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6 **UNITED STATES BANKRUPTCY COURT**

7 **CENTRAL DISTRICT OF CALIFORNIA**

8 **LOS ANGELES DIVISION**

9  
10  
11 In re ) Case No. 2:16-bk-13575-ER  
12 LIBERTY ASSET MANAGEMENT ) Chapter 11  
CORPORATION )  
13 Debtor and Debtor in Possession. ) **MOTION FOR ORDER (A) APPROVING**  
14 ) **SALE OF PROPERTY FREE AND CLEAR**  
15 ) **OF LIENS, CLAIMS AND INTERESTS;**  
16 ) **(B) APPROVING EMPLOYMENT OF**  
17 ) **COLDWELL BANKER; AND (C)**  
18 ) **GRANTING RELATED RELIEF;**  
19 ) **MEMORANDUM OF POINTS AND**  
20 ) **AUTHORITIES AND DECLARATIONS**  
21 ) **OF LAWRENCE PERKINS AND**  
22 ) **GREGORY BINGHAM IN SUPPORT**  
23 ) **THEREOF**

24 ) Hearing:

25 ) Date: October 18, 2017

26 ) Time: 11:00 a.m.

27 ) Place: Courtroom 1568  
28 ) 255 E. Temple Street  
Los Angeles, CA

**TABLE OF CONTENTS**

1

2 **MEMORANDUM OF POINTS AND AUTHORITIES..... 2**

3 **I. STATEMENT OF FACTS ..... 2**

4 **A. Background ..... 2**

5 **B. East Heights, LLC Judgment..... 3**

6 **C. The Property..... 4**

7 **D. The Proposed Bidding Procedures ..... 5**

8 **E. Employment of Coldwell Banker..... 7**

9

10 **II. GOOD CAUSE EXISTS TO APPROVE THE PROPOSED BIDDING**

11 **PROCEDURES..... 8**

12 **III. THE PROPOSED SALE IS IN THE BEST INTERESTS OF THE ESTATE ..... 9**

13 **A. The Debtor Has Complied With All Applicable Notice Requirements..... 9**

14 **B. The Sale Of The Property Should Be Approved Because Good**

15 **Business Reasons Exist, The Purchase Price For The Assets Is Fair**

16 **And Reasonable, And The Proposed Sale Is In The Best Interests Of**

17 **The Estate And Creditors ..... 10**

18 **1. Sound Business Purpose ..... 11**

19 **2. Fair and Reasonable Price ..... 12**

20 **3. Adequate Marketing..... 12**

21 **4. Good Faith ..... 13**

22 **5. Accurate and Reasonable Notice ..... 13**

23 **C. The Court Should Approve The Sale Of The Assets, Free And Clear**

24 **Of Liens, Claims And Interests ..... 14**

25 **IV. THE DEBTOR SHOULD BE AUTHORIZED TO EMPLOY COLDWELL**

26 **BANKER AS ITS REAL ESTATE BROKER TO CONSUMMATE THIS**

27 **TRANSACTION..... 15**

28 **V. REQUEST FOR WAIVER OF 14-DAY STAY PERIODS SET FORTH IN**

**BANKRUPTCY RULES 6004(h) AND 6006(d)..... 18**

**VI. CONCLUSION..... 18**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**TABLE OF AUTHORITIES**

**Page(s)**

**FEDERAL CASES**

*Big Shanty Land Corp. v. Comer Properties, Inc.*  
 61 B.R. 272 (Bankr. N.D. Ga. 1985) .....12

*Citicorp Homeowners Services, Inc. v. Elliot (In re Elliot)*  
 94 B.R. 343 (Bankr. E.D. Pa. 1988) .....14

*In re Abbotts Dairies*  
 788 F.2d .....13

*In re Alpha Industries, Inc.*  
 84 B.R. 703 (Bankr. Mont. 1988) .....12

*In re Atlanta Packaging Products, Inc.*  
 99 B.R. 124 (Bankr. N.D. Ga. 1988) .....8

*In re Canyon Partnership*  
 55 B.R. 520 (Bankr. S.D. Cal. 1985) .....12

*In re Gerwer*  
 898 F.2d 730 (9th Cir. 1990) .....14

*In re Karpe*  
 84 B.R. 926 (Bankr. M.D.Pa. 1988) .....13, 14

*In re The Landing*  
 156 B.R. 246 (Bankr. E.D. Mo. 1993) .....11

*In re Lionel Corp.*  
 722 F.2d 1063 (2d Cir. 1983).....10

*In re Mama’s Original Foods, Inc.*  
 234 B.R. 500 (C.D. Cal. 1999) .....11

*In re Wilde Horse Enterprises, Inc.*  
 136 B.R. 830 (Bankr. C.D. Cal. 1991).....11, 12, 13

*Mutual Life Ins. Co. of New York v. Red Oak Farms, Inc. (In re Red Oak Farms, Inc.)*  
 36 B.R. 856 (Bankr. W.D. Mo. 1984).....14

*Walter v. Sunwest Bank (In re Walter)*  
 83 B.R. 14 (9th Cir. B.A.P. 1988).....11

**FEDERAL STATUTES**

11 U.S.C. § 101(14) .....17

1 11 U.S.C. § 102(1) .....9  
2 11 U.S.C. § 327 .....16  
3 11 U.S.C. § 328 .....16, 17  
4 11 U.S.C. § 363 .....8  
5 11 U.S.C. § 363(b) .....10, 11, 12  
6 11 U.S.C. § 363(b)(1) .....9, 13  
7 11 U.S.C. § 363(b)(2) .....9  
8 11 U.S.C. § 363(f) .....14, 15  
9 11 U.S.C. § 363(m) .....13  
10 11 U.S.C. § 1107 .....2  
11 11 U.S.C. § 1108 .....2  
12  
13 **FEDERAL RULES**  
14 Fed. R. Bankr. P. 2002 .....8, 9, 10  
15 Fed. R. Bankr. P. 6004 .....8  
16 Fed. R. Bankr. P. 6004-1 .....9, 10  
17 Fed. R. Bankr. P. 6004(a) .....9, 10  
18 Fed. R. Bankr. P. 6004(f) .....8  
19 Fed. R. Bankr. P. 6004(h) .....18, 19  
20 Fed. R. Bankr. P. 6006(d) .....19  
21 Fed. R. Bankr. P. 2014 .....16  
22  
23  
24  
25  
26  
27  
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1 Liberty Asset Management Corporation (“Debtor”), debtor and debtor in possession in  
2 the above-captioned, chapter 11 bankruptcy case, hereby files its motion for an order (a)  
3 approving sale of property free and clear of liens, claims and interests; (b) employing Coldwell  
4 Banker; and (c) granting related relief (the “Motion”), with respect to the single family residence  
5 located at **3808 Hollins Avenue, Claremont, CA 91711 (“Property”)**.

6 **MEMORANDUM OF POINTS AND AUTHORITIES**

7 **I.**

8 **STATEMENT OF FACTS**

9 **A. Background.**

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

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

17 3. Prior to cessation of operations, the Debtor was a real estate management  
18 company with Benjamin Kirk (“Kirk”) as 100% member. The Debtor’s mission was to seek out  
19 real estate opportunities throughout Northern and Southern California, invest in such  
20 opportunities, and manage them.

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

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

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

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

16           **B. East Heights, LLC Judgment.**

17           8.       Shortly after the Petition Date, the Debtor commenced an action against East  
18 Heights, LL ("EH") to, among other things, obtain a determination that the Debtor is the  
19 beneficial owner of EH and, consequently, assets owned by EH.

20           9.       EH was an entity that was purportedly 100% owned by Lucy Gao.

21           10.      At that time, EH owned interests in two single family residences:

- 22           a.      1001 East Road, La Habra Heights, CA 90631 ("La Habra House"); and
- 23           b.      3808 Hollins Avenue, Claremont, CA 91711 ("Property").

24           11.      Upon the formation of the Committee, the Debtor and Committee entered into a  
25 stipulation granting to the Committee the right to pursue insider claims, including claims against  
26 EH.

27           12.      On May 17, 2017, this Court issued its Memorandum of Decision Imposing  
28 Terminating Sanctions on Lucy Gao. A true and correct copy of the Memo is attached hereto as

1 **Exhibit “1”.**

2 13. On May 22, 2017, this Court issued judgment in favor of the estate and against  
3 EH and Lucy Gao. A true and correct copy of the Judgment is attached hereto as **Exhibit “2”**.  
4 The Judgment provides, in relevant part, that Ms. Gao has no interest in EH and that the Debtor  
5 holds 100% interest in EH.

6 14. Shortly after the entry of the judgment, Ms. Gao turned over the Property to the  
7 Debtor.

8 15. Further, the Debtor, as the now 100% member of EH, executed a resolution  
9 designating Lawrence Perkins, Debtor’s Chief Restructuring Officer, as the sole manager of EH  
10 with all management powers related thereto.

11 **C. The Property.**

12 16. EH, through Mr. Perkins, engaged Coldwell Banker to market and sell the  
13 Property. Coldwell Banker evaluated the Property and commenced marketing efforts which  
14 resulted in numerous offers, even before the Property was listed in the Multiple Listing Service  
15 (MLS). The Debtor, in consultation with the Committee, selected the best offer for the  
16 Property: \$2,188,000 from Kumar Koneru (“Buyer”). A true and correct copy of the escrow  
17 instructions incorporating the purchase and sale agreement (“APA”) is attached hereto as  
18 **Exhibit “3”**. The contingency period has expired and Buyer is prepared to proceed with a sale  
19 to closing.

20 17. Escrow has been opened in connection with the sale transaction. A Preliminary  
21 Title Reports (“PTR”), a true and correct copy of which is attached hereto as **Exhibit “4”**, was  
22 ordered and reviewed. Pursuant to the PTR, Shanghai Bank asserts a first priority secured  
23 interest cross-collateralized by the Property and a related property in La Habra also owned by  
24 EH, which, currently, has a balance of approximately \$625,000 and is expected to be paid in full  
25 from the sale proceeds.

26 18. In addition, the PTR revealed that a person by the name of Yonggang Pan  
27 purportedly holds a deed of trust on the Property to secure an obligation of \$700,000. The  
28 Debtor is familiar with this name as someone associated with Ms. Gao. In fact, Yonggang Pan

1 held a similar deed of trust in a related Chapter 11 bankruptcy case of Crystal Waterfalls (2:15-  
2 bk-27769-ER), which Yonggang Pan stipulated to remove based on the fact that there was no  
3 extension of financing of any kind to warrant the obligation. See Exhibit “5” hereto.  
4 Consistent with the foregoing mechanism previously employed, the Debtor sent a letter to  
5 Yonggang Pan together with a draft agreement to remove the deed of trust. No response was  
6 received.

7 19. Outside of the bankruptcy process, EH would be required to commence litigation  
8 in state court against Yonggang Pan to invalidate the obligation. Such litigation will take time,  
9 which may impact the market value of the Property. Such litigation will cost money which EH  
10 lacks. Finally, such litigation will delay and impede the sale efforts, which are critical to the  
11 administration of the Debtor’s estate in light of the fact that the Debtor is the 100% member of  
12 EH and, therefore, the beneficial owner of the Property.

13 20. Based on the foregoing, EH executed a quitclaim deed for the Property,  
14 transferring it to the Debtor. A true and correct copy of the Quitclaim Deed is attached hereto  
15 as **Exhibit “6”**. The Debtor, as Debtor in Possession, seeks to use the benefits of the  
16 Bankruptcy Code to sell the Property free and clear of all liens and encumbrances, with all such  
17 interests to attach to the proceeds of the sale. The Debtor will then prosecute claims against  
18 Yonggang Pan to invalidate the obligations without impeding the estate’s sale efforts.

19 **D. The Proposed Bidding Procedures.**

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

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

25 a. **Date for Auction.** The auction (“Auction”) shall be scheduled for the date  
26 and time of the hearing on the Motion, which is October 18, 2017 at 11:00 a.m. in this  
27 Courtroom.

28 b. **Alternative Bid Requirements.** Any party interested in submitting an



1 alternative bid for the Property (an “Alternative Bid”) must, not later than 5:00 p.m.  
2 (prevailing Pacific Time) on October 16, 2017 (the “Alternative Bid Deadline”), deliver  
3 such Alternative Bid in writing to counsel for the Debtor (David B. Golubchik, Esq.,  
4 Levene, Neale, Bender, Yoo & Brill L.L.P., 10250 Constellation Blvd., Suite 1700, Los  
5 Angeles, California 90067, Email: DBG@LNBYB.com, Facsimile: (310) 229-1244), in  
6 accordance with the requirements set forth below:

7 i. The purchase price for the Property in any Alternative Bid must be  
8 in the sum of at least \$10,000 over the Purchase Price. For example, an initial  
9 overbid for the Property would be \$2,198,000 (\$2,188,000 current bid plus  
10 \$10,000) Any Alternative Bid must otherwise be on the same or better material  
11 terms and conditions than as set forth in the sale agreement, or as the Bankruptcy  
12 Court may determine are in the best interest of creditors and the estate.

13 ii. Only Qualified Bidders may tender an Alternative Bid. For the  
14 purposes of this provision, a Qualified Bidder shall be any party that, not later  
15 than the Alternative Bid Deadline, delivers to LNBYB: (I) a good funds deposit in  
16 the amount of \$100,000; (II) written evidence satisfactory to the Debtor of its  
17 financial ability to perform the obligations to close the sale of the Property before,  
18 on, and after the closing; and (III) a written statement signed by the Alternate  
19 Bidder agreeing that such Alternate Bidder, if successful at the hearing on the  
20 Motion, shall be bound by the terms of its agreement. No Alternative Bids that are  
21 contingent as to due diligence or financing shall be considered. If the Debtor  
22 determines, in its sole discretion, that the proof of funds or other submission  
23 provided by the bidder to Debtor is unacceptable, the Debtor may, in its sole  
24 discretion, disqualify such proposed bidder from participating in Auction. In the  
25 event that the Debtor exercises its discretion and disqualifies a bidder from  
26 participating in the Auction, the deposit made by such bidder (if any) shall be  
27 returned to the bidder.

28 c. **Bidding At Auction.** If at least one Qualified Bidder who has submitted

1 an Alternative Bid appears at the Auction, the Debtor shall designate what it determines,  
2 in its reasonable judgment, to be the best and highest bid received for the Property to be  
3 the leading bid at the Auction. Thereafter, the Debtor shall solicit better and higher bids  
4 for the Property, in bidding increments of at least \$10,000 from the Qualified Bidders  
5 participating in the Auction (including the Buyers if Buyer chooses to participate) until  
6 the best and highest bid for the Property has been determined.

7 d. **Closing of Sale and Forfeiture of Deposits:** The winning bidder will  
8 have until the fifteenth (15<sup>th</sup>) day after the date of entry of a Court order granting this  
9 Motion (the “Sale Order”) to consummate the sale of the Property. If the winning bidder  
10 fails to do so, the winning bidder will be deemed to have forfeited its deposit unless the  
11 Court or the Debtor agrees to provide the winning bidder with an extension of time to  
12 close the sale.

13 23. Coldwell Banker will continue to market the Property pending the in-court  
14 auction and hearing on the Motion.

15 **E. Employment of Coldwell Banker**

16 24. As discussed above, EH retained Coldwell Banker to market and sell the Property.  
17 Based on the recent developments requiring the transfer of the Property to the Debtor, pursuant  
18 to the Motion, the Debtor seeks Court authority to employ Coldwell Banker upon the same  
19 terms and conditions as agreed upon with EH. Specifically, the listing agreement for the  
20 Property, a true and correct copy of which is attached hereto as **Exhibit “7”**, provides that  
21 Coldwell Banker shall be compensated for its services in an amount equal to five percent (5%)  
22 of the gross sales price for the sale of the Property. The Debtor is informed and believes that  
23 the commission represents the standard commission rates used within the local real estate  
24 industry for sales of similar residential real property.

