates (C.A.R. Form TEC) completed by Seller or Seller's agent, and signed by tenants, acknowledging: (i) that tenants' rental or lease agreements are unmodified and in full force and effect (or if modified, stating all such modifications); (ii) that no lessor defaults exist; and (iii) stating the amount of any prepaid rent or security deposit.

(4) SURVEYS, PLANS AND ENGINEERING DOCUMENTS: Copies of surveys, plans, specifications and engineering documents, if any, in Seller's possession or control.

(5) PERMITS: If in Seller's possession, Copies of all permits and approvals concerning the Property, obtained from any governmental entity, including, but not limited to, certificates of occupancy, conditional use permits, development plans, and licenses and permits pertaining to the operation of the Property.

(6) STRUCTURAL MODIFICATIONS: Any known structural additions or alterations to, or the installation, alteration, repair or replacement of, significant components of the structure(s) upon the Property.

(7) GOVERNMENTAL COMPLIANCE: Any improvements, additions, alterations or repairs made by Seller, or known to Seller to have been made, without required governmental permits, final inspections, and approvals.

(8) VIOLATION NOTICES: Any notice of violations of any Law filed or issued against the Property and actually known to Seller.

(9) MISCELLANEOUS ITEMS: Any of the following, if actually known to Seller: (i) any current pending lawsuit(s), investigation(s), inquiry(ies), action(s), or other proceeding(s) affecting the Property, or the right to use and occupy it; (ii) any unsatisfied mechanic's or materialman's lien(s) affecting the Property; and (iii) that any tenant of the Property is the subject of a bankruptcy.

C. WITHHOLDING TAXES: Within the time specified in paragraph 18A, to avoid required withholding Seller shall Deliver to Buyer or qualified substitute, an affidavit sufficient to comply with federal (FIRPTA) and California withholding Law, (C.A.R. Form AS or QS).

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

E. CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES:

(1) SELLER HAS: 7 (or ___) Days After Acceptance to disclose to Buyer whether the Property is a condominium, or is located in a planned development or other common interest subdivision.

(2) If the Property is a condominium or is located in a planned development or other common interest subdivision, Seller has 3 (or ___) Days After Acceptance to request from the OA (C.A.R. Form HOA1): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the OA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of OA minutes for regular and special meetings; and (v) the names and contact information of all OAs governing the Property (collectively, "CI Disclosures"). Seller shall itemize and Deliver to Buyer all CI Disclosures received from the OA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 18B(3). The Party specified in paragraph 7, as directed by escrow, shall deposit funds into escrow or direct to OA or management company to pay for any of the above.

Buyer's Initials (X) (CUL)

Seller's Initials (X) (DS)

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- 12. ENVIRONMENTAL SURVEY (If checked): Within _____ Days After Acceptance, Buyer shall be provided a phase one environmental survey report paid for and obtained by _____ Buyer Seller. Buyer shall then, as specified in paragraph 18, remove this contingency or cancel this Agreement.
- 13. **SUBSEQUENT DISCLOSURES:** In the event Seller, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer of which Buyer is otherwise unaware, Seller shall promptly Deliver a subsequent or amended disclosure or notice in writing, covering those items. However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies disclosed in reports ordered and paid for by Buyer.
- 14. **CHANGES DURING ESCROW:**
 - A. Prior to Close Of Escrow, Seller may only engage in the following acts, ("Proposed Changes"), subject to Buyer's rights in paragraph 14B: (i) rent or lease any vacant unit or other part of the premises; (ii) alter, modify, or extend any existing rental or lease agreement; (iii) enter into, alter, modify or extend any service contract(s); or (iv) change the status of the condition of the Property.
 - B. (1) 7 (or _____) Days prior to any Proposed Changes, Seller shall Deliver written notice to Buyer of any Proposed Changes. (2) Within 5 (or _____) Days After receipt of such notice, Buyer, in writing, may give Seller notice of Buyer's objection to the Proposed Changes in which case Seller shall not make the Proposed Changes.
- 15. **CONDITION OF PROPERTY:** Unless otherwise agreed in writing: (i) the Property is sold (a) "AS-IS" in its PRESENT physical condition as of the date of Acceptance and (b) subject to Buyer's Investigation rights; (ii) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and (iii) all debris and personal property not included in the sale shall be removed by Close Of Escrow.
 - A. Seller shall, within the time specified in paragraph 18A, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, and make any and all other disclosures required by law.
 - B. Buyer has the right to conduct Buyer Investigations of the property and, as specified in paragraph 16B, based upon information discovered in those investigations: (i) cancel this Agreement; or (ii) request that Seller make Repairs or take other action.
 - C. Buyer is strongly advised to conduct investigations of the entire Property in order to determine its present condition. Seller may not be aware of all defects affecting the Property or other factors that Buyer considers important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.
- 16. **BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:**
 - A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 18B. Within the time specified in paragraph 18B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to, the right to: (i) inspect for lead-based paint and other lead-based paint hazards; (ii) inspect for wood destroying pests and organisms. Any inspection for wood destroying pests and organisms shall be prepared by a registered Structural Pest Control company; shall cover the main building and attached structures; may cover detached structures; shall NOT include water tests of shower pans on upper level units unless the owners of property below the shower consent; shall NOT include roof coverings; and, if the Property is a unit in a condominium or other common interest subdivision, the inspection shall include only the separate interest and any exclusive-use areas being transferred, and shall NOT include common areas; and shall include a report ("Pest Control Report") showing the findings of the company which shall be separated into sections for evident infestation or infections (Section 1) and for conditions likely to lead to infestation or infection (Section 2); (iii) review the registered sex offender database; (iv) confirm the insurability of Buyer and the Property including the availability and cost of flood and fire insurance; (v) review and seek approval of leases that may need to be assumed by Buyer; and (vi) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA). Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer Investigations except for minimally invasive testing required to prepare a Pest Control Report; or (ii) inspections by any governmental building or zoning inspector or government employee, unless required by Law.
 - B. Seller shall make the Property available for all Buyer Investigations. Buyer shall (i) as specified in paragraph 18B, complete Buyer Investigations and either remove the contingency or cancel this Agreement, and (ii) give Seller, at no cost, complete Copies of all such Investigation reports obtained by Buyer, which obligation shall survive the termination of this Agreement.
 - C. Seller shall have water, gas, electricity and all operable pilot lights on for Buyer's Investigations and through the date possession is made available to Buyer.
 - D. **Buyer indemnity and seller protection for entry upon property:** Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer Investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-Responsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination of this Agreement.
- 17. **TITLE AND VESTING:**
 - A. Within the time specified in paragraph 18, Buyer shall be provided a current preliminary title report ("Preliminary Report"). The Preliminary Report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the Preliminary Report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 18B. The company providing the Preliminary Report shall, prior to issuing a Preliminary Report, conduct a search of the General Index for all Sellers except banks or other institutional lenders selling properties they acquired through foreclosure (REOs), corporations, and government entities. Seller shall within 7 Days After Acceptance, give Escrow Holder a completed Statement of information.
 - B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except for: (i) monetary liens of record (which Seller is obligated to pay off) unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.
 - C. Within the time specified in paragraph 18A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.

Buyer's Initials () (CUL)

Seller's Initials () ()



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- D. At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.
- E. Buyer shall receive a standard coverage owners CLTA policy of title insurance. An ALTA policy or the addition of endorsements may provide greater coverage for Buyer. A title company, at Buyer's request, can provide information about the availability, desirability, coverage, and cost of various title insurance coverages and endorsements. If Buyer desires title coverage other than that required by this paragraph, Buyer shall instruct Escrow Holder in writing and shall pay any increase in cost.
- 18. TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS: The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph by either Buyer or Seller must be exercised in good faith and in writing (C.A.R. Form CR or CC).
 - A. SELLER HAS: 7 (or ____) Days After Acceptance to Deliver to Buyer all Reports, disclosures and information for which Seller is responsible under paragraphs 5A, 6, 7, 8B(7), 11A, B, C, D and F, 12, 15A and 17A. Buyer after first Delivering to Seller a Notice to Seller to Perform (C.A.R. Form NSP) may cancel this Agreement if Seller has not Delivered the items within the time specified.
 - B. (1) BUYER HAS: 17 (or 30) Days After Acceptance, unless otherwise agreed in writing, to:
 - (i) complete all Buyer Investigations; review all disclosures, reports, lease documents to be assumed by Buyer pursuant to paragraph 8B(7) and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property.
 - (2) Within the time specified in paragraph 18B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to (C.A.R. Form RRRR) Buyer's requests.
 - (3) By the end of the time specified in paragraph 18B(1) (or as otherwise specified in this Agreement), Buyer shall Deliver to Seller a removal of the applicable contingency or cancellation (C.A.R. Form CR or CC) of this Agreement. However, if any report, disclosure or information for which Seller is responsible is not Delivered within the time specified in paragraph 18A, then Buyer has 5 (or ____) Days After Delivery of any such items, or the time specified in paragraph 18B(1), whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement.
 - (4) Continuation of Contingency: Even after the end of the time specified in paragraph 18B(1) and before Seller cancels, if at all, pursuant to paragraph 18C, Buyer retains the right, in writing, to either (i) remove remaining contingencies, or (ii) cancel this Agreement based on a remaining contingency. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to paragraph 18C(1).
 - C. SELLER RIGHT TO CANCEL:
 - (1) Seller right to Cancel; Buyer Contingencies: if, by the time specified in this Agreement, Buyer does not Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement, then Seller, after first Delivering to Buyer a Notice to Buyer to Perform (C.A.R. Form NBP), may cancel this Agreement. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.
 - (2) Seller right to Cancel; Buyer Contract Obligations: Seller, after first delivering to Buyer a NBP, may cancel this Agreement if, by the time specified in this Agreement, Buyer does not take the following action(s): (i) Deposit funds as required by paragraph 3A or 3B or if the funds deposited pursuant to paragraph 3A or 3B are not good when deposited; (ii) Deliver a letter as required by paragraph 3J(1); (iii) Deliver verification as required by paragraph 3C or 3H or if Seller reasonably disapproves of the verification provided by paragraph 3C or 3H; or (iv) In writing assume or accept leases or liens specified in 8B(7); (v) Sign or initial a separate liquidated damages form for an increased deposit as required by paragraphs 3B and 25B; or (vi) Provide evidence of authority to sign in a representative capacity as specified in paragraph 23. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.
 - D. NOTICE TO BUYER OR SELLER TO PERFORM: The NBP or NSP shall: (i) be in writing; (ii) be signed by the applicable Buyer or Seller, and (iii) give the other Party at least 2 (or ____) Days After Delivery (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A NBP or NSP may not be Delivered any earlier than 2 Days Prior to the expiration of the applicable time for the other Party to remove a contingency or cancel this Agreement or meet an obligation specified in paragraph 18.
 - E. EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES: If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in writing, Buyer shall conclusively be deemed to have: (i) completed all Buyer Investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections pertaining to that contingency or cancellation right, or for the inability to obtain financing.
 - F. CLOSE OF ESCROW: Before Buyer or Seller may cancel this Agreement for failure of the other Party to close escrow pursuant to this Agreement, Buyer or Seller must first Deliver to the other Party a demand to close escrow (C.A.R. Form DCE). The DCE shall: (i) be signed by the applicable Buyer or Seller; and (ii) give the other Party at least 3 (or ____) Days After Delivery to close escrow. A DCE may not be Delivered any earlier than 3 Days Prior to the scheduled close of escrow.
 - G. EFFECT OF CANCELLATION ON DEPOSITS: If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, the Parties agree to Sign mutual instructions to cancel the sale and escrow and release deposits, if any, to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Except as specified below, release of funds will require mutual Signed release instructions from the Parties, judicial decision or arbitration award. If either Party fails to execute mutual instructions to cancel escrow, one Party may make a written demand to Escrow Holder for the deposit (C.A.R. Form BDRD or SDRD). Escrow Holder, upon receipt, shall promptly deliver notice of the demand to the other Party. If, within 10 Days After Escrow Holder's notice, the other Party does not object to the demand, Escrow Holder shall disburse the deposit to the Party making the demand. If Escrow Holder complies with the preceding process, each Party shall be deemed to have released Escrow Holder from any and all claims or liability related to the disbursement of the deposit. Escrow Holder, at its discretion, may nonetheless require mutual cancellation instructions. A Party may be subject to a civil penalty of up to \$1,000 for refusal to sign cancellation instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).

Buyer's Initials (X) (CUL)
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Seller's Initials (X) ()



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

Buyer's Initials (X) (CUL)

Seller's Initials (X) ()

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COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 7 OF 11)



Property Address: 1020 S Baldwin Ave, Arcadia, CA 91007-7234

Date: July 18, 2017

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

25. REMEDIES FOR BUYER'S BREACH OF CONTRACT:

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

Buyer's Initials X CUL

Seller's Initials X [Signature]

26. DISPUTE RESOLUTION:

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

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

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

Buyer's Initials X CUL

Seller's Initials X [Signature]

Buyer's Initials X CUL

Seller's Initials X [Signature]

Property Address: 1020 S Baldwin Ave, Arcadia, CA 91007-7234

Date: July 18, 2017

C. ADDITIONAL MEDIATION AND ARBITRATION TERMS:

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

Buyer's Initials (K) (CUL)
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Seller's Initials ([Signature]) ()

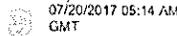
Property Address: 1020 S Baldwin Ave, Arcadia, CA 91007-7234

Date: July 18, 2017

- C. "C.A.R. Form" means the most current version of the specific form referenced or another comparable form agreed to by the parties.
 - D. "Close Of Escrow" or "COE" means the date the grant deed, or other evidence of transfer of title, is recorded.
 - E. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
 - F. "Days" means calendar days. However, after Acceptance, the last Day for performance of any act required by this Agreement (including Close Of Escrow) shall not include any Saturday, Sunday, or legal holiday and shall instead be the next Day.
 - G. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59 PM on the final day.
 - H. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
 - I. "Deliver", "Delivered" or "Delivery", unless otherwise specified in writing, means and shall be effective upon: personal receipt by Buyer or Seller or the individual Real Estate Licensee for that principal as specified in the section titled Real Estate Brokers on page 11, regardless of the method used (i.e., messenger, mail, email, fax, other).
 - J. "Electronic Copy" or "Electronic Signature" means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either Party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other Party.
 - K. "Law" means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
 - L. "Repairs" means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
 - M. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.
40. **AUTHORITY:** Any person or persons signing this Agreement represent(s) that such person has full power and authority to bind that person's principal, and that the designated Buyer and Seller has full authority to enter into and perform this Agreement. Entering into this Agreement, and the completion of the obligations pursuant to this contract, does not violate any Articles of Incorporation, Articles of Organization, By Laws, Operating Agreement, Partnership Agreement or other document governing the activity of either Buyer or Seller.
41. **EXPIRATION OF OFFER:** This offer shall be deemed revoked and the deposit, if any, shall be returned to Buyer unless the offer is Signed by Seller and a Copy of the Signed offer is personally received by Buyer, or by Shumei Kam 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 July 28, 2017 (date)).

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

Date 07/19/2017 BUYER X CYTS USA LLC



(Print name) Yiyun Fu and or assignees

Date 07/19/2017 BUYER

(Print name) CYTS USA LLC

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

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

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

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

Date 7/26/2017 SELLER X

(Print name) Liberty Asset Management

Date SELLER

(Print name)

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

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

Property Address: 1020 S Baldwin Ave, Arcadia, CA 91007-7234

Date: July 18, 2017

REAL ESTATE BROKERS:

- A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.
- B. Agency relationships are confirmed as stated in paragraph 2.
- C. If specified in paragraph 3A(2), Agent who submitted the offer for Buyer acknowledges receipt of deposit.
- D. COOPERATING BROKER COMPENSATION: Listing Broker agrees to pay Cooperating Broker (Selling Firm) and Cooperating Broker agrees to accept, out of Listing Broker's proceeds in escrow, the amount specified in the 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) Coldwell banker George Realty Inc CalBRE Lic. # 01121690
 By [Signature] Shumei kam CalBRE Lic. # 01121690 Date 07/19/2017
 By _____ CalBRE Lic. # 0798181 Date _____
 Address 860 W Huntington Dr City Arcadia State CA Zip 91007-3424
 Telephone (626)202-6446 Fax (626)445-1100 E-mail skam@coldwellbanker
 Real Estate Broker (Listing Firm) Keller William Real Estate Company - Santa Monica CalBRE Lic. # 01499010
 By [Signature] Lulu Knowlton CalBRE Lic. # 01950225 Date 7/26/2017
 By _____ CalBRE Lic. # _____ Date _____
 Address 2701 Ocean Park Blvd #140 City Santa Monica State CA Zip 90405
 Telephone 310-562-7418 Fax _____ E-mail luluxu518@yahoo.com

ESCROW HOLDER ACKNOWLEDGMENT:

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

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

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

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

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

Buyer's Initials (x _____) (CUL)

Seller's Initials (x [Signature]) (_____)

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Reviewed by
 Broker or Designee _____

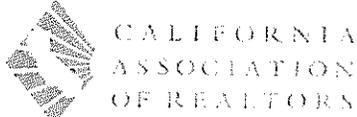


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COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 11 OF 11)

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1020 Baldwin



ADDENDUM

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

No. 1

The following terms and conditions are hereby incorporated in and made a part of the: [X] Purchase Agreement, [] Residential Lease or Month-to-Month Rental Agreement, [] Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right to rescind), [] Other
dated July 18, 2017, on property known as 1020 S Baldwin Ave Arcadia, CA 91007-7234
in which Yiyun Fu and or assignees, CYTS USA LLC, is referred to as ("Buyer/Tenant")
and Liberty Asset Management is referred to as ("Seller/Landlord").