25 25. In addition, Coldwell Banker has already been employed in the Debtor’s case as  
26 real estate broker and has assisted the Debtor in selling other real property for the benefit of the  
27 estate and all creditors. A true and correct copy of the Debtor’s prior application to employ  
28 Coldwell Banker and disclosures related thereto are attached hereto as **Exhibit “8”**, and

1 incorporated herein by this reference. Based on the foregoing, and the fact that the Property is  
2 already in escrow as a result of Coldwell Banker's efforts, the Debtor believes that Coldwell  
3 Banker is well qualified to be employed as real estate broker in this case. Coldwell Banker will  
4 be paid from the sale proceeds upon close of escrow and will not file a fee application.

5 **II.**

6 **GOOD CAUSE EXISTS TO APPROVE THE PROPOSED**

7 **BIDDING PROCEDURES**

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

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

24 The Debtor believes that the proposed Bidding Procedures will maximize the price  
25 ultimately obtained for the Property and assignment of the Existing Lease while still protecting  
26 the Estate from parties who may wish to bid on the Property, but who are ultimately unable to  
27 consummate a purchase of the Property. The Bidding Procedures serve numerous legitimate  
28 purposes. Among other things, the Bidding Procedures will (i) foster competitive bidding among

1 any serious potential purchasers; (ii) eliminate from consideration purchasers who would waste  
2 the Debtor's time because they would not have the financial ability to consummate a purchase of  
3 the Property; and (iii) ensure that the highest possible price is obtained for the Property. Finally,  
4 the Bidding Procedures contain no Breakup Fee and no Expense Reimbursement. Accordingly,  
5 the Debtor submits that approval of the proposed Bidding Procedures is in the best interests of  
6 the estate and creditors and should be approved by the Court.

7 **III.**

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

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

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

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

28 In addition, Local Bankruptcy Rule 6004-1 requires that the Notice contain the

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

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

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

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

- 27 (1) the sale is fair and reasonable, *i.e.*, the price to be paid is  
28 adequate;

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

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

9 1. Sound Business Purpose.

10 The Ninth Circuit Bankruptcy Appellate Panel in *Walter v. Sunwest Bank (In re Walter)*,  
11 83 B.R. 14, 19 (9th Cir. B.A.P. 1988) has adopted a flexible case-by-case test to determine  
12 whether the business purpose for a proposed sale justifies disposition of property of the estate  
13 under Section 363(b). The facts pertaining to the sale at issue here substantiate the Debtor's  
14 business decision that the contemplated sale of the Property, pursuant to the terms of the APA,  
15 serves the best interests of the Estate and merits the approval of this Court.

16 The Debtor has ceased operations and its goal in the bankruptcy case is to liquidate its  
17 assets to maximize recoveries for creditors. The Debtor believes that the liquidation of its assets  
18 will generate sufficient proceeds to permit the Debtor to pay its creditors a significant  
19 distribution. The proposed sale of the Property to the Buyer is anticipated to result in sale  
20 proceeds of at least \$2,188,000 (subject to increase by overbid), which will facilitate the goal  
21 of liquidating assets to pay creditors. On the other hand, if the Debtor is not able to consummate  
22 a sale of the Property to the Buyer (or a successful overbidder) as proposed herein, the Debtor  
23 will not generate the at least \$2,188,000 in sale proceeds that could be used to pay creditors. The  
24 Debtor also will be saddled with the obligations and expenses of an owner of real property,  
25 including continuing lien obligations and property taxes. Based on the foregoing, the Debtor  
26 submits that the proposed sale of the Property is in the best interests of the estate and therefore  
27 represents a sound exercise of the Debtor's business judgment.

28

1           2.     Fair and Reasonable Price.

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

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

18           3.     Adequate Marketing.

19           The Debtor and Coldwell Banker have worked diligently to attract buyers for the Property  
20 and to negotiate the terms of a sale of the Property. As set forth in the accompanying Declaration  
21 of Gregory Bingham, in addition to initial marketing efforts which resulted in a solid offer even  
22 before listing the Property with the MLS, Coldwell Banker has now listed the Property and will  
23 continue to market it pending the Auction and sale hearing. Coldwell Banker also marketed the  
24 Property to its vast network of contacts and such efforts will continue.

25           Numerous offers and expressions of interests were received. Coldwell Banker  
26 communicated all such expressions of interest to the Debtor as well as to the Committee. Coldwell  
27 Banker held multiple calls and conferences with the Debtor and the Committee to ensure the  
28 continuation of proper and efficient marketing efforts and maximizing value of the Property,

1 especially considering due diligence and other contingencies sought by interested parties. The  
2 highest and best offer was received from the Buyer based on the combination of the purchase  
3 price, the short due diligence contingency period, which was waived, all-cash transaction and the  
4 nonrefundable deposit currently held by escrow.

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

8 4. Good Faith.

9 When a Bankruptcy Court authorizes a sale of assets pursuant to Bankruptcy Code  
10 Section 363(b)(1), it is required to make a finding with respect to the “good faith” of the  
11 purchaser. *In re Abbotts Dairies*, 788 F.2d at 149. Such a procedure ensures that Section  
12 363(b)(1) will not be employed to circumvent creditor protections. *Id.* at 150. With respect to  
13 the Debtor’s conduct in conjunction with the sale of the Property, the good faith requirement  
14 focuses principally on whether there is any evidence of “fraud, collusion between the purchaser  
15 and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders.”  
16 *Abbotts Dairies*, 788 F.2d at 147; *Wilde Horse Enterprises*, 136 B.R. at 842.

17 To the best of the Debtor’s knowledge, the Buyer has no prior connections with the  
18 Debtor. Moreover, the offer was transmitted through broker and the transaction was negotiated  
19 through the use of counsel. There are no agreements or representations with any insiders of the  
20 Debtor in connection with the proposed transaction herein. No offer to purchase the Property  
21 received by the Debtor has been ignored, and the Debtor has taken reasonable steps to try to  
22 obtain the highest price possible for the Property. Based on the foregoing, the Debtor submits  
23 that the good faith requirement has been satisfied, and that the Buyer (or a successful  
24 overbidder) should be deemed a “good faith” purchaser under 11 U.S.C. § 363(m).

25 5. Accurate and Reasonable Notice.

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



1 filing objections. *Id.*

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

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

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

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

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

22 11 U.S.C. § 363(f). Section 363(f) is written in the disjunctive; thus, satisfaction of any one of  
23 the five conditions is sufficient to sell property free and clear of liens. *See e.g., Citicorp*  
24 *Homeowners Services, Inc. v. Elliot (In re Elliot)*, 94 B.R. 343, 345 (Bankr. E.D. Pa. 1988);  
25 *Mutual Life Ins. Co. of New York v. Red Oak Farms, Inc. (In re Red Oak Farms, Inc.)*, 36 B.R.  
26 856, 858 (Bankr. W.D. Mo. 1984).

27 Bankruptcy Code section 363(f)(3) provides authority for the Debtor to sell the Property  
28 free and clear of liens, claims and interest as the Purchase Price exceeds the value of the secured

1 claims against the Property. As discussed above, the proposed purchase price, of \$2,188,000  
2 exceeds the collective liens of Shanghai Bank (approx. \$625,000) and Yonggang Pan (allegedly  
3 \$700,000), which total \$1,325,000.

4 Bankruptcy Code section 363(f)(4) provides authority for the Debtor to sell the Property  
5 free and clear of liens that are in bona fide dispute. As discussed above, the Debtor submits that  
6 the asserted lien of Yonggang Pan is in bona fide dispute. In an overabundance of caution, the  
7 Debtor reached out to the putative creditor, but has received no response. The Debtor is in the  
8 process of commencing an action to void the asserted lien. Pending the outcome of the  
9 proceeding, the Debtor proposes that the lien of Yonggang Pan will attach to the sale proceeds  
10 with the same validity, extent and priority as the lien was entitled to immediately prior to the sale  
11 closing.

12 Based on the foregoing, the sale of the Property to the Buyer (or a successful overbidder)  
13 may be approved, free and clear of the liens, claims and interests of any secured creditors,  
14 pursuant to 11 U.S.C. § 363(f)(3) and (4).

15 **IV.**

16 **THE DEBTOR SHOULD BE AUTHORIZED TO EMPLOY COLDWELL BANKER AS**  
17 **ITS REAL ESTATE BROKER TO CONSUMMATE THIS TRANSACTION**

18 As discussed above, EH retained Coldwell Banker to market and sell the Property. Based  
19 on the recent developments requiring the transfer of the Property from EH to the Debtor,  
20 pursuant to the Motion, the Debtor seeks Court authority to employ Coldwell Banker upon the  
21 same terms and conditions as agreed upon with EH. Specifically, the listing agreement for the  
22 Property between EH and Coldwell Banker, a true and correct copy of which is attached hereto  
23 as **Exhibit "7"**, provides that Coldwell Banker shall be compensated for its services in an  
24 amount equal to five percent (5%) of the gross sales price for the sale of the Property. The  
25 Debtor is informed and believes that the commission represents the standard commission rates  
26 used within the local real estate industry for sales of similar residential real property.

27 Coldwell Banker, as the Debtor's broker, has and shall continue to list, advertise, show  
28 and sell the Property and perform, among other things, the following tasks:

1 (a) analyze and prepare all documentation necessary to list and advertise the  
2 Property for sale as may be necessary and appropriate.

3 (b) list the Property with the most propitious listing services available; to  
4 inspect the Property as necessary to respond to purchaser's inquiries; and to solicit reasonable  
5 offers of purchasers.

6 (c) convey all reasonable purchase offers to the Debtor and to Debtor's  
7 counsel, and subject to the Debtor's approval, to negotiate and confirm the acceptance of the best  
8 offer.

9 (d) cause to be prepared and submitted to escrow on behalf of the Debtor any  
10 and all documents necessary to consummate a sale of the Property.

11 The Debtor believes that the appointment of Coldwell as broker in this Case will be  
12 beneficial to the Estate because Coldwell's services and expertise in listing and selling real  
13 property. Subject to approval of this Court, EH, as the Debtor's predecessor, entered into a  
14 listing agreement retaining Coldwell as the listing agent on commercially reasonable terms as set  
15 forth in that certain *Residential Listing Agreement (Exclusive Authorization and Right to Sell)*  
16 and *Addendum to Exclusive Authorization and Right to Sell* (together, the "Listing Agreement")  
17 to list for sale, *inter alia*, the Property. A copy of the Listing Agreement is attached as **Exhibit**  
18 **"7"** hereto. The Listing Agreement was negotiated by the parties in good faith and at arm's  
19 length, and the Debtor believes the terms and conditions are fair and equitable.

20 The Listing Agreement for the Property provides that Coldwell Banker shall be  
21 compensated for its services in an amount equal to five percent (5%) of the gross sales price for  
22 the sale of the Subject Property. The Debtor is informed and believes that the commission  
23 represents the standard commission rates used within the local real estate industry for sales of  
24 similar residential real property. The Listing Agreement provides for a listing price of  
25 \$2,100,000 for the Property.

26 Subject to the approval of the Bankruptcy Court pursuant to sections 327 and 328 of the  
27 Bankruptcy Code, Rule 2014 of the Federal Bankruptcy Rules and Rule 2014-1 of the Local  
28 Rules ("LBR" together with Federal Bankruptcy Rules, the "Bankruptcy Rules"), the Debtor

1 seeks to employ Coldwell as its real estate broker to (a) market the Property, (b) show the  
2 Property to potential purchasers, (c) represent the Debtor as seller in connection with the sale of  
3 the Property, and (d) advise the Debtor with respect to obtaining the highest and best offer  
4 available in the present market for the Property.

5 Coldwell Banker has also been advised of and has agreed to accept employment subject  
6 to the provisions of 11 U.S.C. §328(a). Coldwell Banker understands that, notwithstanding the  
7 approval of Coldwell Banker's employment by this Court in accordance with the terms hereof,  
8 the Court may allow a compensation different from the compensation provided for herein if  
9 such terms agreed upon prove to have been improvident in light of developments that could not  
10 have been anticipated at the time this Application was approved. Coldwell Banker has received  
11 no retainer from the Debtor or any other party for Coldwell Banker's services and has no  
12 agreement to share any compensation to be paid in this case with any other person except  
13 among members of Coldwell Banker, except that the commission may be shared with the  
14 buyer's broker.

15 As disclosed in the prior employment application [**Exhibit "8"** hereto], the Debtor is  
16 informed and believes that Coldwell Banker is a "disinterested person" within the meaning of 11  
17 U.S.C. §101(14), has no interest adverse to the estate, and does not have any connection with the  
18 Debtor, any creditors of the Debtor, the Office of the United States Trustee or any person  
19 employed in the Office of the United States Trustee or any bankruptcy judge in this district, or  
20 their respective attorneys or accountants. The Debtor does not believe that any actual or  
21 potential conflict exists with respect to these Creditors.

22 Coldwell Banker may have been engaged by, or in the future may be engaged by, one or  
23 more creditors of the Debtor or other parties in interest in the Debtor's bankruptcy case. In  
24 addition, Coldwell Banker in the past may have provided, and in the future may provide,  
25 services to the Debtor, in matters unrelated to this case. The Debtor does not believe such  
26 relationships, as described above, constitute an actual or potential conflict.

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1 V.

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

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

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

16 VI.

17 **CONCLUSION**

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

- 19 1. finding that the notice given by the Debtor in connection with the sale of the  
20 Property and related requested relief, and the hearing on the Motion is adequate, sufficient,  
21 proper and complies with all applicable provisions of the Bankruptcy Code, Federal Rules of  
22 Bankruptcy Procedure, and Local Bankruptcy Rules for the Central District of California;
- 23 2. granting the Motion in its entirety;
- 24 3. approving the proposed bid procedures;
- 25 4. authorizing the Debtor to sell the Property to the Buyer (or to a successful  
26 overbidder), free and clear of all liens, claims and interests, pursuant to the terms and  
27 conditions set forth in the APA with the liens of all asserted secured creditors to attach to the  
28 sale proceeds with the same validity and priority as such liens had prepetition;

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

3 6. allowing the Debtor to pay all sale closing costs and undisputed secured claims  
4 from the sale proceeds, and authorizing the Debtor to establish an escrow of the sale proceeds  
5 in the amount of the disputed secured claims pending further order of this Court;

6 7. authorizing the Debtor to employ Coldwell Banker as its real estate broker for  
7 this transaction upon the terms and conditions set forth in the attached listing agreement;

8 8. waiving the 14-day stay periods set forth in Bankruptcy Rules 6004(h) and  
9 6006(d); and

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

12 Dated: September 27, 2017 LIBERTY ASSET MANAGEMENT CORPORATION

13 By: /s/ David B. Golubchik  
14 DAVID B. GOLUBCHIK  
15 JEFFREY S. KWONG  
16 LEVENE, NEALE, BENDER, YOO  
& BRILL L.L.P.  
17 Attorneys for Debtor and Debtor in Possession  
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**DECLARATION OF GREGORY BINGHAM**

I, Gregory Bingham, hereby declare as follows:

1. I am employed as an agent for Coldwell Banker (“Coldwell”), and I am the real estate agent which the Debtor desires to employ for the purpose of listing and selling certain of the real properties.

2. I am a California licensed real estate agent and I am experienced in selling residential and commercial properties.

3. Coldwell was previously employed by the Debtor, which employment was approved by this Court, to market and sell the property located at 1916 Los Padres Drive, Rowland Heights, California 91748. Those efforts were successful and the sale has been consummated. To the best of my knowledge, all of the representations of Coldwell in that prior employment application remain true and correct today.

4. The Debtor seeks to employ Coldwell to continue assisting the Debtor with its efforts to sell real properties. Such efforts include the following tasks:

(a) analyze and prepare all documentation necessary to list and advertise the property for sale as may be necessary and appropriate.

(b) list the property with the most propitious listing services available; to inspect the property as necessary to respond to purchaser’s inquiries; and to solicit reasonable offers of purchasers.

(c) convey all reasonable purchase offers to the Debtor and to Debtor’s counsel, and subject to the Debtor’s approval, to negotiate and confirm the acceptance of the best offer.

(d) cause to be prepared and submitted to escrow on behalf of the Debtor any and all documents necessary to consummate a sale of the property.

5. Representatives of the Debtor advised Coldwell that a related entity known as East Heights, LLC (“EH”) owned two (2) single family residences, including the subject

1 property located at **3808 Hollins Avenue, Claremont, CA 91711** (“Property”), and required our  
2 assistance to market and sell the Property. Coldwell agreed pursuant to that certain Listing  
3 Agreement attached hereto as Exhibit “7”, which provides for a commission of 5% of the gross  
4 sales price for the sale of the Property. I understand that, due to certain lien disputes, the  
5 Property was transferred from EH to the Debtor and is now being sold through the bankruptcy  
6 process.

7 6. I believe that the commission is reasonable (and lower than the customary 6%  
8 commissions). I understand that Coldwell’s compensation will depend upon application to and  
9 approval by this Court of the terms and conditions of the sale after notice to all creditors.

10 7. On behalf of Coldwell, I understand and agree to accept employment subject to  
11 the provisions of 11 U.S.C. section 328(a). I also understand that notwithstanding the approval  
12 of Coldwell’s employment by this Court in accordance with the terms herein, the Court may  
13 allow a compensation different from the compensation provided for according to the Application  
14 if such terms agreed upon prove to have been improvident in light of developments that could  
15 not have been anticipated at the time of the Application was approved. Coldwell has received no  
16 retainer from the Debtor for its services.

17 8. Coldwell is a disinterested person as defined in 11 U.S.C. § 101(14). Neither I  
18 nor any member of Coldwell are associated or affiliated with the Debtor, its affiliates, its  
19 creditors, or any other party in interest or their respective attorneys or accountants. Coldwell  
20 does not hold any pre-petition claim against the Debtor.

21 9. From the time that the Listing Agreement was executed, Coldwell commenced  
22 marketing the Property. I understand that, due to certain insurance issues, we were unable to  
23 initially provide access inside the Property and, as a result, were unable to list the Property on the  
24 MLS. However, we marketed the Property in other manners, including through emails and  
25 contacts with other agents and interested parties.

26 10. Based on such efforts, we received numerous offers. We communicated the  
27 offers to the Debtor and had numerous discussions with the Debtor and the Committee to analyze  
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1 offers and prepare counter-offers. After the negotiation process, the Debtor selected the Buyer as  
2 providing the highest and best offer of \$2,188,000 all cash with a short due diligence period,  
3 which has now been satisfied. All negotiations were handled through the brokers and, to the best  
4 of my knowledge, there is no prior or undisclosed connection between the Debtor and the Buyer.  
5 I believe that the proposed purchase price is fair and reasonable in light of the condition of the  
6 Property. Nevertheless, Coldwell will continue to market the Property pending the auction and  
7 sale hearing.

8 11. Although Buyer's offer was determined to be the highest and best offer, there  
9 appears to be more interest in the Property. In order to ensure that the maximum value for the  
10 Property is obtained, I believe it would be appropriate to schedule an auction where a final and  
11 best offer will be determined. In my experience, an auction such as this would be most effective  
12 if conducted before the court so that issues can be addressed immediately and a winning bidder  
13 selected and promptly approved by the court.

14 I declare under penalty of perjury that the foregoing is true and correct. Executed this  
15 27<sup>th</sup> day of September 2017, at Newport Beach, California.

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19 GREGORY BINGHAM  
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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 located at **3808 Hollins Avenue, Claremont, CA 91711** (“Property”).

**A. Background**

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 of such properties and a special-purpose entity would be formed to own and operate the properties. Ms. Gao was responsible for the creation of the entities and structured many of them

1 with herself (Lucy Gao) as the sole member. Notwithstanding the foregoing, it was always  
2 understood that the properties, which were acquired with Debtor's funds, were held for the  
3 benefit of the Debtor.

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

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

15 9. The Debtor's goal for this bankruptcy is to generate funds to pay its creditors.

16 **B. East Heights, LLC Judgment.**

17 10. Shortly after the Petition Date, the Debtor commenced an action against East  
18 Heights, LL ("EH") to, among other things, obtain a determination that the Debtor is the  
19 beneficial owner of EH and, consequently, assets owned by EH. EH was an entity that was  
20 purportedly 100% owned by Lucy Gao.

21 11. At that time, EH owned interests in two single family residences:

- 22 a. 1001 East Road, La Habra Heights, CA 90631 ("La Habra House"); and
- 23 b. 3808 Hollins Avenue, Claremont, CA 91711 ("Property").

24 12. Upon the formation of the Committee, the Debtor and Committee entered into a  
25 stipulation granting to the Committee the right to pursue insider claims, including claims against  
26 EH.

27 13. On May 17, 2017, this Court issued its Memorandum of Decision Imposing  
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1 Terminating Sanctions on Lucy Gao. A true and correct copy of the Memo is attached hereto as  
2 **Exhibit “1”**.

3 14. On May 22, 2017, this Court issued judgment in favor of the estate and against  
4 EH and Lucy Gao. A true and correct copy of the Judgment is attached hereto as **Exhibit “2”**.  
5 The Judgment provides, in relevant part, that Ms. Gao has no interest in EH and that the Debtor  
6 holds 100% interest in EH.

7 15. Shortly after the entry of the judgment, Ms. Gao turned over the Property to the  
8 Debtor.

9 16. Further, the Debtor, as the now 100% member of EH, executed a resolution  
10 designating me as the sole manager of EH with all management powers related thereto.

11 **C. The Property.**

12 17. On behalf of EH, I engaged Coldwell Banker to market and sell the Property.  
13 Coldwell Banker evaluated the Property and commenced marketing efforts which resulted in  
14 numerous offers, even before the Property was listed in the Multiple Listing Service (MLS). The  
15 Debtor, in consultation with the Committee, selected the best offer for the Property: \$2,188,000  
16 from Kumar Koneru (“Buyer”). A true and correct copy of the escrow instructions incorporating  
17 the purchase and sale agreement (“APA”) is attached hereto as **Exhibit “3”**. The contingency  
18 period has expired and Buyer is prepared to proceed with a sale to closing.

19 18. Escrow has been opened in connection with the sale transaction. A Preliminary  
20 Title Reports (“PTR”), a true and correct copy of which is attached hereto as **Exhibit “4”**, was  
21 ordered and reviewed. Pursuant to the PTR, Shanghai Bank asserts a first priority secured  
22 interest cross-collateralized by the Property and a related property in La Habra also owned by  
23 EH, which, currently, has a balance of approximately \$625,000 and is expected to be paid in full  
24 from the sale proceeds.

25 19. In addition, the PTR revealed that a person by the name of Yonggang Pan  
26 purportedly holds a deed of trust on the Property to secure an obligation of \$700,000. I am  
27 familiar with this name as someone associated with Ms. Gao. In fact, Yonggang Pan held a  
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1 similar deed of trust in a related Chapter 11 bankruptcy case of Crystal Waterfalls (2:15-bk-  
2 27769-ER), which Yonggang Pan stipulated to remove based on the fact that there was no  
3 extension of financing of any kind to warrant the obligation. See Exhibit “5” hereto. Consistent  
4 with the foregoing mechanism previously employed, I caused the Debtor to send a letter to  
5 Yonggang Pan together with a draft agreement to remove the deed of trust. I am advised and  
6 understand that no response was received.

7 20. I have been advised and understand that, outside of the bankruptcy process, EH  
8 would be required to commence litigation in state court against Yonggang Pan to invalidate the  
9 obligation. Such litigation will take time, which may impact the market value of the Property.  
10 Such litigation will cost money which EH lacks. Finally, such litigation will delay and impede  
11 the sale efforts, which are critical to the administration of the Debtor’s estate in light of the fact  
12 that the Debtor is the 100% member of EH and, therefore, the beneficial owner of the Property.

13 21. Based on the foregoing, on behalf of EH, I executed a quitclaim deed for the  
14 Property, transferring it to the Debtor. A true and correct copy of the Quitclaim Deed is attached  
15 hereto as **Exhibit “6”**. The Debtor, as Debtor in Possession, seeks to use the benefits of the  
16 Bankruptcy Code to sell the Property free and clear of all liens and encumbrances, with all such  
17 interests to attach to the proceeds of the sale. The Debtor will then prosecute claims against  
18 Yonggang Pan to invalidate the obligations without impeding the estate’s sale efforts.

19 **D. The Proposed Bidding Procedures**

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

23 23. Based on the foregoing considerations, after discussions with Coldwell Banker, I  
24 believe that the following proposed bidding procedures (the “Bidding Procedures”) outlined in  
25 the Motion are appropriate and should be implemented in connection with the sale of the  
26 Property.

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1 **E. Employment of Coldwell Banker**

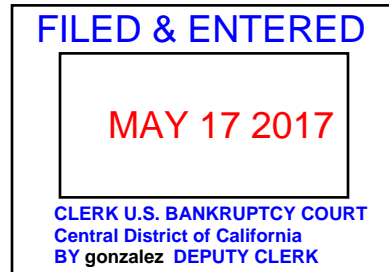
2 24. EH retained Coldwell Banker to market and sell the Property. Based on the  
3 recent developments requiring the transfer of the Property to the Debtor, pursuant to the Motion,  
4 the Debtor seeks Court authority to employ Coldwell Banker upon the same terms and conditions  
5 as agreed upon with EH. Specifically, the listing agreement for the Property, a true and correct  
6 copy of which is attached hereto as **Exhibit "7"**, provides that Coldwell Banker shall be  
7 compensated for its services in an amount equal to five percent (5%) of the gross sales price for  
8 the sale of the Property. I am informed and believe that the commission represents the standard  
9 commission rates used within the local real estate industry for sales of similar residential real  
10 property.

11 25. In addition, Coldwell Banker has already been employed in the Debtor's case as  
12 real estate broker and has assisted the Debtor in selling other real property for the benefit of the  
13 estate and all creditors. A true and correct copy of the Debtor's prior application to employ  
14 Coldwell Banker and disclosures related thereto are attached hereto as **Exhibit "8"**, and  
15 incorporated herein by this reference. Based on the foregoing, and the fact that the Property is  
16 already in escrow as a result of Coldwell Banker's efforts, I believe that Coldwell Banker is well  
17 qualified to be employed as real estate broker in this case. Coldwell Banker will be paid from  
18 the sale proceeds upon close of escrow and will not file a fee application.

19 I declare under penalty of perjury that the foregoing is true and correct. Executed this  
20 27<sup>th</sup> day of September 2017, at Los Angeles, California.

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23 LAWRENCE PERKINS  
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**EXHIBIT “1”**



UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA  
LOS ANGELES DIVISION

|   |  |
|---|--|
| In re: Liberty Asset Management Corporation, Debtor | Case No.: 2:16-bk-13575-ER<br>Adv. No.: 2:16-ap-01141-ER   |
| Liberty Asset Management Corporation,<br>Plaintiff  | <b>MEMORANDUM OF DECISION<br/>IMPOSING TERMINATING SANCTIONS<br/>AGAINST LUCY GAO</b>  |
| v.  |  |
| East Heights LLC and Lucy Gao,<br>Defendants        | Date: May 16, 2017<br>Time: 11:00 a.m.<br>Location: Ctrm. 1568<br>Roybal Federal Building<br>255 East Temple Street<br>Los Angeles, CA 90012 |

At the above-captioned date and time, the Court conducted a hearing on a motion filed by Liberty Asset Management Corporation (“Liberty”) seeking discovery sanctions against Lucy Gao (“Ms. Gao”).<sup>1</sup> For the reasons set forth below, the Court will strike Ms. Gao’s answer and

<sup>1</sup> The Court reviewed the following papers in adjudicating this matter:

- 1) Plaintiff’s Motion to Strike Defendants’ Answers and Enter Default Judgment (the “Motion”) [Adv. Doc. No. 42];
- 2) Opposition to Motion to Strike Answers of Defendants [Adv. Doc. No. 47];
- 3) Plaintiff’s Reply in Support of its Motion to Strike Defendants’ Answers and Enter Default Judgment [Adv. Doc. No. 49];
- 4) Joint Pretrial Stipulation [Adv. Doc. No. 46];



enter default judgment against Ms. Gao as a discovery sanction. As the judgment against Ms. Gao logically compels a corresponding judgment against East Heights LLC (“East Heights”), judgment against East Heights will be entered as well.

## **I. Facts and Summary of Pleadings**

On March 21, 2016, Liberty commenced a voluntary Chapter 11 bankruptcy petition. On March 22, 2016, Liberty filed a Complaint for (1) Declaratory Relief; and (2) Unjust Enrichment and Imposition of Constructive Trust (the “Complaint”) against East Heights and Ms. Gao. The Official Committee of Unsecured Creditors (the “Committee”) is prosecuting the Complaint on Liberty’s behalf pursuant to a stipulation between Liberty and the Committee that was approved by the Court on August 10, 2016. Bankruptcy Doc. No. 177.<sup>2</sup>

The Complaint seeks to recover, on Liberty’s behalf, real properties located at 3808 Hollins Ave., Claremont, CA 91711 (the “Hollins Property”) and 1001 East Road, La Habra, CA 90631 (the “East Road Property”) (collectively, the “Properties”). Title to the Properties is held by East Heights. Ms. Gao asserts an equity interest in East Heights. The Complaint alleges that East Heights acquired the Properties using funds contributed by Liberty, and that the Properties were acquired for the benefit of Liberty. The Complaint seeks (1) a declaration that Liberty is the sole equity interest holder in East Heights, and that Ms. Gao holds no equity interest in East Heights; and (2) a judgment that East Heights holds the Properties in constructive trust for the benefit of Liberty.

### **Liberty’s Motion to Strike the Answers of East Heights and Ms. Gao and Have Default Judgment Entered in its Favor**

Liberty moves to strike the answers of East Heights and Ms. Gao, and seeks entry of default judgment in its favor. Liberty makes the following arguments and representations in support of the Motion<sup>3</sup>:

Liberty served written discovery (consisting of interrogatories and requests for the production of documents) upon Ms. Gao on January 20, 2017. The production requests demanded documents evidencing any mortgage payments made by Ms. Gao with respect to the Properties. The interrogatories required Ms. Gao to identify the entity who paid the mortgage on the Properties and the amount of the mortgage payments.

Ms. Gao failed to respond by the February 22, 2017 due date. In a status report filed on March 9, 2017, Ms. Gao asserted that she would respond to the discovery by March 30. On March 22, 2017, Liberty sent an e-mail to Ms. Gao, demanding that she respond to the written discovery, and warning that Liberty would seek sanctions if it did not receive Ms. Gao’s responses. On April 10, 2017, Ms. Gao retained counsel. After still having not received any

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- 5) Findings of Fact and Conclusions of Law Regarding Motion by the Official Committee of Unsecured Creditors for Summary Adjudication of Defendants’ Liability for Breach of Fiduciary Duties and Accounting [Doc. No. 57, Adv. No. 2:16-ap-01337-ER]; and
  - 6) Transcript of Evidentiary Hearing Conducted on June 22, 2016 [Bankruptcy Doc. No. 152].

<sup>2</sup> Citations to the main bankruptcy case docket are denoted as “Bankruptcy Doc. No.” Citations to the adversary proceeding docket are denoted as “Adv. Doc. No.”

<sup>3</sup> Liberty initially argued that East Height’s answer should be stricken based on the fact that East Heights was not represented by counsel. On May 4, 2017, East Heights retained counsel.

discovery responses, Liberty demanded discovery responses from Ms. Gao's counsel on April 13, 2017. As of May 9, 2017 (the date of the filing of Liberty's reply in support of the Motion), Liberty has still not received any discovery responses.

Pursuant to Civil Rule 37(d), the Court should strike Ms. Gao's answer and enter default judgment in favor of Liberty as a discovery sanction.

### **Opposition of East Heights and Ms. Gao**

East Heights and Ms. Gao make the following arguments in Opposition to Liberty's Motion:

- 1) Liberty failed to comply with Civil Rule 37(c), which requires that it meet and confer prior to filing any motion in connection with a discovery dispute. Consequently, the relief sought in the Motion cannot be granted.
- 2) The terminating sanctions sought by Liberty are an unduly harsh penalty that is unwarranted under the circumstances. If the discovery at issue were essential to Liberty's case, it could have filed a motion to compel. Ms. Gao is not seeking any continuance and the parties have prepared a Joint Pretrial Stipulation, so there is no prejudice to Liberty as a result of Ms. Gao's failure to respond to the discovery.
- 3) The checks, bank records, and escrow statements sought through the discovery are many years old and are not within Ms. Gao's possession. Ms. Gao does not have the ability to produce these documents, which are not necessary to maintain Ms. Gao's defense. Ms. Gao and East Heights are prepared to go to trial without the benefit of these documents. Ms. Gao and East Heights do not oppose the exclusion of any documents which were not timely produced.