- 1) Buyer to have a Due-Diligence period to 30 days from acceptance.
2) Close of Escrow shall occur on or before 30 days after Due-Diligence period.
3) Buyer understand that this property is occupied by a triple net tenant. All operating expenses, including but not limited to fire & casualty insurance and property tax will be the responsibility of tenant.
4) Buyer hereby purchase subject property in "as is" condition.
5) Property contain two parcels APN 5778-006-010 & 5778-006-005.
6) This offer is all cash offer, however should Buyer elect to obtain a loan, it will be Buyer's choice.
7) Seller shall provide Buyer a completed set of building blue print.

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

Date January 30, 2017

Date 7/26/2017

Buyer/Tenant [X] Yiyun Fu and or assignees

Seller/Landlord [Signature] Liberty Asset Management

Buyer/Tenant CYTS USA LLC, CYTS USA LLC,

Seller/Landlord

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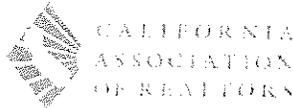
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Reviewed by _____ Date _____



ADM REVISED 12/15 (PAGE 1 OF 1)

ADDENDUM (ADM PAGE 1 OF 1)



BUYER'S INSPECTION ADVISORY

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

Property Address: 1020 S Baldwin Ave, Arcadia, CA, 91007-7234 ("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 [X] [Signature] Buyer CYTS USA LLC 07/29/2017 05:14 AM GMT

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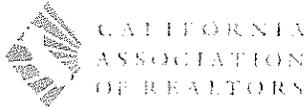
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Reviewed by _____ Date _____

BIA REVISED 11/14 (PAGE 1 OF 1)

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





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 [Signature] Liberty Asset Management Date 7/26/2017

Buyer [Signature] CYTS USA LLC Date 07/19/2017

Real Estate Broker (Firm) [Signature] Lulu Knowlton CalBRE Lic # 01950225 Date 7/26/2017

Real Estate Broker (Firm) Coldwell banker George Realty Inc CalBRE Lic # 01121690 Date 07/19/2017

By [Signature] Shumel kam CalBRE Lic # 01121690 Date

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PRBS 11/14 (PAGE 1 OF 1) POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER OR SELLER (PRBS PAGE 1 OF 1)



CALIFORNIA ASSOCIATION OF REALTORS

DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP

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

If completed, this form is being provided in connection with a transaction for a residential interest extending one year or less (Civil Code sections 2079.13(a) and (b)) When you enter into a disclosure with a real estate agent regarding a real estate transaction, you should first read the entire contents of this type of agency relationship or disclosure form, which is filed 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 is a subagent of that agent and has the following affirmative obligations:

- The Seller and the Seller: - Diligent exercise of reasonable skill and care in performance of the agent's duties - A duty of honesty and fair dealing and good faith - A duty to disclose all facts known to the agent material to 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 buying 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, and 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 the Buyer has the following affirmative obligations:

- The Buyer: A fiduciary duty of utmost care, loyalty, honesty and integrity in dealings with the Buyer. - The Buyer and the Seller: - Diligent exercise of reasonable skill and care in performance of the agent's duties - A duty of honesty and fair dealing and good faith - A duty to disclose all facts known to the agent material to affecting the value or desirability of the property that are not known to or within the diligent attention and observation of the parties. - Agents are 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 acting directly or through one or more associate licensees, can act as the agent of both the Seller and the Buyer in a transaction for real property with the knowledge and consent of both the Seller and the Buyer.

- The agent has the following affirmative obligations to both the Seller and the Buyer: - A fiduciary duty of utmost care, loyalty, honesty and integrity in the dealings with either the Seller or the Buyer. - Other duties to the Seller and the Buyer as stated above in the respective sections representing both Seller and Buyer; the agent may not, without the express consent of the respective party, disclose to the other party or the Seller any fact that is a price less than the selling price or bid the Buyer will pay a price greater than the price offered. - A broker-dealer of the agent or a real estate licensee, the real estate agent or Seller or Buyer from the responsibility to protect his or her best interests. You should carefully read all agreements to ensure 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 needed, 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 it carefully 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. HAVE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE PRINTED ON THE BACK (OR A SEPARATE PAGE).

Seller: Agent Seller Landlord Tenant Date 07/18/2017

Buyer: Seller Landlord Tenant Date 07/18/2017

Agent: Coldwell Banker Greater Realty Inc. BRE Lic. # 01121880 Date 07/18/2017

Company: Coldwell Banker Greater Realty Inc. BRE Lic. # 01121880 Date 07/18/2017

Agent Declaration: I am a duly licensed real estate agent in the State of California. I have read this disclosure form and the portions of the Civil Code printed on the back and I have signed it as required.

Buyer Declaration: I have read this disclosure form and the portions of the Civil Code printed on the back and I have signed it as required.

DocuSigned by: [Signature] 7/26/2017

DocuSign ID: 784DF546F6DE4AA

Notarized by: [Signature] Date: [Date]

AD REVISED 12/14 (PAGE 1 OF 2) DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP (AD PAGE 1 OF 2)

Printed Name: [Name] Printed Name: [Name] Printed Name: [Name]

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. This agent in the real property transaction bears responsibility for his or her associate licensee 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 6, mobilehomes, as defined in Section 788.3, 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 estate contract within the meaning of Section 20935, 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 8. 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 acknowledgment of receipt from that seller or buyer, except as provided in the 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 offer to purchase, unless the selling agent previously provided the disclosure form to the seller. (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 acknowledgment of receipt obtained 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 acknowledgment 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 acknowledgment 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)
(Name of Listing Agent) _____ is the agent of (check one): the seller exclusively, or both the buyer and seller.

(DO NOT COMPLETE. SAMPLE ONLY)
(Name of Selling Agent if not the same as the Listing Agent) _____ is the agent of (check one): the buyer exclusively, or the seller exclusively, or both the buyer and seller.

(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 those 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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Reviewed by _____ Date _____





CALIFORNIA
 REAL ESTATE
 ASSOCIATION
 OF REALTORS®

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

Date Prepared: 09/15/2017

- OFFER**
- A THIS IS AN OFFER FROM Tegan Fr. and or assignees, CYTS USA LLC (Buyer)
 Individual(s), A Corporation, A Partnership, An LLC, An LLP or Other
 - B THE REAL PROPERTY to be acquired is 1020 S Broadway Ave situated in
Arroyo (City), Los Angeles (County), California, 91007-7274 (Zip Code), Assessor's Parcel No. _____ (Property)
 - C THE PURCHASE PRICE offered is Ten Million Dollars \$ 10,000,000.00
 - D CLOSE OF ESCROW shall occur on _____ (date) (or 60 Days After Acceptance)
 - E Buyer and Seller are referred to herein as the "Parties." Brokers are not Parties to this Agreement.

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

- FINANCE TERMS: Buyer represents that funds will be good when deposited with Escrow Holder.
- 1 INITIAL DEPOSIT: Deposit shall be in the amount of \$ 200,000.00
 Buyer Direct Deposit. Buyer shall deposit directly to Escrow Holder by electronic funds transfer, cashier's check, personal check, other _____ within 3 business days after Acceptance (or _____).
 OR (2) Buyer Deposit with Agent. Buyer has given the deposit by personal check (or _____) to the agent submitting the offer (or to _____), made payable to _____, The deposit shall be held unexpended until Acceptance and then deposited with Escrow Holder within 3 business days after Acceptance (or _____).
 Deposit checks given to agent shall be the original signed check and not a copy.
 Note: Initial and increased deposit checks received by agent shall be recorded in Broker's trust fund log.

- 2 INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of \$ _____ within _____ Days After Acceptance (or _____).
 The Parties agree to liquidated damages in this Agreement, they also agree to incorporate the increased deposit into the liquidated damages amount in a separate liquidated damages clause (C.A.R. Form NDI) at the time the increased deposit is delivered to Escrow Holder.

- 3 ALL CASH OFFER: No loan is needed to purchase the Property. This offer is NOT contingent on Buyer obtaining a loan. Written verification of sufficient funds to close this transaction IS ATTACHED to this offer in _____ Buyer shall, within 3 (or _____) Days After Acceptance, Deliver to Seller such verification.

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

- 4 ADDITIONAL FINANCING TERMS: This offer is all cash, however should Buyer elect to obtain a loan, it will be Buyer's choice.
- 5 BALANCE OF DOWN PAYMENT OR PURCHASE PRICE in the amount of \$ 9,700,000.00 to be deposited with Escrow Holder pursuant to Escrow Holder instructions.
- 6 PURCHASE PRICE (TOTAL): \$ 10,000,000.00
- 7 VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS: Buyer (or Buyer's lender or loan broker pursuant to paragraph 3(1)) shall, within 3 (or _____) Days After Acceptance, Deliver to Seller written verification DS of down payment and closing costs. Verification attached.

Buyer's initials (TF)
 1015, California Association of REALTORS®, Inc.
 CPA REVISED 12/15 (PAGE 1 OF 11)

Seller's initials (MS)



Property Address: 1000 S Baldwin Ave, Anniston, OK 73507-7104

Date: July 14, 2017

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.

LOAN TERMS:

1) LOAN APPLICATIONS: Within 3 (or _____) Days After Acceptance, Buyer shall Deliver to Seller a letter from Buyer's lender or an 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 actual 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 1E, in writing, remove the loan contingency or cancel this Agreement. If there is an appraisal contingency, removal of the loan contingency shall not be deemed removal of the appraisal contingency.