### **Liberty's Reply in Support of the Motion**

Liberty makes the following arguments in Reply to Ms. Gao's Opposition:

- 1) Exclusion of evidence is insufficient where the requested discovery goes to the core of Ms. Gao's defenses—namely, did Ms. Gao purchase the Properties and pay the mortgages on the Properties?
- 2) Terminating sanctions are not overly harsh, in view of Ms. Gao's complete failure to respond to any written discovery. Ms. Gao's failure to respond substantially prejudices Liberty. In a related proceeding, the Court has found that Liberty's books and records are insufficient to permit a proper accounting for funds received and disbursed.

## **II. Findings and Conclusions**

Civil Rule 37(d)(1)(A)(ii) provides: "The court where the action is pending may, on motion, order sanctions if a party, after being properly served with interrogatories under Rule 33 or a request for inspection under Rule 34, fails to serve its answers, objections, or written response." "The party facing sanctions bears the burden of proving that its failure to disclose the required information was substantially justified or is harmless." *R & R Sails, Inc. v. Ins. Co. of Pennsylvania*, 673 F.3d 1240, 1246 (9th Cir. 2012). The Court may order any of the following sanctions:

- (i) directing that the matters embraced in the order or other designated facts be taken as established for purposes of the action, as the prevailing party claims;
- (ii) prohibiting the disobedient party from supporting or opposing designated claims or defenses, or from introducing designated matters in evidence;
- (iii) striking pleadings in whole or in part;

- (iv) staying further proceedings until the order is obeyed;
- (v) dismissing the action or proceeding in whole or in part;
- (vi) rendering a default judgment against the disobedient party.

Civil Rule 37(b)(2)(A)(i)–(vi).

To impose a sanction amounting to a dismissal of a claim, the Court is “required to consider whether the claimed noncompliance involved willfulness, fault, or bad faith, and also to consider the availability of lesser sanctions.” *R & R Sails*, 673 F.3d at 1247 (internal citations omitted).

When imposing case-dispositive sanctions, the Court must also consider the following factors:

- 1) the public’s interest in expeditious resolution of litigation;
- 2) the court’s need to manage its docket;
- 3) the risk of prejudice to the party who has litigated diligently;
- 4) the public policy favoring the disposition of cases on their merits; and
- 5) the availability of less drastic sanctions.

*Moneymaker v. CoBEN (In re Eisen)*, 31 F.3d 1447, 1451 (9th Cir. 1994).

There are three sub-parts to the fifth factor, the availability of less drastic sanctions: “whether the court has considered lesser sanctions, whether it tried them, and whether it warned the recalcitrant party about the possibility of case-dispositive sanctions.” *Connecticut Gen. Life Ins. Co. v. New Images of Beverly Hills*, 482 F.3d 1091, 1096 (9th Cir. 2007). The application of these factors is not mechanical; instead, the factors provide the Court “with a way to think about what to do, not a set of conditions precedent for sanctions or a script that the [Court] must follow.” *Id.*

Pursuant to Civil Rule 37(d)(1)(B), a “motion for sanctions for failing to answer or respond [to discovery] must include a certification that the movant has in good faith conferred or attempted to confer with the party failing to act in an effort to obtain the answer or response without court action.”

Ms. Gao has failed to respond to Liberty’s interrogatories and production requests. As the plain language of Rule 37(d) makes clear, sanctions for failure to respond to interrogatories and production requests may be imposed even absent a prior court order compelling discovery. Ms. Gao’s only explanation for failing to comply with her discovery obligations is that she did not have the documents at issue, and that obtaining the documents would have been too much work. Ms. Gao’s excuse is wholly inadequate. First, there is no reason why Ms. Gao could not have responded to Liberty’s ten interrogatories. Responding to this limited set of interrogatories would not have been at all burdensome. Second, the Court does not agree that it would have been unreasonably difficult for Ms. Gao to obtain the documents required by the production requests. It is certainly with Ms. Gao’s ability to obtain documents pertaining to the mortgage payments on properties in which Ms. Gao asserts an ownership interest.

Ms. Gao’s inadequate explanation of her total failure to comply with her discovery obligations shows that the non-compliance was deliberate and in bad faith. *See Hilao v. Estate of Marcos*, 103 F.3d 762, 765 (9th Cir. 1996) (imposing Rule 37 sanctions because the fact that the non-compliant parties “made no attempt to explain or excuse their failure ... suggests that the failure was deliberate”). The Court finds that striking Ms. Gao’s answer and entering default judgment in favor of Liberty is an appropriate discovery sanction. “Where a party so damages the integrity of the discovery process that there can never be assurance of proceeding on the true facts, a case dispositive sanction may be appropriate.” *Connecticut Gen. Life Ins. Co.*, 482 F.3d at 1091 (internal citations omitted). The Court has found, in a related case, that Liberty’s books and records are insufficient to permit an accounting of the funds it has received and disbursed.

See Findings of Fact and Conclusions of Law Regarding Motion by the Official Committee of Unsecured Creditors for Summary Adjudication of Defendants' Liability for Breach of Fiduciary Duties and Accounting [Doc. No. 57, Adv. No. 2:16-ap-01337-ER] at ¶¶23–24 (“All of [Liberty’s] books and records have been turned over to Liberty’s Chief Restructuring Officer. Eric Held, who is competent to testify as to such issues, has testified that the books and records that have been turned over to the Chief Restructuring Officer are incomplete and insufficient to permit a proper accounting for funds received and disbursed over the last four years.”).<sup>4</sup> This forecloses one avenue for Liberty to prove that the Properties were held by East Heights in trust for Liberty’s benefit. Ms. Gao’s failure to respond to discovery pertaining to who made the mortgage payments and who received rental income from the Properties shuts down another mechanism for Liberty to prove its case. Thus, as a result of Ms. Gao’s bad-faith non-compliance with her discovery obligations, Liberty does not have access to the true facts which are necessary to establish its case.

The hearing on the Motion further established that Ms. Gao’s discovery non-compliance was willful and in bad-faith. Ms. Gao’s counsel made clear that in order to defeat Liberty’s claim to the Properties, Ms. Gao intends to rely upon the presumption under California law that the record title owner of property is the actual owner. Yet Ms. Gao’s failure to respond to discovery makes it impossible for Liberty to gain access to any of the facts necessary to defeat presumptive title ownership. Ms. Gao did not respond to interrogatories asking her to (1) identify documents relating to payments toward the Hollins Property’s mortgage during the last four years, (2) identify the person or entity that paid the Hollins Property’s mortgage, (3) identify the mortgage lender for the East Road Property, (4) identify documents relating to payments toward the East Road Property’s mortgage, and (5) identify the persons knowledgeable regarding rental income of the Properties. Ms. Gao did not produce documents (1) relating to her purchase of the Properties, (2) relating to any payments she may have made to purchase the Properties, (3) relating to any payments she may have made on the Hollins Property’s mortgage, (4) relating to any payments she may have made on the East Road Property’s mortgage, (5) and relating to the lease of the Properties.

The discovery propounded by Liberty goes to the heart of the issue of who is the beneficial owner of the Properties. The Court finds that Ms. Gao failed to respond to Liberty’s discovery to gain a tactical advantage in the litigation. Ms. Gao’s bad-faith strategy is to insist that Liberty bears the burden of disproving California’s title presumption, but then refuse to respond to any of the discovery that would enable Liberty to disprove the title presumption. Ms. Gao’s non-compliance is particularly egregious given that the discovery propounded upon her was the only avenue by which Liberty could gain access to the facts necessary to present its case.

The five *Eisen* factors support entry of terminating sanctions, as explained below:

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<sup>4</sup> After an investigator hired by the Committee observed a document shredding truck at Liberty’s offices, the Committee, which is prosecuting this action on Liberty’s behalf, filed an emergency motion to force Liberty to turnover documents and information in its possession. See Bankruptcy Doc. No. 116. Unfortunately, by the time the Committee obtained an order granting its turnover motion, many of Liberty’s documents had already been consigned to the shredder. See Transcript of Evidentiary Hearing Conducted on June 22, 2016 at 85–87 [Bankruptcy Doc. No. 152] (testimony of Samantha Galapin that Ms. Gao supervised the shredding of documents).

### **1. Public's Interest in Expeditious Resolution of Litigation**

This factor weighs in favor of sanctions if the party against whom sanctions are sought has engaged in unreasonable delay. *Eisen*, 41 F.3d at 1451. Here, Ms. Gao was required to respond to Liberty's discovery by February 22, 2017. After Ms. Gao failed to do so, Liberty demanded compliance on March 22, 2017. Ms. Gao promised to respond to the discovery by March 30, 2017, but did not fulfill this promise. On April 13, 2017, Liberty again demanded that Ms. Gao respond to discovery. Notwithstanding the fact that trial is scheduled to take place on May 30, 2017, Ms. Gao has still not responded to the discovery. Ms. Gao's failure to respond to discovery, notwithstanding multiple demands by Liberty, constitutes unreasonable delay, particularly in view of the impending trial date. This factor weighs in favor of imposing terminating sanctions, especially considering that Ms. Gao has proffered no non-frivolous excuse for the delay. *Eisen*, 31 F.3d at 1452 (finding that the delay was completely unexcused where the party failed to provide a reasonable explanation for the delay).

### **2. The Court's Need to Manage its Docket**

"This factor is usually reviewed in conjunction with the public's interest in expeditious resolution of litigation to determine if there is unreasonable delay." *Eisen*, 31 F.3d at 1452. Were the Court to issue an order compelling Ms. Gao to respond to discovery, it would be necessary to delay the trial. The Court's trial dates are carefully allocated to balance multiple pending adversary proceedings. Any continuances disrupt that allocation. This factor weighs in favor of imposing terminating sanctions.

### **3. The Risk of Prejudice**

This factor is typically considered when dismissal is considered as a sanction for the plaintiff's failure to prosecute, and does not straightforwardly apply to the present case, where it is the plaintiff, Liberty, who seeks sanctions based on the failure of the defendant, Ms. Gao, to comply with her discovery obligations. Relevant authority sets forth the principle that the party who has litigated diligently is prejudiced by delays caused by the delinquent party. *See, e.g., Eisen*, 31 F.3d at 1452 (stating that the "law presumes injury from [the] unreasonable delay" that a defendant suffers as a result of plaintiff's failure to prosecute). The diligent party is not required to show actual prejudice unless the delinquent party offers an excuse for the delay "that is anything but frivolous." *Id.* at 1453.

Here, the diligent party, the plaintiff Liberty, has been prejudiced by Ms. Gao's failure to respond to discovery. Liberty has demanded that Ms. Gao respond to discovery on multiple occasions, but no responses have been forthcoming. Ms. Gao has failed to offer a non-frivolous excuse for the non-compliance. Accordingly, the law presumes prejudice to Liberty.

In addition, Liberty has demonstrated substantial actual prejudice. As discussed above, Ms. Gao's non-compliance has made it impossible for Liberty to obtain access to the facts necessary to prove its case. This factor weighs strongly in favor of imposing terminating sanctions.

### **4. The Public Policy Favoring the Disposition of Cases on Their Merits**

The policy of disposing of cases on the merits is weighed against the delay caused by the delinquent party and the extent to which the delinquent party's non-compliance has prejudiced the diligent party. *Eisen*, 31 F.3d at 1454. Parties have a responsibility "to refrain from dilatory and evasive tactics." *Morris v. Morgan Stanley & Co.*, 942 F.2d 648, 652 (9th Cir. 1991).



Here, Ms. Gao's failure to respond to discovery has prevented Liberty from having access to the facts necessary to establish its case. Permitting parties to obstruct access to critical underlying facts without consequence frustrates the disposition of cases on their merits. Therefore, in this particular case, the imposition of terminating sanctions furthers the policy in favor of disposition on the merits, by preventing parties from being rewarded for obstructionist behavior that thwarts access to the truth.

### **5. The Availability of Less Drastic Sanctions**

Upon review of the history of this case, the Court is convinced that less drastic sanctions would not adequately remediate Ms. Gao's non-compliance. Ms. Gao received multiple demands from Liberty to respond to discovery. Yet even after the filing of the instant Motion, Ms. Gao has still failed to respond. Ms. Gao even goes so far as to accuse Liberty of causing delay by not previously filing a motion to compel discovery responses. The Court's finding that Ms. Gao deliberately refused to respond to discovery as a litigation tactic further bolsters the conclusion that less drastic sanctions would be ineffective. This factor weighs strongly in favor of imposing terminating sanctions.

There is no merit to Ms. Gao's argument that the Motion must be denied based on Liberty's alleged failure to meet and confer under Civil Rule 37(d)(1)(B) prior to filing the Motion. Liberty demanded that Ms. Gao respond to discovery on multiple occasions, and warned that it would seek sanctions if Ms. Gao failed to do so. Accordingly, Liberty has substantially complied with Civil Rule 37(d)(1)(B).

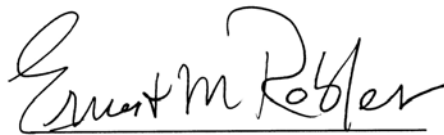
Liberty has not propounded discovery upon East Heights, the other defendant in this action. Default cannot be entered against East Heights based upon Ms. Gao's failure to respond to discovery propounded upon her. However, entry of judgment against Ms. Gao logically compels the entry of judgment against East Heights. The primary issues in this litigation are whether it is Ms. Gao or Liberty who is the sole equity interest holder in East Heights, and whether Ms. Gao holds an indirect ownership interest in the Properties to which East Heights holds title. A judgment against Ms. Gao that she holds no equity interest in East Heights, that she holds no ownership interest in the Properties, and that Liberty is the sole equity interest holder in East Heights necessarily requires a corresponding judgment that East Heights holds the Properties in constructive trust for the benefit of Liberty.

Based upon the foregoing, the Court will strike Ms. Gao's answer and enter default judgment against Ms. Gao as a discovery sanction. As the judgment against Ms. Gao logically compels a corresponding judgment against East Heights, judgment against East Heights will be entered as well.

Liberty shall submit a conforming judgment within seven days of the issuance of this Memorandum of Decision.

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Date: May 17, 2017

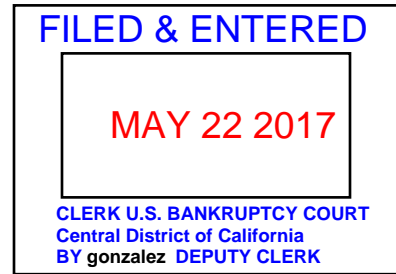
A handwritten signature in black ink, reading "Ernest M. Robles". The signature is written in a cursive style with a horizontal line underneath the name.

Ernest M. Robles  
United States Bankruptcy Judge

**EXHIBIT “2”**



1 Jeremy V. Richards (CA SBN 102300)  
2 Gail S. Greenwood (CA SBN 169939)  
3 PACHULSKI STANG ZIEHL & JONES LLP  
4 10100 Santa Monica Blvd., 13th Floor  
5 Los Angeles, CA 90067  
6 Telephone: 310/277-6910  
7 Facsimile: 310/201-0760  
8 E-mail: jrichards@pszjlaw.com  
9 ggreenwood@pszjlaw.com



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

12 **UNITED STATES BANKRUPTCY COURT** **CHANGES MADE BY COURT**  
13 **CENTRAL DISTRICT OF CALIFORNIA**  
14 **LOS ANGELES DIVISION**

15 In re:  
16 LIBERTY ASSET MANAGEMENT  
17 CORPORATION, a California corporation,  
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19 Debtor and  
20 Debtor in Possession.  
21  
22 LIBERTY ASSET MANAGEMENT  
23 CORPORATION, a California corporation,  
24  
25 Plaintiff  
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27 vs.  
28 EAST HEIGHTS LLC, a California corporation;  
LUCY GAO, an individual,  
Defendants.

Case No.: 2:16-bk-13575-ER  
Chapter 11  
  
Adv. No. 2:16-ap-01141-ER  
Jointly Administered

**JUDGMENT**

22 The Official Committee of Unsecured Creditors (“Committee”) of Liberty Asset  
23 Management Corporation (“Liberty”) filed a *Motion to Strike Defendants’ Answers and Enter*  
24 *Default Judgment* (“Motion”), which was set for hearing on May 16, 2017 at 11:00 a.m.  
25 Appearances were made as noted on the record. Having reviewed the Motion, all of the pleadings  
26 filed in support thereof, and in opposition thereto, and heard the arguments of counsel, the Court  
27 took its tentative ruling under submission. On May 17, 2017, the Court issued a Memorandum of  
28

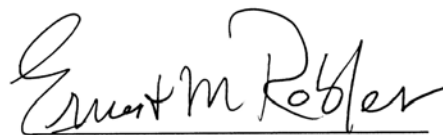
1 Decision Imposing Terminating Sanctions Against Lucy Gao (the “Decision”) [Doc. No. 52]. For  
2 the reasons set forth in the Decision,

3 **IT IS HEREBY ADJUDGED:**

- 4 1. Judgment is entered against Lucy Gao and in favor of the Committee declaring that  
5 a. Lucy Gao holds no interest in East Heights LLC and Liberty is the holder of all  
6 membership interests; and  
7 b. Lucy Gao holds no legal or equitable ownership interest in real property located at  
8 1001 East Road, La Habra, California 90631 or 3808 Hollins Avenue, Claremont,  
9 California 91791(collectively, the “Properties”).  
10 2. Judgment is entered against East Heights LLC declaring that all legal and equitable  
11 ownership interest in the Properties is held in constructive trust for the benefit of  
12 Liberty.

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24 Date: May 22, 2017



Ernest M. Robles  
United States Bankruptcy Judge

**EXHIBIT “3”**



ESCROW SERVICES, INC.

415 N. Crescent Drive, Suite 320  
Beverly Hills, CA 90210

Phone: (310) 550-6055  
Fax: (310) 550-6130

Antonia Delgado  
Sr. Escrow Officer

Date: September 5, 2017  
Escrow No.: 104100-AA

Property Address: 3808 Hollins Ave., Claremont, CA 91711

**INSTRUCTIONS TO PAY COMMISSION**

At the close of your above-numbered escrow, you are authorized and instructed to pay the following:

Pay Commission to Coldwell Banker \$26,250.00  
8840 S. Sepulveda Blvd.  
Los Angeles, CA 90045  
Agent: Bill Friedman

\*Commission based on 1.250% of the sales price.

Pay Commission to Coldwell Banker \$26,250.00  
840 Newport Center Drive, Ste.  
100  
Newport Beach, CA 92660  
Agent: Gregory Bingham

\*Commission based on 1.250% of the sales price.

Pay Commission to \$52,500.00  
1247 Foxford Road  
La Verne, CA, 91750  
Agent: Kiran Koneru

\*Commission based on 2.500% of the sales price.

TOTAL COMMISSION \$105,000.00

This instruction irrevocably assigns the above stated commission to the above named Broker(s). This instruction may not be amended or revoked without the written consent of the Broker(s) hereinabove named.

**SELLERS:**

East Heights, LLC, a California Limited Liability  
Company

By: \_\_\_\_\_  
Lawrence Perkins, Manager

**BROKERS:**

Coldwell Banker

BY: \_\_\_\_\_

Date: September 5, 2017

Escrow No.: 104100-AA

Authorized Signature

License # \_\_\_\_\_

Coldwell Banker

BY: \_\_\_\_\_

Authorized Signature

License # \_\_\_\_\_



415 N. Crescent Drive, Suite 320  
Beverly Hills, CA 90210

Phone: (310) 550-6055  
Fax: (310) 550-6130

**A & A ESCROW SERVICES, INC. IS LICENSED BY THE DEPARTMENT OF BUSINESS OVERSIGHT  
OF THE STATE OF CALIFORNIA, LICENSE NUMBER 963 2597**

**ADDENDUM TO RESIDENTIAL PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS DATED  
AUGUST 26, 2017 AND SELLER MULTIPLE COUNTER OFFER NO. 1 DATED AUGUST 29, 2017 AND BUYER  
COUNTER OFFER NO. 1 DATED AUGUST 31, 2017**

Antonia Delgado  
Sr. Escrow Officer

**Escrow No.:** 104100-AA  
**Date:** September 1, 2017

We, the undersigned, hand you a copy of the Residential Purchase Agreement and Joint Escrow Instructions dated August 26, 2017 and Seller Multiple Counter Offer No. 1 dated August 29, 2017 and Buyer Counter Offer No. 1 dated August 31, 2017 original(s) of which has/have been executed by all parties and retained by broker).

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|   |              |
|---|--------------|
| Buyer has handed A & A ESCROW SERVICES, INC. initial deposit in the amount of | 100,000.00   |
| Prior to close of escrow, buyer will deposit an additional amount of          | 2,088,000.00 |

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|                            |                       |
|----------------------------|-----------------------|
| <b>Total Consideration</b> | <b>\$2,188,000.00</b> |
|----------------------------|-----------------------|

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I/We will deliver to you any instruments which this escrow requires, fully executed, all of which you are instructed to use provided that you hold a policy of title insurance issued by **First American Title Company** with a liability of **\$2,188,000.00** covering property:

LEGAL DESCRIPTION AS FURNISHED BY INSURING TITLE COMPANY

**SELLER STATES THAT THE PROPERTY ADDRESS IS:** 3808 Hollins Ave., Claremont, CA 91711

**TITLE POLICY TO SHOW TITLE VESTED IN:** Kumar Koneru (exact vesting to be furnished in writing as soon as possible to provide for the drawing of necessary documents)

**FREE FROM ENCUMBRANCES EXCEPT:**

- (1) All General and special Taxes for the fiscal year , including bonds, special assessments, assessed against former owner, and/or supplemental taxes assessed pursuant to the provisions of Chapter 498, Statutes of the State of California. (Change of Ownership will affect the taxes to be paid. A Supplemental Tax Bill will be issued and BUYER accepts all responsibility for all additional taxes due because of said reassessment. TAX BILLS ISSUED AFTER THE CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYERS AND SELLERS.)

**SELLERS:**

**BUYERS:**

East Heights, LLC, a California Limited Liability Company

Kumar Koneru

By:

Lawrence Perkins, Manager

Date: September 1, 2017

Escrow No.: 104100-AA

Page 2 of 13: Additional instructions made a part of previous pages as fully incorporated therein.

- (2) Covenants, conditions, restrictions, reservations, rights, rights of way, and easements, and any oil, gas, or mineral reservations now of record, if any.

**INSTRUCTIONS**

- A. **CLOSING FUNDS:** Each party acknowledges that the close of escrow is conditioned on check clearances. Funds to close must be in the form of a Cashier's Check drawn on a bank with clearing house in the State of California OR a wire transfer to A & A ESCROW SERVICES, INC. Trust Account, and be deposited at least (2) two business days prior to recording of documents.
- B. **1099 FORM:** If required by law, the seller shall hand to Escrow Holder an IRS 1099 gross proceeds report, which you are to forward to the IRS in accordance with the law, and a copy thereof is to be delivered to the seller at the close of escrow. This is NOT in lieu of any tax withholding which may become applicable under FIRPTA. ESCROW HOLDER IS AUTHORIZED AND INSTRUCTED TO INSERT BUYER'S PART OF REAL ESTATE TAX PAID, OVER THE SIGNATURE OF THE SELLER, ON SAID 1099, AT THE CLOSE OF ESCROW WITHOUT ANY LIABILITY ON THE PART OF ESCROW HOLDER FOR SO DOING.
- C. **IN THE EVENT EITHER PARTY REQUESTS CANCELLATION OF THIS ESCROW AT ANY TIME, ALL PARTIES ARE AWARE THAT THIS ESCROW WILL NOT BE CONSIDERED CANCELLED, AND NO FUNDS WILL BE DISBURSED UNTIL ESCROW HOLDER HAS RECEIVED MUTUALLY SIGNED CANCELLATION INSTRUCTIONS FROM BUYERS AND SELLER.**
- D. **PRORATIONS:** Prorate as of Close of Escrow
  - Real Property taxes based on latest tax bill or on amount furnished by title company.

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THESE ESCROW INSTRUCTIONS ARE NOT INTENDED TO SUPERSEDE THE REAL ESTATE PURCHASE CONTRACT AND RECEIPT FOR DEPOSIT, BUT TO CARRY OUT ITS TERMS AND CONDITIONS IN CONSUMMATING THE PURCHASE AND SALE, EXCEPT AS MAY BE AMENDED OR MODIFIED BY THE MUTUAL WRITTEN INSTRUCTIONS OF THE PARTIES.

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

**SELLERS:**

East Heights, LLC, a California Limited Liability Company

By: \_\_\_\_\_  
Lawrence Perkins, Manager

**BUYERS:**

\_\_\_\_\_  
Kumar Koneru

Date: September 1, 2017

Escrow No.: 104100-AA

Page 3 of 13: Additional instructions made a part of previous pages as fully incorporated therein.

### GENERAL PROVISIONS

- 1. AGREEMENT TO BE BOUND BY GENERAL PROVISIONS:** The Parties agree to execute these instructions and any supplemental instructions presented by Escrow Holder confirming their agreement to be bound to any additional terms and conditions of Escrow Holder, including Escrow Holder's general provisions, and authorize Escrow Holder to resign from processing this escrow transaction if mutual agreement cannot be reached between the Parties and Escrow Holder relative to the terms and conditions of Escrow Holder's duty.
- 2. COMMENCEMENT OF ESCROW HOLDER DUTY:** This escrow transaction is deemed open, and Escrow Holder's duty commences, upon receipt of mutual or matching escrow instructions, signed by all Parties and the initial, good faith deposit are deposited with Escrow Holder. Said escrow instructions shall be incorporated in the purchase agreement or, if the purchase agreement does not include escrow instructions or no purchase agreement is entered into by the Parties, shall be drafted by Escrow Holder at the direction of the Parties.
- 3. DUTIES OF ESCROW HOLDER:** The Parties agree that Escrow Holder has only those responsibilities inherent of an escrow service provider and that there are no other legal relationships established between Escrow Holder and the Parties by way of this escrow transaction. Those duties are limited to the safekeeping of such money and documents received by Escrow Holder and for the disposition and/or disbursement of same in accordance with the written instructions accepted by Escrow Holder in this Escrow. Escrow Holder shall not be liable for any damages, losses, costs, or expenses incurred by any Party in the handling and processing of this escrow transaction as a result of any act or failure to act made or omitted in good faith or for any action taken that Escrow Holder shall in good faith believe to be genuine, excepting such as may arise through or be caused by Escrow Holder's willful neglect or gross misconduct.
- 4. PROMISE TO PAY AND INDEMNIFY:** The Parties hereby jointly and severally promise and agree to pay promptly on demand, as well as to indemnify Escrow Holder and hold Escrow Holder harmless from and against all litigation and interpleader costs, damages, judgments, attorney's fees, expenses, obligations, and liability of every kind which in good faith Escrow Holder may incur or suffer in connection with or arising out of this escrow transaction, whether said litigation, interpleader, obligation, liability or expense arises during the performance of this escrow transaction or subsequent thereto, directly or indirectly. The Parties agree to pay Escrow Holder a reasonable fee for all time spent by officers or employees of Escrow Holder in connection with any dispute resolution action taken relative to this escrow transaction including but not limited to time spent researching, reviewing and/or testifying relative thereto.
- 5. ATTORNEY'S FEES: IF ESCROW HOLDER REQUIRED TO RESPOND TO ANY LEGAL SUMMONS OR PROCEEDING OR IF ANY ACTION IN INTERPLEADER OR DECLARATORY RELIEF IS BROUGHT BY OR AGAINST ESCROW HOLDER, THE PARTIES JOINTLY AND SEVERALLY AGREE TO PAY ALL COSTS, EXPENSES AND REASONABLE ATTORNEY'S FEES EXPENDED OR INCURRED BY ESCROW HOLDER. A LIEN IS HEREBY CREATED IN ESCROW HOLDER'S FAVOR TO COVER SAID ITEMS.**

**IN THE EVENT ANY PARTY TO THIS ESCROW TRANSACTION, OR ESCROW HOLDER, INSTITUTES OR DEFENDS ANY LITIGATION ARISING OUT OF THIS ESCROW TRANSACTION, AT LAW OR IN EQUITY, THE PREVAILING PARTY, AS DETERMINED BY THE COURT, SHALL, IN ADDITION TO SUCH OTHER RELIEF AS MAY BE AWARDED, BE ENTITLED TO RECOVER REASONABLE ATTORNEYS' FEES, COSTS, AND EXPENSES OF SUCH LITIGATION.**

If any party to this transaction shall require any of the officers, agents, and/or employees of Escrow to respond to any subpoena or other order to appear in the action or proceeding in which Escrow's breach or fault is not an issue, the party requiring such appearance agrees to indemnify and hold Escrow harmless from and against all costs, expenses and reasonable attorneys' fee expended or incurred by Escrow in connection with such appearance. The party requiring such

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\_\_\_\_\_  
Kumar Koneru

By:

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Date: September 1, 2017

Escrow No.: 104100-AA

Page 4 of 13: Additional instructions made a part of previous pages as fully incorporated therein.

appearance shall pay to Escrow of such officer, agent or employee, in addition to the amounts from time to time provided by law, the sum of \$300.00 as witness fees for each day or part thereof that the officer, agents or employees attend of Escrow is actually required to attend. As a condition precedent to the obligation of Escrow and the obligation of any of its officers, agents or employees attend pursuant to such subpoena or order, the party requiring such appearance shall, concurrently with the service of the subpoena or order, pay to the party required to attend to fee to which he or it is entitled hereunder for one (1) day's actual attendance.

**6. UNJUST ENRICHMENT:** In the event any Party to this escrow transaction received funds or is credited funds to which they are not entitled, said Party agrees, upon written demand, to return said funds immediately to escrow for correct disbursement.

**7. DEPOSIT OF FUNDS:** Escrow Holder is instructed to deposit all funds received by Escrow Holder with any state or national bank in a trust account in the name of Escrow Holder, without any liability for payment of interest. All deposits made by personal check, cashier's check, certified check, or deposit other than wire transfer are subject to clearance and payment by the financial institution upon which they are drawn. Funds deposited with Escrow Holder in the form of check or similar instrument will be identified as collected funds when the Escrow Holder's financial institution confirms that the funds are available for disbursement.

**BE ADVISED THAT CYBER CRIMINALS ARE USING PHISHING TECHNIQUES (AKA USING THE INTERNET TO ACQUIRE SENSITIVE INFORMATION SUCH AS USERNAMES, PASSWORDS, AND CREDIT CARD DETAILS AND SOMETIMES, INDIRECTLY, MONEY, OFTEN FOR MALICIOUS REASONS, BY MASQUERADING AS A TRUSTWORTHY ENTITY IN AN ELECTRONIC COMMUNICATION) TO TRY AND DIVERT WIRES COMING INTO AND GOING OUT OF ESCROW COMPANIES. TO AVOID SUCH SCAMS, PRIOR TO SENDING ANY WIRE TO ESCROW HOLDER, THE WIRING PARTY MUST CONTACT ESCROW HOLDER TO CONFIRM THE APPROPRIATE WIRING INSTRUCTIONS.**

**8. GOOD FUNDS LAW:** Pursuant to California Insurance Code Section 12413.1, known as the Good Funds Law, the Parties hereto are made aware that closing funds deposited by the Parties and/or lender must be cleared funds prior to close of escrow. This law places some very specific constraints upon the time frames for funds to be made available for disbursement. Close of escrow cannot occur before funds are cleared and immediately collectible and available for withdrawal, which clearance can range from being immediately available upon receipt to seven (7) days depending on the form deposit. The Parties hereby release Escrow Holder of any responsibility, claim, and/or liability in connection with such a delay caused by the manner in which closing funds or lender's funds are deposited.