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

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

6) BUYER STATED FINANCING:

Seller is relying on Buyer's representation of the type of financing specified (including but not limited to, no 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.

7) 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).

ADDENDA AND ADVISORIES:

- ADDENDA:
- Addendum A (C.A.R. Form ADM)
- Back Up Offer Addendum (C.A.R. Form BUC)
- Cash Confirmation Addendum (C.A.R. Form CCA)
- Joint, Well and Property Interest Addendum (C.A.R. Form SWPI)
- Short Sale Addendum (C.A.R. Form SSA)
- Other:
BUYER AND SELLER ADVISORIES:
- Buyer's Inspection Advisory (C.A.R. Form BIA)
- Probate Advisory (C.A.R. Form PA)
- Statewide Buyer and Seller Advisory (C.A.R. Form SBSA)
- Trust Advisory (C.A.R. Form TA)
- REO Advisory (C.A.R. Form REO)
- Short Sale Information and Advisory (C.A.R. Form SSI)
- Other:
OTHER TERMS: see addendum #1

8) ALLOCATION OF COSTS

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

1) Buyer Seller shall pay for a natural hazard zone disclosure report, including tax environmental Other _____

2) Buyer Seller shall pay for the following Report _____ prepared by Seller's Choice.

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

9) 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 of compliance in accordance with state and local Law, unless Seller is exempt.

Buyer's initials: [Signature]
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Seller's initials: [Signature]

Property Address: 7020 S Baldwin Ave, Arcadia, CA 91007-1234

Date: 09/18/2017

- 2) (b) 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.
- (c) 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
- (d) Buyer shall be provided, within the time specified in paragraph 18A, a copy of any required government conducted or point-of-sale inspection report prepared pursuant to this Agreement or in anticipation of this sale of the Property.

1. ESCROW AND TITLE

- 1) (a) Buyer Seller shall pay escrow fee \$1000 Between Buyer/Seller
- (b) Escrow Holder shall be Central Escrow Group, Sarah Shum
- (c) The Parties shall, within 5 (or _____) Days After receipt, sign and return Escrow Holder's general provisions.
- 2) (a) Buyer Seller shall pay for owner's title insurance policy specified in paragraph 17E
- (b) Buyer Seller shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)

1. OTHER COSTS:

- 1) Buyer Seller shall pay County transfer tax or fee
- 2) Buyer Seller shall pay City transfer tax or fee
- 3) Buyer Seller shall pay Owners' Association ("OA") transfer fee
- 4) Seller shall pay CA fees for preparing all documents required to be delivered by Civil Code §4525.
- 5) Buyer Seller shall pay CA 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 tax
- 8) Buyer Seller shall pay for Natural Hazard Report
- 9) Buyer Seller shall pay for _____

1. ITEMS INCLUDED IN AND EXCLUDED FROM SALE:

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

1. ITEMS INCLUDED IN SALE:

- 1) All EXISTING fixtures and things 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 conditioning/coolers, pool/spa equipment, garage door openers/remotes controls, mailbox, in-ground landscaping, trees/shrubs, water features and fountains, water softeners, water purifiers, security systems/alarms
- 3) A complete inventory of all personal property of Seller currently used in the operation of the Property and included in the purchase price shall be delivered to Buyer within the time specified in paragraph 18A.
- 4) Seller represents that all items included in the purchase price are, unless otherwise specified or identified pursuant to 8B(7), owned by Seller. Within the time specified in paragraph 18A, Seller shall give Buyer a list of fixtures not owned by Seller.
- 5) Seller shall deliver title to the personal property by bill of Sale, free and clear of all liens and encumbrances, and without seller warranty of condition regardless of value.
- 6) As additional security for any note in favor of Buyer for any part of the purchase price, Buyer shall execute a UCC-1 Financing Statement to be filed with the Secretary of State, covering the personal property included in the purchase, replacement thereof, and insurance proceeds.
- 7) LEASED OR LIENED ITEMS AND SYSTEMS: Seller shall, within the time specified in paragraph 18A, (i) disclose to Buyer any item or system specified in paragraph 8B or otherwise included in the sale is leased, or not owned by Seller, or conditionally subject to a lien or other encumbrance, and (ii) Deliver to Buyer all written materials (such as lease, warranty, etc.) concerning any such item. Buyer's ability to assume any such lease, or willingness to accept the Property subject to any such lien or encumbrance, is a contingency in favor of Buyer and Seller as specified in paragraph 18B and C.
- 1. ITEMS EXCLUDED FROM SALE: Unless otherwise specified, the following items are excluded from sale: none

1. OTHER ITEMS:

- 1) Existing integrated phone and automation systems, including necessary components such as internet 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 Yes NOT included in the sale.

1. CLOSING AND POSSESSION:

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

Buyer's initials: TS (CPA REVISED DATE (PAGE 3 OF 11))

Seller's initials: TS

COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 3 OF 11)



Property Address: 1020 S Rainbow Ave, Arcadia, CA 91707-7237 Date: July 18, 2017

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

8. SECURITY DEPOSITS: Security deposits, if any, to the extent they have not been applied by Seller in accordance with any rental agreement and current Law, shall be tendered to Buyer at Close Of Escrow. Seller is strictly liable to tenant, in compliance with the Civil Code.

9. SELLER DISCLOSURES

A. NATURAL AND ENVIRONMENTAL DISCLOSURES: Seller shall, within the time specified in paragraph 16, if required by Law, (i) Deliver to Buyer earthquake guide (and questionnaire) and environmental hazards booklet, (ii) even if exempt from the obligation to provide an NHD, disclose if the Property is located in a Special Flood Hazard Area, Potential Flooding (Inundation) Area, Very High Fire Hazard Zone, State Fire Responsibility Area, Earthquake Fault Zone, Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.

B. ADDITIONAL DISCLOSURES: Within the time specified in paragraph 16, Seller shall Deliver to Buyer, in writing, the following measures, documentation and information:

1) RENTAL SERVICE AGREEMENTS: (i) All current leases, rental agreements, service contracts, and other agreements pertaining to the operation of the Property, and (ii) a rental statement including names of tenants, rental rates, periods of rental, date of last rent increase, security deposits, rents, concessions, rebates, or other benefits, if any, and a list of delinquent rents and their duration. Seller represents that no tenant is entitled to any concession, rebate, or other benefit, except as set forth in these documents.

2) INCOME AND EXPENSE STATEMENTS: The books and records, including a statement of income and expense for the 12 months preceding Acceptance. Seller represents that the books and records are those maintained in the ordinary and usual course of business, and used by Seller in the computation of federal and state income tax returns.

3) TENANT ESTOPPEL CERTIFICATES: (if marked) Tenant estoppel certificates (C.A.R. Form TIC) completed by Seller, Seller's agent, and signed by tenants, acknowledging (i) that tenants' rental or lease agreements are irrevocable and in full force and effect (or if modified, stating all such modifications); (ii) that no rental defaults exist; and (iii) stating the amount of any prepaid rent or security deposit.

4) SURVEYS, PLANS AND ENGINEERING DOCUMENTS: Copies of surveys, plans, specifications and engineering documents, if any, in Seller's possession or control.

5) PERMITS: If in Seller's possession, Copies of all permits and approvals, concerning the Property, obtained from any governmental entity, including, but not limited to, certificates of occupancy, conditional use permits, development plans, and codes and permits pertaining to the operation of the Property.

6) STRUCTURAL MODIFICATIONS: Any known structural additions or alterations to, or the installation, alteration, repair or replacement of, significant components of the structure(s) upon the Property.

7) GOVERNMENTAL COMPLIANCE: Any improvements, additions, alterations or repairs made by Seller or known to Seller to have been made, without required governmental permits, final inspections, and approvals.

8) VIOLATION NOTICES: Any notice of violations of any Law filed or issued against the Property and actually known to Seller.

9) MISCELLANEOUS ITEMS: Any of the following, if actually known to Seller: (i) any current pending lawsuit(s), investigation(s), suit(s), action(s), or other proceeding(s) affecting the Property, or the right to use and occupy it; (ii) any unsatisfied mechanic's or materialman's lien(s) affecting the Property; and (iii) that any tenant of the Property is the subject of a bankruptcy.

10) WITHHOLDING TAXES: Within the time specified in paragraph 16A, to avoid required withholding Seller shall Deliver to Buyer or qualified substitute, an affidavit sufficient to comply with federal (IRC/ITA) and California withholding Law, (C.A.R. Form AS or OS).

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

E. CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES:

(1) SELLER HAS: 7 (or _____) Days After Acceptance to disclose to Buyer whether the Property is a condominium, or is located in a planned development or other common interest subdivision.

(2) If the Property is a condominium or is located in a planned development or other common interest subdivision, Seller has (for _____) Days After Acceptance to request from the OA (C.A.R. Form HOA1): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the OA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of OA minutes for regular and special meetings; and (v) the names and contact information of all OAs governing the Property (collectively, "CI Disclosures"). Seller shall advise and Deliver to Buyer all CI Disclosures received from the OA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 10B(2). The Party specified in paragraph 7 is authorized by escrow, shall deposit funds into escrow or direct to OA or management company to pay for any of the above.