**9. RELEASE OF FUNDS:** In the event the Parties to this escrow transaction instruct Escrow Holder to release funds prior to close of escrow, regardless of the fact that this escrow transaction has not closed and/or documents are not yet recorded, the Parties hereby release, relieve, indemnify and agree to hold harmless Escrow Holder from any and all liability and/or responsibility, both legally and equitably, which may arise, including but not limited to any legal actions, attorney's fees, costs or claims of any kind, either now, during the course of this escrow transaction, or subsequent to the close of this escrow transaction by reason of Escrow Holder complying with said release of funds, and Escrow Holder shall not be responsible to assist in the recovery of same in the event that this escrow transaction is not consummated. Escrow Holder is authorized to release funds, if applicable, from money on deposit to pay for any credit report, appraisal, City Report, lender, or association statement, demand, transfer fees or documents which may be required to be paid in advance of closing. Funds released prior to the close of escrow are non-refundable regardless of the consummation of this escrow.

**10. COSTS AND CHARGES:** From funds due Seller at the close of escrow, deduct and pay encumbrances of record, plus accrued interest, charges and prepayment penalties, if any, bonds and/or assessments, and any delinquent

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Kumar Koneru

Date: September 1, 2017

Escrow No.: 104100-AA

Page 5 of 13: Additional instructions made a part of previous pages as fully incorporated therein.

monthly installment(s) on existing encumbrance(s) as disclosed by beneficiary statement(s), and any county and/or city transfer fees, costs and charges in this transaction which may include, but are not limited to: the Owner's Policy of title insurance, documentary transfer tax, reconveyance fees, recording fee's, Seller's customary escrow fees, fees for preparation, notarization and recording of documents as necessary on Seller's behalf, wire fees, messenger and overnight delivery fees, Seller's portion of the sub-escrow fee, and Broker compensation as per separate agreement.

Buyer agrees to pay all Buyer's usual costs and charges in this transaction which may include, but are not limited to: Buyer's customary escrow fees, document preparation fees, email document fees, wire fees, messenger and overnight delivery fees, all fees and charges in connection with the new loan(s), Buyer's portion of the sub-escrow fee, recording charges, and inspection fees.

**11. ARCHIVE FEE:** The Parties are advised that Escrow Holder charges an archive fee of \$38.00 for each refinance escrow transactions charged to the borrower, \$58.00 for each sale transactions (\$29.00 each to buyer and seller) and \$8.00 for any file that cancels for the purpose of managing and maintaining records of this escrow transaction as required by California law.

**12. STATUTE OF LIMITATIONS:** These instructions are to be construed and interpreted according to California Law. NO ACTION SHALL LIE AGAINST ESCROW HOLDER FOR ANY CLAIM, LOSS, LIABILITY OR ALLEGED CAUSE OF ACTION OF ANY KIND OR NATURE WHATSOEVER, HOWEVER CAUSED OR OCCURRED, IN THIS ESCROW TRANSACTION OR IN CONNECTION WITH THE HANDLING OR PROCESSING OF THIS ESCROW TRANSACTION, UNLESS BROUGHT WITHIN TWELVE (12) MONTHS AFTER THE CLOSE OF ESCROW OR ANY CANCELLATION OR TERMINATION OF ESCROW FOR ANY REASON WHATSOEVER.

**13. WRITTEN INSTRUCTIONS REQUIRED:** Pursuant to California Civil Code Section 1624, no notice, demand, supplemental escrow instruction, or amendment of the escrow instructions (hereinafter collectively "supplemental instructions") shall be effective unless given in writing by the Parties affected thereby. Escrow Holder shall not act upon or consider such supplemental instruction to have any validity until same is fully executed and delivered to Escrow Holder by all Parties concerned.

**14. AUTHORIZATION TO ACCEPT ELECTRONIC SIGNATURES AND DOCUMENTS:** In accordance with California's Uniform Electronic Transactions Act (the "Act"), the Parties hereby authorize Escrow Holder to accept electronic and/or digital signatures and records, transmitted via facsimile or other electronic means (collectively "electronic signatures") into this escrow as originals. The Parties expressly agree that this transaction can be conducted electronically, at the option of the Parties, to the fullest extent possible under the Act and recording laws. The Parties agree to transmit original, wet signatures on (1) all documents to be recorded, (2) all documents excluded from being enforceable under the Act, and (3) all documents required to be in original form by any regulatory agency. The Parties agree to verify any and all electronic signatures upon request of Escrow Holder.

**15. ACTS OUTSIDE OF ESCROW AND MEMORANDA ITEMS:** Whenever provision is made herein for the payment of any sum, the delivery of any document, or the performance of any act "outside of escrow", Escrow Holder shall have no responsibility therefor, shall not be concerned therewith, and is specifically relieved of any obligation relative thereto. Escrow Holder is expressly instructed not to act upon or be concerned with or liable for those items designated in the purchase agreement, escrow instructions, or supplemental instructions as memoranda items between the Parties, nor any other agreement between the Parties not expressly addressed to Escrow Holder in the form of a supplemental instruction.

**16. NO DUTY TO DISCLOSE OR INSPECT:** Escrow Holder's sole duty relative to disclosures shall be the payment of invoices presented to Escrow Holder. Escrow Holder is not to be concerned with the giving of any disclosures except as expressly required to be given by an escrow service provider pursuant to Federal or State law, including but not limited

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Date: September 1, 2017

Escrow No.: 104100-AA

Page 6 of 13: Additional instructions made a part of previous pages as fully incorporated therein.

to those disclosures related to lending, zoning, land division, property condition, or usury. Neither will Escrow Holder conduct any lien search or title searches relative to personal property in connection with the sale or transfer of personal property through this escrow transaction, if any. Escrow Holder urges the Parties to seek appropriate counsel from an attorney or licensed broker to ascertain what disclosures and/or laws, if any, need to be complied with prior to close of escrow. The Parties jointly and severally agree to indemnify and hold harmless Escrow Holder by reason of any misrepresentation or omission by a Party or agents or failure of the Parties to this escrow transaction to comply with the rules and/or regulations of any governmental agency, whether state, federal, county, municipal, or otherwise and Escrow Holder is not to be concerned with enforcement of same. If presented with an invoice in connection with any disclosure Escrow Holder is authorized to pay same without further instructions. Escrow Holder will make no physical inspection of the real property and/or personal property that is the subject of this escrow transaction, and Escrow Holder is not to be concerned with or liable for the condition of same.

**17. FEDERAL TAX REPORTING:** The Parties acknowledge their awareness of the fact that, upon transfer of property, Escrow Holder must provide information pertaining to the escrow transaction to the Internal Revenue Service as required by Internal Revenue Code Section 6045(e) relative to the production of 1099 forms. The Parties agree to provide Escrow Holder all information necessary to produce the tax reporting documentation in compliance with Federal Law.

**18. FEDERAL TAX WITHHOLDING:** The sale of a U.S. real property interest by a foreign person is subject to the Foreign Investment in Real Property Tax Act of 1980 ("FIRPTA") income tax withholding. This law authorizes the United States to tax foreign persons on the sale of U.S. real property interests. Persons purchasing U.S. real property interests from foreign persons, certain purchasers' agents, and settlement officers may be required to withhold a portion of the amount realized. Withholding is intended to ensure U.S. taxation of gains realized on disposition of such interests. The purchaser is liable if the withholding is not made when required. The Parties agree to execute and deliver to Escrow Holder any instrument, affidavit and statement or to perform any act reasonably necessary to carry out the provisions of FIRPTA and regulations promulgated thereunder.

**19. STATE TAX WITHHOLDING:** The following disclosure is being provided pursuant to California law for all escrow transactions wherein a transfer of title is being completed as part of the escrow transaction. In accordance with Section 18662 of the Revenue and Taxation Code, a buyer may be required to withhold an amount equal to 3½ percent of the sales price, or an optional gain on sale withholding amount certified by the seller in the case of a disposition of California real property interest by either: (a) A seller who is an individual, trust, estate, or when the disbursement instructions authorize the proceeds to be sent to a financial intermediary of the sellers; or (b) A corporate seller that has no permanent place of business in California immediately after the transfer of title to the California property. The buyer may become subject to penalty for failure to withhold an amount equal to the greater of 10 percent of the amount required to be withheld or five hundred dollars (\$500). However, notwithstanding any other provision included in the California statutes referenced above, no buyer will be required to withhold any amount or be subject to penalty for failure to withhold if any of the following apply: (a) The sale price of the California real property conveyed does not exceed one hundred thousand dollars (\$100,000); (b) The seller executes a written certificate, under the penalty of perjury, certifying that the seller is a corporation with a permanent place of business in California; (c) The seller, who is an individual, trust, estate, or a corporation without a permanent place of business in California, executes a written certificate, under the penalty of perjury, of any of the following: (i) The California real property being conveyed is the seller's or decedent's principal residence (within the meaning of Section 121 of the Internal Revenue Code (IRC)); (ii) The last use of the property being conveyed was use by the transferor as the transferor's principal residence (within the meaning of IRC Section 121); (iii) The California real property being conveyed is, or will be, exchanged for property of like kind (within the meaning of IRC Section 1031), but only to the extent of the amount of gain not required to be recognized for California income tax purposes under IRC Section 1031; (iv) The California real property has been compulsorily or involuntarily converted (within the meaning of IRC Section 1033) and the seller intends to acquire property similar or related in service or use so as to be eligible for nonrecognition of gain for California income tax purposes under IRC Section 1033; or (v) The

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Escrow No.: 104100-AA

Page 7 of 13: Additional instructions made a part of previous pages as fully incorporated therein.

California real property transaction will result in a loss or net gain not required to be recognized for California income tax purposes. The seller is subject to penalty for knowingly filing a fraudulent certificate for the purpose of avoiding the withholding requirement.

**20. SUPPLEMENTAL PROPERTY TAXES: PURSUANT TO CALIFORNIA CIVIL CODE SECTION 1102.6C, THE FOLLOWING DISCLOSURE IS HEREBY PROVIDED: "CALIFORNIA PROPERTY TAX LAW REQUIRES THE ASSESSOR TO REVALUE REAL PROPERTY AT THE TIME THE OWNERSHIP OF THE PROPERTY CHANGES. BECAUSE OF THIS LAW, YOU MAY RECEIVE ONE OR TWO SUPPLEMENTAL TAX BILLS, DEPENDING ON WHEN YOUR LOAN CLOSSES. THE SUPPLEMENTAL TAX BILLS ARE NOT MAILED TO YOUR LENDER. IF YOU HAVE ARRANGED FOR YOUR PROPERTY TAX PAYMENTS TO BE PAID THROUGH AN IMPOUND ACCOUNT, THE SUPPLEMENTAL TAX BILLS WILL NOT BE PAID BY YOUR LENDER. IT IS YOUR RESPONSIBILITY TO PAY THESE SUPPLEMENTAL BILLS DIRECTLY TO THE TAX COLLECTOR. IF YOU HAVE ANY QUESTIONS CONCERNING THIS MATTER, PLEASE CALL YOUR LOCAL TAX COLLECTOR'S OFFICE."**

If there is an impound account for taxes, the borrower is advised to inquire with the lender to determine if the supplemental tax bill will be paid by the lender from the impound account. Tax bills issued AFTER the close of escrow shall be handled or prorated directly between the Parties outside of escrow. Escrow Holder shall prorate taxes at the close of escrow based on the latest available tax statement and is relieved of any and all liability for taxes and/or prorations necessary after close of escrow as a result of supplemental tax bills issued by the tax assessor.

**21. PRELIMINARY CHANGE OF OWNERSHIP REPORT:** California Revenue and Taxation Code Section 480.3 requires that a Preliminary Change of Ownership Report be completed and certified by the transferee and filed concurrently with the recording of any document that reflects a change of ownership in real property. The Parties herein agree to complete and sign said report and deliver same to Escrow Holder for filing, as necessary. The Parties understands and acknowledges that the recorder's office may charge a non-refundable fee of twenty dollars (\$20.00) should the fully completed/certified report not accompany the conveyance document. If the recorder's office charges such a fee, the Party benefitted by the recording of the transfer document shall be charged the fee at close of escrow. In such event, a Standard Change of Ownership Statement will be mailed to the transferee by the office of the county assessor. Further, if Buyer fails to file said form upon the request of the county assessor after the close of escrow, severe penalties may be assessed against the Buyer.

**22. EXCHANGE TRANSACTIONS:** In any escrow transaction wherein one or more of the Parties is performing a 1031 Exchange transaction, all references to Seller and Buyer shall respectively be amended to read Exchangor and Exchangee, where necessary and appropriate.

**23. PROPRIETARY INFORMATION:** Escrow Holder is relieved of any duty, responsibility, and/or liability relative to disclosure of the proprietary information of the Parties and/or agents to this or any other escrow transaction. Such propriety information includes, but is not limited to, any (A) sale, resale, loan, exchange, or other transaction involving the real property and/or personal property that is the subject of this escrow transaction or (B) benefit, including but not limited to financial gain or profit, involving the real property and/or personal property that is the subject of this escrow transaction. Escrow Holder shall be relived of any and all liability if such proprietary information is disclosed as necessary for Escrow Holder to comply with the instructions of the Parties or if requested by a lender, agent, governmental agency, or any other entity entitled to such propriety information. Escrow Holder is specifically authorized to furnish copies of all escrow instructions, amendments thereto, preliminary title reports, closing statements and/or related documentation to the agents and/or attorneys representing any party to this escrow transaction, as may be requested by them, without obtaining any further authorization from Buyer or Seller.

**24. NOTIFICATION OF DISHONORED CHECKS:** If any check submitted to Escrow Holder is dishonored upon

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Escrow No.: 104100-AA

Page 8 of 13: Additional instructions made a part of previous pages as fully incorporated therein.

presentment for payment, Escrow Holder is authorized to notify all Parties and/or their respective agents of such nonpayment. The Party receiving credit for the deposit agrees to pay a reasonable fee to Escrow Holder for the returned check.

**25. ACCEPTANCE AND VERACITY OF SIGNATURES:** Escrow Holder shall not be responsible or liable in any manner for the sufficiency or correctness as to form, manner of execution, or validity of any document deposited with Escrow Holder relative to the identity, authority, or rights of any person executing the same. All signatures submitted into this escrow transaction shall be construed as unconditional approval of the within document as to form, content, terms, and conditions. Escrow Holder shall have no obligation to verify, and will not verify, the authenticity of any signature on any document made relative to this escrow transaction. Escrow Holder shall not be liable or responsible for any loss that may occur because of forgeries, fraud, or false representations made or involving the Parties to this escrow transaction, any third Parties, the agents or any other person or entity.

**26. ACCEPTABILITY OF COUNTERPARTS:** These instructions may be executed in counterparts, each of which shall be deemed an original regardless of the date of its execution and delivery. All such counterparts together shall constitute one and same document.

**27. STANDARDIZED FORMS:** Escrow Holder is to use Escrow Holder's usual document forms or the usual forms of any reliable forms company or any title company and in the instructions insert dates and terms on the instruments if incomplete when executed. Excepting Escrow Holder's own form, Escrow Holder shall not be liable for the correctness or sufficiency of such standardized preprinted forms.

**28. NEW FINANCING:** Escrow Holder is not to be responsible or concerned with the terms of any new financing obtained by Buyer or the contents of any loan documents. Escrow shall have no liability or responsibility relative to the new financing except to order transmission of loan documents to Escrow Holder, transmit the loan documents to the appropriate Parties for execution, and transmit the executed loan documents to the lender. The Parties understand and agree that Escrow Holder is not involved or concerned with the approval or processing of any loan or the contents and effect of any loan documents prepared by a lender. Escrow Holder is not responsible for any lender's instructions which require Escrow Holder to perform obligation or duties beyond those required by law or which requires Escrow Holder to assume liability for the lender's regulatory duties and responsibilities. Further, Escrow Holder shall have no obligation to agree to instructions from a lender which threaten to transfer liability or penalize Escrow Holder.

**29. MASTER/DUAL CLOSING STATEMENT:** The Parties are hereby made aware that certain lenders may require a copy of the Master/Dual Closing Statement, Seller Closing Disclosure and/or records showing all deposits and disbursements occurring as part of this escrow transaction. Escrow Holder is hereby authorized and instructed by the Parties to release the Master/Dual Closing Statement and other lender requested document as required. Said information may be disclosed to the Buyer as part of the Buyer's Closing Disclosure by the lender.