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COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 4 OF 11)

DS
[Signature]



Property Address: 1020 S. Safford Ave, Anaheim, CA 92807-7179 Date: July 18, 2017

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

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

14. **CHANGES DURING ESCROW:**

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

B. (i) 7 (or _____) Days prior to any Proposed Changes, Seller shall Deliver written notice to Buyer of any Proposed Changes; (ii) Within 5 (or _____) Days After receipt of such notice, Buyer, in writing, may give Seller notice of Buyer's objection to the Proposed Changes in which case Seller shall not make the Proposed Changes.

15. **CONDITION OF PROPERTY:** Unless otherwise agreed in writing: (i) the Property is sold (a) "AS-IS" in its PRESENT physical condition as of the date of Acceptance and (ii), subject to Buyer's investigative rights, (b) 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 debts and personal property not included in the sale shall be removed by Close Of Escrow.

16. Seller shall, within the time specified in paragraph 18A, **DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS** affecting the Property, including but not limited to insurance claims within the past five years, and make any and all other disclosures required by law.

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

18. 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.

19. **BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:**

A. Seller's knowledge of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in paragraph 18B. Within the time specified in paragraph 18B(i), Buyer shall have the right, at Buyer's expense and unless otherwise agreed in writing, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to, the right to: (i) inspect for lead-based paint and other lead-based paint hazards; (ii) inspect for wood destroying pests and organisms. Any inspection for wood destroying pests and organisms shall be prepared by a registered Structural Pest Control company that covers 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 radon testing; and, if the Property is a unit in a condominium or other common interest subdivision, the inspection shall include only the common interest and (iii) asbestos and mold testing, and shall NOT include radon testing, and shall include a report (see Contingent Report) showing the findings of the inspection which shall be separated into sections for evident infestation or removal (Section 1) and for conditions likely to lead to infestation or infection (Section 2); (iii) receive the registered sex offender database; (iv) confirm the availability of Buyer and the Property including the feasibility and cost of flood and fire insurance; (v) review and seek approval of leases that may need to be assumed by Buyer; and (vi) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form 88A). Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer Investigations, except for minimally invasive testing required to prepare a Pest Control Report; or (ii) inspections by any governmental building or zoning inspector or government employee, unless required by law.

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

C. Buyer shall have water, gas, electricity and all operating utility rights on the Property for Buyer's Investigations and through the date possession is first available to Buyer.

D. Buyer indemnify and seller protection for entry upon property: Buyer shall (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer Investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property of Buyer's direction prior to Close Of Escrow. Seller is advised that certain transactions 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.

20. **TITLE AND VESTING:**

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

B. Title is taken as of 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) mandatory liens of record (which Seller is obligated to pay); (ii) unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (iii) those matters which Seller has agreed to remove in writing.

C. Within the time specified in paragraph 18A, Seller has a duty to assist in Buyer's title work. Seller, after offering title, whether of record or not.

Buyer's initials [Signature]

Seller's initials [Signature]

COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 5 OF 11)



Property Address: 1820 S Baldwin Ave, Arcadia, CA 91007, 7338 Date: July 18, 2017

- 3. In Case Of Escrow Buyer shall receive a grant deed conveying title for the stock cooperative or long-term lease, an assignment of lease certificate or of Seller's leasehold interest) including all 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.
- 4. Buyer shall receive a standard coverage owners CITA policy of title insurance. An ALTA policy or the addition of endorsements may provide greater coverage for Buyer. A title company, at Buyer's request, may provide information about the availability, availability, coverage, and cost of various title insurance coverages and endorsements. If Buyer desires title coverage other than that required by this paragraph, Buyer shall advise Escrow holder in writing and shall pay any increase in cost.
- 5. 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).
- 6. A. SELLER HAS: 7 (or ____) Days After Acceptance to Deliver to Buyer all Reports, disclosures and information for which Seller is responsible under paragraphs 5A, 6, 7, 8(7), 11A, 8, C, D and F, 12, 15A and 17A. Buyer after first Delivery to Seller a Notice to Seller to Perform (C.A.R. Form NSP) may cancel this Agreement if Seller has not Delivered the items within the time specified.
- 7. B. BUYER HAS: 17 (or 30) Days After Acceptance, unless otherwise agreed in writing, to:
 - (1) if directed by Buyer investigators, review all disclosures reports, base documents to be submitted by Buyer pursuant to paragraph 5A(1) and other applicable information which Buyer received from Seller and approve all matters affecting the Property;
 - (2) Within the time specified in paragraph 18B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form WR). Seller has no obligation to agree to or respond to (C.A.R. Form WR) Buyer's requests;
 - (3) By the end of the time specified in paragraph 18B(1) (or as otherwise specified in this Agreement), Buyer shall Deliver to Seller a removal of the applicable contingency or contingencies (C.A.R. Form CR or CC) of this Agreement. However, if any report, disclosure or information for which Seller is responsible is not Delivered within the time specified in paragraph 18A, then Buyer has 5 (or ____) Days After Delivery of any such items, or the time specified in paragraph 18B(1), whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement;
 - (4) Continuation of Contingency: Even after the end of the time specified in paragraph 18B(1) and before Seller cancels, if it is necessary to paragraph 18C Buyer retains the right, in writing, to either (i) pursue remaining contingencies, or (ii) cancel the Agreement based on a remaining contingency. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to paragraph 18C(1).
- 8. 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 Delivery to Buyer a Notice to Buyer to Perform (C.A.R. Form NSP), may cancel this Agreement. In such event Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.
 - (2) Seller right to Cancel, Buyer Contract Obligations: Seller, after first delivery to Buyer a NSP, may cancel this Agreement if, by the time specified in this Agreement, Buyer does not take the following actions: (i) Deposit funds as required by paragraph 11 or 12 or if the funds deposited pursuant to paragraph 11A or 11B are not good when deposited; (ii) Deliver a letter as required by paragraph 11A(1); (iii) Deliver verification as required by paragraph 12 or 13 or if Seller reasonably investigated at the reference provided by paragraph 12 or 13; or (iv) if writing assume or accept leases or liens specified in 18B(1); (v) Sign or make a separate liquidated damages form for an indorsed deposit as required by paragraphs 16 and 25B; or (vi) Provide evidence of authority to sign in a representative capacity as specified in paragraph 23. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.
- 9. NOTICE TO BUYER OR SELLER TO PERFORM: The NSP 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 end the time specified in the applicable paragraph whichever is later) and to take the applicable action. A NSP or NSP may not be Delivered any earlier than 2 Days Prior to the expiration of the applicable time for the other Party to remove a contingency or cancel this Agreement or meet an obligation specified in paragraph 18.
- 10. EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES: If Buyer removes, in writing, any contingency or cancellation rights, then all matters 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) agreed to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for repairs or corrections remaining to that contingency or cancellation right, to the extent of the ability to obtain financing.
- 11. 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 DCC). The DCC 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 DCC may not be Delivered any earlier than 3 Days Prior to the scheduled close of escrow.
- 12. 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. In 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 EDRD 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: CPA REVISED 12/16 (PAGE 6 OF 11)

Seller's Initials: DS



Property Address: 1020 S Baldwin Ave, Arcadia, CA 91707-7224 Date: July 16, 2017
19. REPAIRS. Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skilful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or precise items following all Repairs may not be possible. Seller shall (i) obtain invoices and paid receipts for Repairs performed by others, (ii) prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and (iii) provide copies of invoices and paid receipts and statements to Buyer prior to final verification of condition.

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

21. PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS: Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, a regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on loans and assessments assumed by Buyer, and payments on Mello-Ross 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-Ross and other Special Assessment District bonds and assessments and HOA fees; 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 SESA for further information). TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.

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

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

C. SCOPE OF DUTY: Buyer and Seller acknowledge and agree that Broker (i) Does not decide what price Buyer should pay or Seller should accept; (ii) Does not guarantee the condition of the Property; (iii) Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) Does not have an obligation to inspect or investigate or otherwise inspect or areas off the site of the Property; (v) Shall not be responsible for identifying defects or items on the Property, in common areas, or offsite unless such defects are visibly 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 use 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 advised assistance from appropriate professionals.

23. REPRESENTATIVE CAPACITY: If one or more Parties is signing the Agreement in a representative capacity and not for themselves or an individual then that Party shall so indicate in paragraph 40 or 41 and attach a Representative Capacity Signature Acknowledgment (C.A.R. Form RCSD). Wherever the signature or initials of the representative identified in the RCSD appear on the Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not 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 (Forsate Code 16100.5) letters testamentary, court order, power of attorney, corporate resolution, or formation documents of the business entity).

24. JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:
A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: paragraphs 1, 2, 4B, 5A, 6, 7, 10, 11D, 17, 18S, 21, 22A, 23, 24, 30, 36, 39, 41, 42 and paragraph C of the section titled Real Estate Brokers on page 11. If a Copy of the separate compensation agreement(s) provided for in paragraph 22, or paragraph D of the section titled Real Estate Brokers on page 11 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement that set forth in the specified paragraphs are additional matters for the formation of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's written provisions, if any, directly from Escrow Holder and will execute such provisions within the time specified in paragraph 7D(1)(c). To the extent the general provisions are contradicted 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 their or HOA management company or others any fee requested by paragraphs 7, 11 or elsewhere in this Agreement.

Buyer's Initials: [Signature] Seller's Initials: [Signature]
CPA REVISIONS (PAGE 7 OF 14) COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 7 OF 14)



- Escrow Address: 1020 S. Baldwin Ave, Anaheim, CA 92807-7334 Date: July 19, 2017
3. A Copy of this Agreement including any amendments and addenda shall be delivered to Escrow Holder within 3 Days After Acceptance (a) _____ 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 PIRPTA obligation under paragraph 10C. Escrow Holder shall deliver to Buyer a Cleared Substitute statement that complies with federal LHA.
 4. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraph 22A and paragraph D of the section titled Real Estate Broker on page 11. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraph 22A, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Buyer and Seller shall release and hold harmless Escrow Holder from any liability resulting from Escrow Holder's payment to Broker(s) of compensation pursuant to this Agreement.
 5. 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 parties: (i) if Buyer's initial or any additional deposit is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder, or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.
 6. 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.

15. REMEDIES FOR BUYER'S BREACH OF CONTRACT:

1. 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.
2. LIQUIDATED DAMAGES: If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. Buyer and Seller agree that this amount is a reasonable sum given that it is impractical or extremely difficult to establish the amount of damages that would actually be suffered by Seller in the event Buyer were to breach this Agreement. Release of funds will require mutual, signed release instructions from both Buyer and Seller, ^{special} decision or arbitration award. AT TIME OF ANY INCREASED DEPOSIT BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION INCORPORATING THE INCREASED DEPOSIT AS LIQUIDATED DAMAGES (C.A.R. FORM _____)

Buyer's Initials: *fu* Seller's Initials: *DS*

16. DISPUTE RESOLUTION:

1. MEDIATION: The Parties agree to mediate any dispute or claim arising between them out of this Agreement or any resulting transaction, before resorting to arbitration or court action through the C.A.R. Consumer Mediation Center (www.consumermediation.org) or through any other mediation provider or service mutually agreed to by the Parties. The Parties also agree to mediate any disputes or claims with Broker(s), who, in writing, agree to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. Mediation fees, if any, shall be divided equally among the Parties involved. If, for any dispute or claim in 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 had been made, then that Party shall not be entitled to recover attorney fees, even if they would otherwise be available to that Party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED. Exclusions from this mediation agreement are specified in paragraph 26C.

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

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

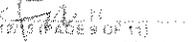
"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."

Buyer's Initials: *fu* Seller's Initials: *DS*

Property Address: 1020 S Baldwin Ave, Arcadia, CA 91007-7234

Date: July 16, 2017

- 5. 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 §2585; (ii) an unlawful detainer action; and (iii) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court.
 - (2) PRESERVATION OF ACTIONS: The following shall not constitute a waiver nor violation of the mediation and arbitration provisions: (i) the filing of a court action to preserve a statute of limitations; (ii) the filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies; or (iii) the filing of a mechanic's lien.
 - (3) BROKERS: Brokers shall not be obligated nor compelled to mediate or arbitrate unless they agree to do so in writing. Any Broker(s) participating in mediation or arbitration shall not be deemed a party to the Agreement.
- 7. 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.
- 8. MULTIPLE LISTING SERVICE/PROPERTY DATA SYSTEM: If Broker is a participant of a Multiple Listing Service ("MLS") or Property Data System ("PDS"), Broker is authorized to report to the MLS or PDS a pending sale and, upon Close (if Escrow, the terms of the transaction to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS or PDS.
- 9. 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 26A.
- 10. ASSIGNMENT: Buyer shall not assign or any part of Buyer's interest in this Agreement without first having obtained the written consent of Seller. Such consent shall not be unreasonably withheld unless otherwise agreed in writing. Any total or partial assignment shall not relieve Buyer of Buyer's obligations pursuant to this Agreement unless otherwise agreed in writing by Seller (C.A.R. Form AQAA).
- 11. SUCCESSORS AND ASSIGNS: This Agreement shall be binding upon, and inure to the benefit of, Buyer and Seller and their respective successors and assigns, except as otherwise provided herein.
- 12. ENVIRONMENTAL HAZARD CONSULTATION: Buyer and Seller acknowledge: (i) Federal, state, and local legislation impose liability upon existing and former owners and users of real property, in applicable situations, for certain legislatively defined, environmentally hazardous substances; (ii) Broker(s) has/have made no representation concerning the applicability of any such law to this transaction or to Seller, except as otherwise indicated in this Agreement; (iii) Broker(s) has/have made no representation concerning the existence, testing, discovery, location and evaluation effort, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property, and (iv) Buyer and Seller are each advised to consult with technical and legal experts concerning the existence, testing, discovery, location and evaluation effort, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property.
- 13. AMERICANS WITH DISABILITIES ACT: The Americans With Disabilities Act ("ADA") prohibits discrimination against individuals with disabilities. The ADA affects almost all commercial facilities and public accommodations. The ADA can require, among other things, that buildings be made readily accessible to the disabled. Different requirements apply to new construction, alterations to existing buildings, and removal of barriers in existing buildings. Compliance with the ADA may require significant costs. Monetary and injunctive remedies may be incurred if the Property is not in compliance. A real estate broker does not have the technical expertise to determine whether a building is in compliance with ADA requirements, or to advise a principal of those requirements. Buyer and Seller are advised to consult an attorney, contractor, architect, engineer or other qualified professional of Buyer's or Seller's own choosing to determine to what degree, if any, the ADA impacts that principal or the transaction.
- 14. COPIES: Seller and Buyer each represent that Copies of all reports, documents, certificates, approvals and other documents that are furnished to the other are true, correct and unaltered. Copies of the original documents, if the originals are in the possession of the furnishing party.
- 15. EQUAL HOUSING OPPORTUNITY: The Property is sold in compliance with federal, state and local anti-discrimination laws.
- 16. GOVERNING LAW: This Agreement shall be governed by the Laws of the State of California.
- 17. TERMS AND CONDITIONS OF OFFER: This is an offer to purchase the Property on the above terms and conditions. The updated damages paragraph or the arbitration or disputes paragraph is incorporated in this Agreement if initialed by all Parties or incorporated by mutual agreement or a counter offer or addendum. If at least one but not all Parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. Buyer has read and acknowledges receipt of a Copy of the offer and agrees to the termination of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Broker's 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.
- 18. TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES: Time is of the essence. All understandings between the Parties and incorporated in this Agreement, its terms are intended by the Parties as a final, complete and exclusive expression of their agreement with respect to the 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 in 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.
- 19. 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 offer and any incorporated addendum or supplement, all of which are collectively forming the binding agreement between the Parties. Addenda are incorporated only when signed by all Parties.

Seller's Initials:  Buyer's Initials: 

Property Address 1020 S Baldwin Ave, Arcadia, CA 91007-7234

Date: July 18, 2017

- G. "C.A.R. Form" means the most current version of the specific form referenced or another comparable form agreed to by the parties.
- D. "Close Of Escrow" or "COE" means the date the grant deed, or other evidence of transfer of title, is recorded.
- E. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
- F. "Days" means calendar days. However, after Acceptance, the last Day for performance of any act required by this Agreement including Close Of Escrow shall not include any Saturday, Sunday, or legal holiday and shall instead be the next Day.
- G. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59 PM on the final day.
- H. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
- I. "Deliver", "Delivered" or "Delivery", unless otherwise specified in writing, means and shall be effective upon: personal receipt by Buyer or Seller or the individual Real Estate Licensee for that principal as specified in the section titled Real Estate Brokers on page 11, regardless of the method used (i.e., messenger, mail, email, fax, other).
- J. "Electronic Copy" or "Electronic Signature" means, as applicable, an electronic copy or signature complying with California law. Buyer and Seller agree that electronic means will not be used by either Party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other Party.
- K. "Law" means any law, code, statute, ordinance, regulation, rule or other, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
- L. "Repairs" means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
- M. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.
- 40. AUTHORITY: Any person or persons signing this Agreement represent(s) that such person has full power and authority to bind that person's principal, and that the designated Buyer and Seller has full authority to enter into and perform this Agreement. Entering into this Agreement, and the completion of the obligations pursuant to this contract, does not violate any Articles of Incorporation, Articles of Organization, By Laws, Operating Agreement, Partnership Agreement or other document governing the activity of either Buyer or Seller.
- 41. EXPIRATION OF OFFER: This offer shall be deemed revoked and the deposit, if any, shall be returned to Buyer unless the offer is Signed by Seller and a Copy of the Signed offer is personally received by Buyer, or by Stunner Kam who is authorized to receive it, by 5:00 PM on the third Day after this offer is signed by Buyer (or by 7:00 AM, PM, on July 28, 2017 (date)).