**30. RESPA GUIDELINES:** The undersigned Parties acknowledge that in order for Escrow Holder to comply with the Real Estate Settlement Procedures Act ("RESPA") some of the costs and charges may need to be itemized on the lending disclosures in a fashion that differs from the terms agreed to by the parties. Said costs and charges may include, but are not limited to, the title policy fees and documentary transfer taxes. Escrow Holder is hereby authorized and instructed to comply with these RESPA guidelines, as necessary. Said charges and credits shall not change the amount of any other credits between the Parties.

**31. PROPERTY INSURANCE:** Excluding transactions whereby the subject property is a parcel of vacant land, Buyer is made aware that, prior to close of escrow, property insurance coverage should be obtained with sufficient liability and replacement cost. If the Buyer is obtaining new financing insurance coverage will be a condition of the loan prior to

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Date: September 1, 2017

Escrow No.: 104100-AA

Page 9 of 13: Additional instructions made a part of previous pages as fully incorporated therein.

funding. Buyer shall deposit sufficient funds to pay for the first year's premium per invoice submitted by insurance agent. In the event subject property is covered by a blanket master policy of insurance, Escrow Holder is to order a certificate thereof for the Buyer and order loss payable endorsements for beneficiaries of trust deeds being recorded herein. Should Buyer desire fire insurance on personal property, they are to obtain same outside of escrow. If Buyer is purchasing the subject property as an all cash transaction, without financing, Escrow Holder shall have no responsibility whatsoever to order a certificate of insurance.

**32. ASSIGNMENT OF PROPERTY INSURANCE:** Seller represents and warrants, and Escrow Holder shall be fully protected in assuming that, as to any property insurance policy handed to Escrow Holder, such policy is in force, has not be hypothecated, and that all necessary premiums therefore have been paid. Escrow Holder will transmit for assignment, any insurance policy handed Escrow for use in this escrow transaction, but Escrow Holder shall not be responsible for verifying the acceptance of the assignment and policy by the insurance company. ESCROW HOLDER WILL MAKE NO ATTEMPT TO VERIFY THE RECEIPT OF THE REQUEST FOR ASSIGNMENT BY THE ISSUING COMPANY. The Buyer is hereby placed on notice that if the insurance company should fail to receive said assignment, the issuing company may deny coverage for any loss suffered by Buyer. IT IS THE OBLIGATION OF THE BUYER OR HIS REPRESENTATIVE TO VERIFY THE ACCEPTANCE OF THE ASSIGNMENT OF THE POLICY BY THE ISSUING COMPANY.

**33. TITLE INSURANCE:** Escrow Holder shall order title insurance from the title company designated by the Parties. If requested in writing by the mutual instructions of the Parties or upon the request of any lender, Escrow Holder shall provide copies of the preliminary report of title to them without liability as to its contents. The Parties acknowledge that the title insurance policies to be issued by the title company shall be delivered directly from the designated title company to the appropriate Parties after the close of escrow. The Parties agree that matters regarding that title insurance are between the title company and the insured Party and not Escrow Holder.

**34. AUTHORIZATION TO USE SUB-ESCROW AGENT:** Escrow Holder is authorized to use the title company as a sub-escrow agent for the handling of funds and documents in this escrow transaction. Escrow Holder is to comply with all sub-escrow agent's instructions and requirements, and Escrow Holder is authorized to deliver funds or documents to said sub-escrow agent at any time during the course of this escrow transaction as Escrow Holder deems appropriate. The Parties agree to pay the fee for such sub-escrow service as charged by the title company.

**35. BENEFICIARY DEMANDS AND STATEMENTS:** From funds due, Escrow Holder is authorized to pay at the close of escrow, any encumbrances of record, plus accrued interest, charges and bonus if any, and/or pay any delinquent monthly installments(s) on existing encumbrance(s) as disclosed by a beneficiary demand or statement without additional approval. Should a Party wish to pre approve any such beneficiary demand or statement, the Party shall deliver separate and specific written instruction to Escrow Holder prior to the close of escrow. Escrow Holder is not responsible for the contents or accuracy of any beneficiary demand or statement delivered to Escrow Holder by the beneficiary. The Parties are aware that payoffs of encumbrances are done by the insuring title company, not Escrow Holder, and agree to seek any redress directly from the beneficiary and/or title company should a dispute arise regarding said payoff. The Parties are aware some lenders require payment of loans to offices outside of the area and/or outside of the state. The Parties are advised that interest will continue to accrue on any outstanding loans until the loan is paid in full, regardless of the date of close of escrow. The title company may charge messenger fees, wire fees, and/or overnight fees, which the benefitted Party agrees to pay at close of escrow.

**36. LINE OF CREDIT PAYOFF INDEMNIFICATION AND CANCELLATION:** The undersigned Parties hereby indemnify and hold the title company and Escrow Holder harmless from incurring any costs or additional charges, interest, and advances made but not disclosed on the beneficiary demand or statement provided for the payoff of that certain equity line of credit deed of trust (hereinafter "line of credit") shown on preliminary title report, if any. The Parties warrant

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East Heights, LLC, a California Limited Liability Company

By:

\_\_\_\_\_  
Lawrence Perkins, Manager

**BUYERS:**

\_\_\_\_\_  
Kumar Koneru

Date: September 1, 2017

Escrow No.: 104100-AA

Page 10 of 13: Additional instructions made a part of previous pages as fully incorporated therein.

and represent that instructions to the beneficiary have been made to freeze the line of credit, that no advance on the line of credit has been made since the opening of this escrow transaction, and that no advance will be made on the line of credit prior to close of escrow. In the event, after receipt of payoff, the beneficiary makes demand for additional funds, the undersigned Parties agree to deposit those funds immediately with the title company or Escrow Company and authorizes the title company to utilize those funds to effectuate the close of the line of credit. Upon payoff of the line of credit, Escrow Holder is hereby instructed to request that the beneficiary cancel said line of credit.

**37. PRORATIONS AND ADJUSTMENTS:** Escrow Holder is instructed to make all prorations and adjustments on the basis of a thirty (30) day month. Escrow Holder is to use information contained on latest available tax statement, rental statement, beneficiary's statement, insurance statement, or other statement as delivered to Escrow Holder for the prorations provided for herein.

**38. RECORDING OF DOCUMENTS:** The Parties authorize the recordation of any instrument delivered through this escrow transaction if necessary or proper for the issuance of the required policies of title insurance or as necessary for close of escrow. Recording fees shall be charged to the account of the benefited Party unless instructed otherwise by the Parties in writing.

**39. DELIVERY OF DEED:** Regardless of the date of execution or transmission to Escrow Holder of the deed, same shall be deemed delivered ONLY upon recordation through this escrow transaction. The phrase "close of escrow" as used in this escrow transaction shall mean the date on which documents are recorded, unless otherwise specified.

**40. ASSIGNMENT OF FUNDS:** If a Party unilaterally assigns or orders the proceeds of this escrow transaction to be paid to other than the original parties to this escrow, such assignment or order shall be subordinate to the expenses of this escrow transaction, liens of record on the subject property, and payments directed to be made by Parties to this escrow transaction. If the result of such assignment or order would leave the escrow without sufficient funds to close, then Escrow Holder is directed to close nevertheless and pay such assignments or orders only out of the net proceeds due the Party assigning their funds except for such assignments or orders, and to pay them in the order in which such assignments or orders are received by Escrow Holder. Escrow Holder is not to be concerned with the balance remaining unpaid, if any.

**41. DISBURSEMENT OF FUNDS AND DELIVERY OF DOCUMENTS:** All disbursements are to be made by the Escrow Holder's trust account check unless instructed otherwise in writing. Escrow Holder will not indemnify any payee or guarantee signatures of any person or entity at any financial institution. Generally, Escrow Holder or its sub-escrow agent will disburse funds, including net proceeds and payment for encumbrances of record, on the date the escrow closes; however, there are circumstances which may arise wherein said disbursements could be delayed by one or two business days. Any funds disbursed during or at the close of escrow will be issued jointly to the Parties designated as payee unless Escrow Holder is instructed otherwise in writing by all designated payees. The funds representing loan and/or sale proceeds will be disbursed jointly to all persons who were the record owners of the subject property. All disbursements of funds and/or delivery of other documents or instruments concerning this escrow transaction will be mailed to the entitled Party by regular first class mail, postage prepaid, at the last address provided to Escrow Holder. However, at Escrow Holder's discretion, Escrow Holder may send funds and/or other documents by certified or registered mail, overnight delivery, or messenger, in which case the Party for whom the delivery was made agrees to pay the costs.

**42. CONTRACTED RATE:** Escrow Holder may provide a contracted rate to customers who have completed one or more escrows with Escrow Holder within the last two (2) years. Said discount will be provided solely to the contracted customer irrespective of the agreement of the Parties relative to the division of escrow fees.

**43. SEVERABILITY:** In the event any escrow instruction or supplemental instruction in this escrow transaction,

**SELLERS:**

East Heights, LLC, a California Limited Liability Company

By:

\_\_\_\_\_  
Lawrence Perkins, Manager**BUYERS:**\_\_\_\_\_  
Kumar Koneru



Date: September 1, 2017

Escrow No.: 104100-AA

Page 11 of 13: Additional instructions made a part of previous pages as fully incorporated therein.

including these general provisions, is held invalid by judicial proceedings, the remaining shall continue to be operative and enforceable.

**44. CONFLICTING INSTRUCTIONS:** If conflicting demands or notices are made or served upon Escrow Holder or any controversy arises between the Parties or with any third person arising out of or relating to this escrow transaction, Escrow Holder shall have the absolute right to withhold and stop all further proceedings in, and in performance of, this escrow transaction until Escrow Holder receives written notification satisfactory to Escrow Holder of the settlement of the controversy by written agreement of the Parties, or by the final order or judgment of a court of competent jurisdiction.

**45. MUTUAL CANCELLATION INSTRUCTION REQUIREMENTS:** The Parties acknowledge that they are on notice that Escrow Holder shall exercise its discretion to require mutual or matching cancellation instructions instructing Escrow Holder on how the deposit is to be released, signed by all Parties and deposited with Escrow Holder prior to releasing any deposit held by Escrow Holder relative to this escrow transaction.

**46. CANCELLATION FEES:** In the event of cancellation or any other termination of this escrow transaction, the Parties agree to pay Escrow Holder for any costs or expenses which Escrow Holder may have incurred or become obligated for pursuant to this escrow transaction and a reasonable escrow fee for the services performed to date. Such costs and expenses, if any, and Escrow Holder's fee shall be deposited with Escrow Holder before any cancellation or other termination is effective. The Parties agree that said charges for costs, expenses and fees may be apportioned between the Parties in a manner which Escrow Holder, in Escrow Holder's sole discretion, considers equitable, and that Escrow Holder's decision in that regard will be binding and conclusive upon the Parties unless specifically agreed to or determined by a court of competent jurisdiction. In the event of failure to pay costs, expenses, and fees due hereunder, on demand, the Parties agree to pay reasonable fees for any attorney services which may be required to collect such fees or expenses. Upon payment of such cancellation fees, Escrow Holder is authorized to return documents and funds to the respective Parties depositing same, or for whose benefit an unconditional deposit was made; or to void executed instruments as appropriate.

**47. TIME IS OF THE ESSENCE:** Time is of the essence in these instructions. In the event that the conditions of this escrow transaction have not been complied with at the expiration of the time provided for herein, or any extension thereof, Escrow Holder is instructed to complete the same at the earliest possible date thereafter, unless written demand upon Escrow Holder to cancel this Escrow or for the return of the money and/or instruments is deposited by one or more Parties. If the date by which the parties' performances are due shall be other than Escrow Holder's regular business day, such performances shall be due on Escrow Holder's next succeeding business day.

**48. ABANDONMENT OF ESCROW TRANSACTION:** Escrow Holder duties and functions related to this escrow transaction shall terminate six (6) months following the date last set for close of escrow unless the escrow transaction has closed or cancelled. At such time, Escrow Holder shall have no further obligations as Escrow Holder except to disburse funds and documents pursuant to written instructions and to interplead or otherwise dispose of funds and documents in accordance with a validly issued and validly served order from a court of competent jurisdiction.

**49. UNCASHED CHECKS:** In the event any check(s) issued through this escrow transaction or sub-escrow related hereto are uncashed or unnegotiated ("uncashed") Escrow Holder will make every effort to contact the payee and coordinate negotiation of the check(s). The Parties acknowledge that Escrow Holder incurs significant expense in tracking uncashed checks, canceling and reissuing checks, and maintaining bank and accounting records of such checks. Therefore, if re-issuance of the check is necessitated, Escrow Holder will require an instruction authorizing such re-issuance and is authorized to charge an additional services fee of twenty-five dollars (\$25.00) which will be deducted from the payee's reissued check(s).

**SELLERS:**

East Heights, LLC, a California Limited Liability Company

By:

\_\_\_\_\_  
Lawrence Perkins, Manager

**BUYERS:**

\_\_\_\_\_  
Kumar Koneru



Date: September 1, 2017

Escrow No.: 104100-AA

Page 12 of 13: Additional instructions made a part of previous pages as fully incorporated therein.

**50. ESCHEATMENT:** Any and all funds remaining in escrow three (3) years after the close of escrow or cancellation of this escrow transaction will be escheated to the State of California pursuant to the Unclaimed Property Law codified in California Code of Civil Procedure Section 1518.

**51. AUTHORIZATION TO INTERPLEAD FUNDS:** The Parties acknowledge that Escrow Holder has an absolute legal right to file a court action in interpleader. In the event such an action is filed, the Parties herein jointly and severally agree to pay all escrow fees, title fees, court costs, and litigation expenses, including attorney's fees, incurred in connection therewith, the amount thereof to be fixed and judgment to be reached by the court. Upon filing of such action, Escrow Holder is fully released and discharged from any further performance of duties under the terms of this Escrow.

**52. RIGHT TO RESIGN:** At any time prior to the close of escrow, Escrow Holder, at its sole and absolute discretion and without liability to the Parties to this escrow transaction, may withdraw and resign from acting as Escrow Holder by providing ten (10) days prior written notice to the Parties at their last known addresses. In such event, Escrow Holder shall be entitled to reasonable compensation for its escrow services performed and for all costs and expenses incurred in the resignation, including, but not limited to, attorney's fees. Upon resignation, Escrow Holder shall return to the Parties who deposited the same, the balance of any funds it holds, along with any property or documents in its possession. Alternatively, at the mutual instruction of the Parties, Escrow Holder shall deliver the funds, property, and documents to a new Escrow Holder.

**53. DESTRUCTION OF DOCUMENTS:** Escrow Holder is authorized to destroy or otherwise dispose of any and all documents, papers, escrow instructions, correspondence, records or other material pertaining to this escrow, at any time after five (5) years from the date of close of escrow, cancellation of this transaction, or the date of the last activity (whichever comes first), without liability and without further notice to the Parties.

**54. PRIVACY NOTICE:** This notification is in compliance with our obligations to comply with federal and state law to safeguard the Parties' non-public personal information. Escrow Holder collects non-public personal information about the Parties from the following sources; a) Information Escrow Holder receives from the Parties on applications or other forms; b) Information about the Parties' transactions with Escrow Holder, Escrow Holder's affiliates, or others involved in the processing of the transaction; and c) Information Escrow Holder receives from a consumer reporting agency. Escrow Holder does not disclose any non-public personal information about customers or former customers to anyone, except as permitted by law. Escrow Holder restricts access to non-public information about the Parties to those employees who need to know that information to provide products or services to the Parties. Escrow Holder maintains physical, electronic and procedural safeguards that comply with federal and state regulations to guard the Parties' non-public personal information. By signing below, the undersigned Parties acknowledge that they have read and received a copy of this notification.

**55. PROHIBITION UPON GIVING LEGAL OR FINANCIAL ADVICE:** The Parties acknowledge and understand that Escrow Holder is not authorized to practice the law nor does Escrow Holder give financial advice. The Parties are advised to seek legal and financial counsel and advice concerning the effect of this escrow transaction. The Parties acknowledge that no representations have been made by Escrow Holder about the legal sufficiency, legal consequences, financial effects, or tax consequences of the within escrow transaction.

ESCROW COMPANIES ARE NOT AUTHORIZED TO GIVE LEGAL ADVICE. IF YOU DESIRE LEGAL ADVICE, CONSULT YOUR ATTORNEY BEFORE SIGNING.