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

Date: 07/19/2017 BUYER 

Print name) Yuen Fu and or assignees

Date: 07/19/2017 BUYER

Print name) CYS USA LLC

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

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

If checked) SELLER'S ACCEPTANCE IS SUBJECT TO ATTACHED COUNTER OFFER (C.A.R. Form SCO or 5MCO) DATED: _____

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

Date: 7/26/2017 SELLER X 

Print name) Liberty Asset Management 784DF546F8DE4AA...

Job: _____ 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) 7/26/2017 at 7:00 AM/ PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

Property Address: 1110 S Halfway Ave, Arcadia, CA 91707-1414 Date: July 18, 2017

REAL ESTATE BROKERS:

1. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.
2. Agency relationships are confirmed as stated in paragraph 2.
3. If specified in paragraph 3A(2), Agent who submitted the offer for Buyer acknowledges receipt of deposit.
4. **COOPERATING BROKER COMPENSATION:** Listing Broker agrees to pay Cooperating Broker (Selling Firm) and Cooperating Broker agrees to accept, out of Listing Broker's proceeds or approval, 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, their 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) Coldwell Banker George Realty Inc.	CalBRE Lic. # 01121690
Buyer's Agent Lulu Knowlton	CalBRE Lic. # 01950225
Seller's Agent Lulu Knowlton	CalBRE Lic. # 01950225
Address 1110 S Halfway Ave	City Arcadia
State CA	Zip 91707-1414
DocuSigned by: Lulu Knowlton	DocuSigned by: Lulu Knowlton
Buyer's Agent Lulu Knowlton	CalBRE Lic. # 01950225
Seller's Agent Lulu Knowlton	CalBRE Lic. # 01950225
Address 1110 S Halfway Ave	City Arcadia
State CA	Zip 91707-1414

ESCROW HOLDER ACKNOWLEDGMENT:

Escrow Holder acknowledges receipt of a Copy of this Agreement, (a true and correct copy of the amount of \$ _____) and offer number _____ Seller's Statement of Information and _____ and agrees to act as Escrow Holder, subject to paragraph 24 of this Agreement, and acknowledge the instructions and the terms of Escrow Holder's participation.

Escrow Holder is advised that the state of California is an Equal Opportunity State and agrees to act as Escrow Holder, subject to paragraph 24 of this Agreement, and acknowledge the instructions and the terms of Escrow Holder's participation.

Escrow Holder has the following license number # _____ Department of Business Oversight, Department of Insurance, Bureau of Real Estate

PRESENTATION OF OFFER: () Listing Broker presented the offer to Seller on _____ (date) _____

REJECTION OF OFFER: () No offer was made. This offer was rejected by Seller on _____ (date) _____

Buyer's Signature:  ()

The California Association of REALTORS® (C.A.R.) hereby certifies that this form complies with the state-mandated uniformity and reproduction of this form in paper format, by providing a copy of this form to the California Association of REALTORS® (C.A.R.) and the California Association of REALTORS® (C.A.R.) has been approved by the CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) for REPRODUCTION OF THIS FORM AS TO THE LEGAL VALIDITY & ACCURACY OF ANY PROVISION IN ANY SPECIAL TRANSACTION (A REAL ESTATE TRANSACTION) BETWEEN THE PERSON QUALIFIED TO ACT OR REAL ESTATE TRANSACTIONS, IF YOU ARE A REALTOR, OR TAXPAYER, CONSULT AN ATTORNEY AND/OR REALTOR.

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Reviewed by: 



CALIFORNIA ASSOCIATION OF REALTORS

ADDENDUM

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

No. 1

The following terms and conditions are hereby incorporated in and made a part of the: [X] Purchase Agreement, [] Residential Lease
Month-to-Month Rental Agreement, [] Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right
to rescind), [] Other
Date: July 16, 2017, on property known as 1020 S Baldwin Ave
Arcadia, CA 91007-7234
which Yiyen Fu and or assignees, CYTS USA LLC, is referred to as ("Buyer/Tenant")
and Liberty Asset Management is referred to as ("Seller/Landlord")

- 1) Buyer to have a Due-Diligence period to 30 days from acceptance.
2) Close of Escrow shall occur on or before 30 days after Due-Diligence period.
3) Buyer understand that this property is occupied by a triple net tenant. All operating expenses, including but not limited to
fire & casualty, insurance and property tax will be the responsibility of tenant.
4) Buyer hereby purchase subject property in "as is" condition.
5) Property contain two parcels APN 5778-006-010 & 5778-006-005.
6) This offer is all cash offer, however should Buyer elect to obtain a loan, it will be Buyer's choice.
7) Seller shall provide Buyer a completed set of building blue print.

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

Date January 30, 2017

Date 7/26/2017

DocuSigned by:

Buyer/Tenant X [Signature]
Yiyen Fu and or assignees

Seller/Landlord X [Signature]
Liberty Asset Management
764DF546F6DE4AA

Buyer/Tenant
CYTS USA LLC,

Seller/Landlord

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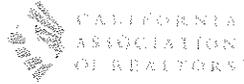
Reviewed by: [] Date: []



ADM REVISED 12/15 (PAGE 1 OF 1)

ADDENDUM (ADM PAGE 1 OF 1)

Address: Barber Property Realty, 900 W. Huntington Blvd, Arcadia, CA 91701 Phone: 626-445-1100 Fax: 626-445-1100
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BUYER'S INSPECTION ADVISORY (C.A.R. Form BIA, Revised 11/14)

Property Address: 1020 S Baldwin Ave, Arcadia, CA 91007-7234 ("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 two professionals recommend further investigations, including a recommendation by a past 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 the 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 lien 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, activities 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 cultural and/or religious, 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.

Seller: [Signature] Buyer: ECTS USA LLC

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Reviewed by: _____ Date: _____



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

Printed and mailed by: [Address] Phone: [Number] Fax: [Number] 1020 S Baldwin Ave, Arcadia, CA 91007



CALIFORNIA
 ASSOCIATION
 OF REALTORS®

**POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER
 OR SELLER - DISCLOSURE AND CONSENT**
 (C.A.R. Form PRBS-1114)

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 X Liberty Asset Management Date 7/26/2017
 Seller 784DF546F8DE4AA Date _____
 Buyer X Yiyun Fu and or assignee Date 07/19/2017
 Buyer CYTS USA LLC Date _____
 DocuSigned by: Keller Williams Santa Monica Date 7/26/2017
 Real Estate Broker (Firm) Lulu Knowlton Date 7/26/2017
Lulu Knowlton Date 7/26/2017
 AB12837E20FD43F...
 Real Estate Broker (Firm) George Realty Inc Date 07/19/2017
Shumei kam Date 07/19/2017

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PRBS 11/14 (PAGE 1 OF 1)
POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER OR SELLER (PRBS PAGE 1 OF 1)



CALIFORNIA ASSOCIATION OF REALTORS®

SELLER COUNTER OFFER No. 1
May not be used as a multiple counter offer.
(C.A.R. Form SCO, 11/14)

Date July 23, 2017

This is a counter offer to the: [X] Purchase Agreement, [] Buyer Counter Offer No. _____, or [] Other _____ ("Offer"),
dated July 18, 2017, on property known as 1020 S Baldwin Ave, Arcadia, CA 91007-7234 ("Property"),
between Yiyun Fu and/or Assignees, CYTS USA LLC ("Buyer")
and Liberty Asset Management Corporation ("Seller").

- 1. TERMS: The terms and conditions of the above referenced document are accepted subject to the following:
A. Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer or an addendum.
B. Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.
C. OTHER TERMS: Please see Addendum #1.

D. The following attached addenda are incorporated into this Seller Counter offer: [X] Addendum No. 1

- 2. EXPIRATION: This Seller Counter Offer shall be deemed revoked and the deposits, if any, shall be returned:
A. Unless by 5:00pm on the third Day After the date it is signed in paragraph 4 (if more than one signature then, the last signature date)(or by 5 AM [] AM [X] PM on 07/25/2017 (date)) (i) it is signed in paragraph 5 by Buyer and (ii) a copy of the signed Seller Counter Offer is personally received by Seller or _____, who is authorized to receive it.
OR B. If Seller withdraws it anytime prior to Acceptance (CAR Form WOO may be used).
OR C. If Seller accepts another offer prior to Buyer's Acceptance of this counter offer.

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

4. OFFER: SELLER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY.
Seller Liberty Asset Management Corporation Date 7/24/17
Seller _____ Date _____

5. ACCEPTANCE: I/WE accept the above Seller Counter Offer (If checked [X] SUBJECT TO THE ATTACHED COUNTER OFFER) and acknowledge receipt of a Copy.
Buyer Yiyun Fu and/or Assignees Date 7/25/17 Time _____ AM/ _____ PM
Buyer CYTS USA LLC Date 7/25/17 Time _____ AM/ _____ PM

CONFIRMATION OF ACCEPTANCE:
[Initials] (Initials) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by Seller, or Seller's authorized agent as specified in paragraph 2A on (date) 7/25/2017 at _____ AM/ _____ PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Seller or Seller's authorized agent whether or not confirmed in this document.

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Reviewed by _____ Date _____



SCO 11/14 (PAGE 1 OF 1)

SELLER COUNTER OFFER (SCO PAGE 1 OF 1)



CALIFORNIA
ASSOCIATION
OF REALTORS*

ADDENDUM

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

No. 1

The following terms and conditions are hereby incorporated in and made a part of the: Purchase Agreement, Residential Lease or Month-to-Month Rental Agreement, Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right to rescind), Other Seller Counter Offer #1

dated July 23, 2017, on property known as 1020 S Baldwin Ave

Arcadia, CA 91007-7234

in which Yiyen Fu and/or Assignees, CYTS USA LLC is referred to as ("Buyer/Tenant")
and Liberty Asset Management Corporation is referred to as ("Seller/Landlord").

1. 1. A. Buyer has the ability to assign the agreement to buyer's affiliated entity or any entity that buyer is member or manager.

2. 1. D. The Close of Escrow shall occur on the later of (a) First business day after entry of the Approval Order or (b) 60 days after Acceptance.

3. The sale of the Property is subject to the approval of the bankruptcy court, which may include overbid procedure.

4. 7.A.(1). Seller to provide Phase 1 report dated May 8, 2012 only, Seller shall not provide new environmental report.

5. The sale of the property is subject to existing lease in favor of AMF.

6. Seller shall not provide Buyer a completed set of building blue print.

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

Date 7/25/2017

Date 7/24/17

Buyer/Tenant Yiyen Fu and/or Assignees

Seller/Landlord Liberty Asset Management Corporation

Buyer/Tenant CYTS USA LLC
CYTS USA LLC

Seller/Landlord _____

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ADM REVISED 12/15 (PAGE 1 OF 1)

ADDENDUM (ADM PAGE 1 OF 1)



CALIFORNIA ASSOCIATION OF REALTORS

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

No. 1

The following terms and conditions are hereby incorporated in and made a part of the: [] Purchase Agreement, [] Residential Lease or Month-to-Month Rental Agreement, [] Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right to rescind), [X] Other Seller Counter Offer #1
Date: July 23, 2017
Property known as: 1820 S. Baldwin Ave, Arcadia, CA 91707-7234
Buyer/Tenant: Yiyun Fu and her Assignees, CVTS USA LLC
Seller/Landlord: Liberty Asset Management Corporation

- 1. A. Buyer has the ability to assign the agreement to buyer's affiliated entity or any entity that buyer is member or manager.
1. D. The Close of Escrow shall occur on the later of (a) First business day after entry of the Approval Order or (b) 60 days after Acceptance.
The sale of the Property is subject to the approval of the bankruptcy court, which may include overbid procedure.
1. A. (1). Seller to provide Phase I report dated May 8, 2012 only. Seller shall not provide new environmental report.
The sale of the property is subject to existing lease in favor of AMF.
Seller shall not provide Buyer a completed set of building blue print.

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this document.
Date: 7/23/17 Date: 7/24/17
Buyer/Tenant: Yiyun Fu and her Assignees Seller/Landlord: Liberty Asset Management Corporation
CVTS USA LLC Seller/Landlord

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CALIFORNIA ASSOCIATION OF REALTORS®

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 Commercial Property Purchase Agreement dated 07/18/2017 on property known as 1020 S Baldwin Ave, Arcadia, CA 91007-7234 ("Property"), between Liberty Asset Management ("Buyer") and Liberty Asset Management ("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 liened 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 South Lake 12, LLC, LAY WA Date 8/25/2017
Buyer JIMMY YIHAN FU Date 8/25/2017

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 Liberty Asset Management Date _____
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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Reviewed by _____ Date _____

CR REVISED 6/16 (PAGE 1 OF 1)

CONTINGENCY REMOVAL (CR PAGE 1 OF 1)



PROOF OF SERVICE OF DOCUMENT

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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 ORDER (A) APPROVING BIDDING PROCEDURES FOR SALE OF REAL PROPERTY AND IMPROVEMENTS AND ASSUMPTION AND ASSIGNMENT OF LEASE; (B) APPROVING SALE OF PROPERTY FREE AND CLEAR OF LIENS, CLAIMS AND INTERESTS; (C) APPROVING ASSUMPTION AND ASSIGNMENT OF EXISTING LEASE; AND (D) GRANTING RELATED RELIEF; MEMORANDUM OF POINTS AND AUTHORITIES; DECLARATIONS OF LAWRENCE PERKINS; LULU KNOWLTON AND YIYAN FU 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 **September 12, 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 Altgen rsaink@earthlink.net
- Kyra E Andrassy kandrassy@swelawfirm.com, csheets@swelawfirm.com;gcruz@swelawfirm.com;hdavis@swelawfirm.com
- John H Choi johnchoi@kpcylaw.com, christinewong@kpcylaw.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
- Jeffrey Lee Costell jlcostell@costell-law.com, aicornelius@costell-law.com;ssaad@costell-law.com;mharris@costell-law.com;smcduffie@costell-law.com;jstambaugh@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
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- John D Fiero jfiero@pszjlaw.com, ocarpio@pszjlaw.com
- Sandford L. Frey sfrey@leechtishman.com, jabrams@leechtishman.com
- John-Patrick M Fritz jpf@Inbyb.com, JPF.LNBYB@ecf.inforuptcy.com
- Barry S Glaser bglaser@swesq.com, erhee@swesq.com
- David B Golubchik dbg@Inbyb.com, dbg@ecf.inforuptcy.com
- Gail S Greenwood ggreenwood@pszjlaw.com, rrosales@pszjlaw.com
- Irving M Gross img@Inbyb.com, john@Inbyb.com
- Peter J Gurfein pgurfein@lgbfirm.com, srichmond@lgbfirm.com;emeza@lgbfirm.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@Inbyb.com
- Linda Kim lkim@t-nlaw.com, lkim@t-nlaw.com
- Jeffrey S Kwong jsk@Inbyb.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
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- Daniel J McCarthy dmccarthy@hillfarrer.com, spadilla@hillfarrer.com;docket@hillfarrer.com

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- 3 • Victoria Newmark vnewmark@pszjlaw.com
- 4 • Laura Palazzolo laura.palazzolo@berliner.com, sabina.hall@berliner.com
- 5 • Kimberly A Posin kim.posin@lw.com
- 6 • Uzzi O Raanan uor@dgdgk.com, DanningGill@gmail.com;uraanan@ecf.inforuptcy.com
- 7 • Jeremy V Richards jrichards@pszjlaw.com, bdassa@pszjlaw.com;imorris@pszjlaw.com
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- 9 • Robert M Saunders rsaunders@pszjlaw.com, rsaunders@pszjlaw.com
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- 11 • Lindsey L Smith lls@lnbyb.com, lls@ecf.inforuptcy.com
- 12 • Michael Stein mdstein91104@gmail.com
- 13 • David A Trinh dtrinh@trinhlawfirm.com, kim@trinhlawfirm.com
- 14 • United States Trustee (LA) ustpreion16.la.ecf@usdoj.gov
- 15 • Stephen R Wade srw@srwadelaw.com, reception@srwadelaw.com
- 16 • Scott L Whitman slw@mwlegal.com, holly@mwlegal.com
- 17 • James S Yan jsyan@msn.com
- 18 • Hatty K Yip hatty.yip@usdoj.gov

11 **2. SERVED BY UNITED STATES MAIL:** On **September 12, 2017**, I served the following persons
 12 and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a
 13 true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid,
 14 and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be
 15 completed no later than 24 hours after the document is filed.

14 *Service information continued on attached page*

15 **3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR**
 16 **EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR,
 17 on **September 12, 2017**, I served the following persons and/or entities by personal delivery, overnight
 18 mail service, or (for those who consented in writing to such service method), by facsimile transmission
 19 and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or
 20 overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

18 **Served via Attorney Service**
 19 Hon. Ernest Robles
 20 United States Bankruptcy Court
 21 Edward R. Roybal Federal Building
 22 255 E. Temple Street, Suite 1560, Ctrm 1568
 23 Los Angeles, CA 90012

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

23 September 12, 2017	Stephanie Reichert	/s/ Stephanie Reichert
24 <i>Date</i>	<i>Type Name</i>	<i>Signature</i>

25
26
27
28

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

GE Property Management, Inc.
GE Property Development, Inc.
Attn: Stephen Chan, President
407 W Valley Blvd Ste 4
Alhambra, CA 91803

LA County Treasurer & Tax Collector
Steckbauer Weinhart, LLP
c/o Barry S. Glaser
333 S. Hope Street, Ste. 3600
Los Angeles, CA 90071-3045

Shanghai Commercial Bank
5670 Wilshire Blvd, Ste. 2170
Los Angeles, CA 90036

Lulu Knowlton
Keller Williams Real Estate Company
2701 Ocean Park Blvd #140
Santa Monica, CA 90405

Shumei Kam
Coldwell Banker Commercial George
Realty Inc.
660 W. Huntington Drive
Arcadia, CA 91007

AMF Bowling Centers, Inc.
Mark Hatcher, VP of Real Estate
1020 S Baldwin Ave
Arcadia, CA 91007-7234

Richardson Maloney
Attn: Theodore Maloney
2321 Rosecrans Avenue, Suite 3225
El Segundo, CA 90245