EACH PARTY SIGNING THESE INSTRUCTIONS HAS READ THE ADDITIONAL ESCROW CONDITIONS AND INSTRUCTIONS CONTAINED HEREIN AND APPROVES, ACCEPTS AND AGREES TO BE BOUND THEREBY. ALL

**SELLERS:**

East Heights, LLC, a California Limited Liability Company

By:

\_\_\_\_\_  
Lawrence Perkins, Manager

**BUYERS:**

\_\_\_\_\_  
Kumar Koneru

Date: September 1, 2017

Escrow No.: 104100-AA

Page 13 of 13: Additional instructions made a part of previous pages as fully incorporated therein.

PARTIES SIGNING THIS AGREEMENT HEREBY ACKNOWLEDGE RECEIPT OF A COPY OF THESE INSTRUCTIONS.

I/We agree to pay FUNDS REQUIRED TO CLOSE ESCROW UPON DEMAND.

SELLER(S) ONLY: The foregoing terms, provisions, conditions, and instructions, and those "General Provisions" contained herein are hereby approved and accepted in their entirety and concurred in by me. I will hand you necessary documents called for on my part to cause title to be shown as above which you are authorized to deliver when you hold for my account the sum of \$2,100,000.00 within the time as above provided, pay your escrow charges, my recording fees, charges for evidence of title as called for, whether or not this escrow is consummated, except those buyer agrees to pay. You are hereby authorized to pay bonds, assessments, taxes, and any liens of record to show title as called for, affix documentary tax on deed as required.

**SELLERS:**

**BUYERS:**

East Heights, LLC, a California Limited Liability Company

\_\_\_\_\_  
Kumar Koneru

By:

\_\_\_\_\_  
Lawrence Perkins, Manager



**BUYER COUNTER OFFER No. 1**  
(C.A.R. Form BCO, 11/14)

This is a counter offer to the:  Seller Counter Offer No. \_\_\_\_\_,  Seller Multiple Counter Offer No. 1,  or Other \_\_\_\_\_ ("Offer"), dated August 29, 2017, on property known as 3808 Hollins Ave, Claremont, CA 91711-1442 ("Property"), between Kumar Koneru ("Buyer") and East Heights, LLC ("Seller"). Date August 31, 2017

- 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: 1. Purchase Price to be \$ 2,188,000 All Cash Offer. All Others terms are agreed as stated in Sellers Multiple Counter offer 1.  
2. Earnest Money Deposit can be increased to \$100,000 Non Refundable.  
3. No Loan Contingencies what so ever. Please see Wells Fargo Balance- \$3.4 Million and Comerica Bank Pre Approval letter for \$2.5 Million.

D. The following attached addenda are incorporated into this Buyer Counter offer:  Addendum No. \_\_\_\_\_  
 \_\_\_\_\_

- 2. EXPIRATION: This Buyer 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 3 (if more than one signature then, the last signature date)(or by 5  AM  PM on 09/01/2017 (date)) (i) it is signed in paragraph 4 by Seller and (ii) a copy of the signed Buyer Counter Offer is personally received by Buyer or Kiran Koneru, who is authorized to receive it.

OR B. If Buyer withdraws it in writing (CAR Form WOO) anytime prior to Acceptance.

3. OFFER: BUYER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY.  
 Buyer \_\_\_\_\_ Kumar Koneru Date 08/31/2017  
 Buyer \_\_\_\_\_ Date \_\_\_\_\_

4. ACCEPTANCE: I/WE accept the above Buyer Counter Offer (if checked  SUBJECT TO THE ATTACHED COUNTER OFFER) and acknowledge receipt of a Copy.  
 Seller \_\_\_\_\_ Date 9/1/17 Time 12:21  AM  PM  
 Seller East Heights, LLC Date \_\_\_\_\_ Time \_\_\_\_\_  AM  PM

**CONFIRMATION OF ACCEPTANCE:**

(\_\_\_\_\_/\_\_\_\_\_) (Initials) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent as specified in paragraph 2A 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.

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Reviewed by \_\_\_\_\_ Date \_\_\_\_\_







CALIFORNIA  
ASSOCIATION  
OF REALTORS®

**SELLER MULTIPLE COUNTER OFFER No. 1**  
(C.A.R. Form SMCO, Revised 12/15)

This is a counter offer to the:  Purchase Agreement,  Other  
dated 08/26/2017, on property known as 3808 Hollins Ave., Claremont, CA 91711 ("Offer"),  
between Kumar Kureru ("Property"),  
and East Heights, LLC ("Buyer")  
("Seller").

Date 08/29/2017

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.
  - 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: 1. Buyer to provide Best and Final Offer price; 2. All contingencies including, but not limited to financing inspection, preliminary title and disclosures to be removed in 17 days or sooner after acceptance; 3. This sale may be subject to bankruptcy court approval and overbid; 4. Earnest money deposit to be 3% of purchase price; Escrow to close the later of (a) 30 days or sooner after acceptance or (b) 14 days after approval of the sale by the Bankruptcy Court; Buyer to deliver proof of financial ability to close escrow unconditionally within 2 days of acceptance; 7. Seller shall not pay for any repairs, termite reports, termite work or home warranty; 8. Escrow to be A&A Escrow; 9. Title Insurance to be Seller's choice.

- D. The following attached addenda are incorporated into this Multiple Counter Offer:  Addendum No. \_\_\_\_\_
- 2. BINDING EFFECT: Seller is making Multiple Counter Offers to other prospective Buyers on terms that may or may not be the same as in this Multiple Counter Offer. This Multiple Counter Offer does not bind Seller and Buyer unless all of the following occur in the times specified below: Seller signs in paragraph 5, Buyer signs in paragraph 7, Seller signs in paragraph 8, and Buyer receives a copy of the Multiple Counter Offer with all of the signatures. (Note: Prior to the completion of all of the foregoing, Buyer and Seller shall have no duties or obligations for the purchase or sale of the Property.)
- 3. EXPIRATION OF SELLER MULTIPLE COUNTER OFFER: This Multiple Counter Offer shall be deemed revoked and the deposits, if any, shall be returned to Buyer unless by 5:00PM on the third Day After the date Seller signs in paragraph 5 (if more than one Seller, then the last date) (or by 5  AM  PM on 08/31/2017 (Date)), (i) it is signed in paragraph 7 by Buyer, and (ii) a copy of the Multiple Counter Offer signed by Buyer is personally received by Seller or \_\_\_\_\_, who is authorized to receive it;
- 4. 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 Seller selection of this Multiple Counter Offer.
- 5. SELLER MAKES THIS MULTIPLE COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY.

East Heights, LLC Date 8/29/17

6. ACCEPTANCE OF SELLER MULTIPLE COUNTER OFFER: Buyer's acceptance of this Seller Multiple Counter Offer shall be deemed revoked and the deposit, if any, shall be returned to Buyer unless by 5:00PM on the fourth Day After the date Seller signs in paragraph 5 (if more than one Seller, then the last date) (or by  AM  PM on \_\_\_\_\_ (Date)) (i) it is signed in paragraph 8 by Seller, and (ii) a copy of this Seller Multiple Counter Offer signed by Seller in paragraph 8 is personally received by Buyer or \_\_\_\_\_ who is authorized to receive it.

7. ACCEPTANCE: Buyer accepts the above Multiple Counter Offer (if checked  SUBJECT TO THE ATTACHED COUNTER OFFER # 1) and acknowledges receipt of a Copy.  
Kumar Kureru Date 8-31-17 Time  AM  PM  
Date \_\_\_\_\_ Time \_\_\_\_\_  AM  PM

8. SELECTION OF ACCEPTED MULTIPLE COUNTER OFFER: By signing below, Seller accepts this Multiple Counter Offer. NOTE TO SELLER: Do NOT sign in this box until after Buyer signs in paragraph 7.  
East Heights, LLC Date \_\_\_\_\_ Time \_\_\_\_\_  AM  PM  
Date \_\_\_\_\_ Time \_\_\_\_\_  AM  PM

(\_\_\_\_\_/\_\_\_\_\_) (Initials) Confirmation of Acceptance: A Copy of the Signed Seller Selection was personally received by Buyer or Buyer's authorized agent on (date) \_\_\_\_\_ at \_\_\_\_\_  AM  PM. A binding Agreement is created when a Copy of the Signed Seller Selection is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document.

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Reviewed by \_\_\_\_\_ Date \_\_\_\_\_





CALIFORNIA  
ASSOCIATION  
OF REALTORS®

**RESIDENTIAL PURCHASE AGREEMENT  
AND JOINT ESCROW INSTRUCTIONS**  
(C.A.R. Form RPA-CA, Revised 12/15)

Date Prepared: 08/26/2017

1. OFFER:

- A. THIS IS AN OFFER FROM Kumar Koneru ("Buyer").  
 B. THE REAL PROPERTY to be acquired is 3808 Hollins Ave, Claremont, CA 91711-1442, situated in Claremont (City), Los Angeles (County), California, 91711-1442 (Zip Code), Assessor's Parcel No. 8673036009 ("Property").  
 C. THE PURCHASE PRICE offered is Two Million, One Hundred Thousand Dollars \$ 2,100,000.00  
 D. CLOSE OF ESCROW shall occur on  (date) or  30 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 Greg Bingham (Print Firm Name) is the agent of (check one):  
 the Seller exclusively; or  both the Buyer and Seller.  
 Selling Agent Kiran Koneru (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 \$ 100,000.00  
 (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 deposits 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  FHA,  VA,  Seller financing (C.A.R. Form SFA),  assumed financing (C.A.R. Form AFA),  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),  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.  
 (3) FHA/VA: For any FHA or VA loan specified in 3D(1), Buyer has 17 (or \_\_\_\_\_) Days After Acceptance to Deliver to Seller written notice (C.A.R. Form FVA) of any lender-required repairs or costs that Buyer requests Seller to pay for or otherwise correct. Seller has no obligation to pay or satisfy lender requirements unless agreed in writing. A FHAVA amendatory clause (C.A.R. Form FVAC) shall be a part of this Agreement.

E. ADDITIONAL FINANCING TERMS: \_\_\_\_\_

- F. BALANCE OF DOWN PAYMENT OR PURCHASE PRICE in the amount of \$ 2,000,000.00 to be deposited with Escrow Holder pursuant to Escrow Holder instructions.

- G. PURCHASE PRICE (TOTAL): \$ 2,100,000.00

Buyer's Initials ( KK ) ( \_\_\_\_\_ )

Seller's Initials ( JP ) ( \_\_\_\_\_ )

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RPA-CA REVISED 12/15 (PAGE 1 OF 10)

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 1 OF 10)





Property Address: 3808 Hollins Ave, Claremont, CA 91711-1442

Date: August 26, 2017

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

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

J. **LOAN TERMS:**

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

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

(3) **LOAN CONTINGENCY REMOVAL:**

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

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

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

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

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

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

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

5. **ADDENDA AND ADVISORIES:**

A. **ADDENDA:**

| <input type="checkbox"/> | Addendum #   | (C.A.R. Form ADM)                             |
|--------------------------|--|---|
| <input type="checkbox"/> | Back Up Offer Addendum (C.A.R. Form BUO)                       | 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)                          | Other   |

B. **BUYER AND SELLER ADVISORIES:**

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

6. **OTHER TERMS:**

7. **ALLOCATION OF COSTS**

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

- (1)  Buyer  Seller shall pay for a natural hazard zone disclosure report, including tax  environmental  Other: \_\_\_\_\_ prepared by Click here to select your Service Provider
- (2)  Buyer  Seller shall pay for the following Report \_\_\_\_\_ prepared by \_\_\_\_\_
- (3)  Buyer  Seller shall pay for the following Report \_\_\_\_\_ prepared by \_\_\_\_\_

Buyer's Initials (      ) (      )

Seller's Initials (      ) (      )

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

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

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Property Address: 3808 Hollins Ave, Claremont, CA 91711-1442

Date: August 26, 2017

**B. GOVERNMENT REQUIREMENTS AND RETROFIT:**

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

**C. ESCROW AND TITLE:**

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

**D. OTHER COSTS:**

- (1)  Buyer  Seller shall pay County transfer tax or fee
- (2)  Buyer  Seller shall pay City transfer tax or fee
- (3)  Buyer  Seller shall pay Homeowners' Association ("HOA") transfer fee
- (4) Seller shall pay HOA fees for preparing documents required to be delivered by Civil Code §4525.
- (5)  Buyer  Seller shall pay HOA fees for preparing all documents other than those required by Civil Code §4525.
- (6) Buyer to pay for any HOA certification fee.
- (7)  Buyer  Seller shall pay for any private transfer fee
- (8)  Buyer  Seller shall pay for
- (9)  Buyer  Seller shall pay for
- (10)  Buyer  Seller shall pay for the cost, not to exceed \$                     , of a standard (or  upgraded) one-year home warranty plan, issued by Click here to select your Service Provider, with the following optional coverages:  Air Conditioner  Pool/Spa  Other:

Buyer is informed that home warranty plans have many optional coverages in addition to those listed above. Buyer is advised to investigate these coverages to determine those that may be suitable for Buyer.  
OR  Buyer waives the purchase of a home warranty plan. Nothing in this paragraph precludes Buyer's purchasing a home warranty plan during the term of this Agreement.

**8. ITEMS INCLUDED IN AND EXCLUDED FROM SALE:**

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

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

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

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

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

Buyer's Initials ( Ve ) (              )

Seller's Initials (              ) (              )

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

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

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Property Address: 3808 Hollins Ave, Claremont, CA 91711-1442

Date: August 26, 2017

9. CLOSING AND POSSESSION:

- A. Buyer intends (or  does not intend) to occupy the Property as Buyer's primary residence.
- B. Seller-occupied or vacant property: Possession shall be delivered to Buyer: (i) at 6 PM or (  AM/  PM) on the date of Close Of Escrow; (ii)  no later than \_\_\_ calendar days after Close Of Escrow; or (iii)  at \_\_\_ AM/  PM on \_\_\_\_\_.
- C. Seller remaining in possession After Close Of Escrow: If Seller has the right to remain in possession after Close Of Escrow, (i) the Parties are advised to sign a separate occupancy agreement such as  C.A.R. Form SIP, for Seller continued occupancy of less than 30 days,  C.A.R. Form RLAS for Seller continued occupancy of 30 days or more; and (ii) the Parties are advised to consult with their insurance and legal advisors for information about liability and damage or injury to persons and personal and real property; and (iii) Buyer is advised to consult with Buyer's lender about the impact of Seller's occupancy on Buyer's loan.
- D. Tenant-occupied property: Property shall be vacant at least 5 (or \_\_\_ ) Days Prior to Close Of Escrow, unless otherwise agreed in writing. Note to Seller: If you are unable to deliver Property vacant in accordance with rent control and other applicable Law, you may be in breach of this Agreement.

OR  Tenant to remain in possession (C.A.R. Form TIP).

- E. At Close Of Escrow: Seller assigns to Buyer any assignable warranty rights for items included in the sale; and Seller shall Deliver to Buyer available Copies of any such warranties. Brokers cannot and will not determine the assignability of any warranties.
- F. At Close Of Escrow, unless otherwise agreed in writing, Seller shall provide keys, passwords, codes and/or means to operate all locks, mailboxes, security systems, alarms, home automation systems and intranet and Internet-connected devices included in the purchase price, and garage door openers. If the Property is a condominium or located in a common interest subdivision, Buyer may be required to pay a deposit to the Homeowners' Association ("HOA") to obtain keys to accessible HOA facilities.

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

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

Buyer's Initials (                      )  
RPA-CA REVISED 12/15 (PAGE 4 OF 10)

Seller's Initials (                      ) (                      )





Property Address: 3808 Hollins Ave, Claremont, CA 91711-1442

Date: August 26, 2017

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

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

A. Seller shall, within the time specified in paragraph 14A, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, and make any and all other disclosures required by law.

B. Buyer has the right to conduct Buyer Investigations of the Property and, as specified in paragraph 14B, based upon information discovered in those investigations; (i) cancel this Agreement; or (ii) request that Seller make Repairs or take other action.

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

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

A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 14B. Within the time specified in paragraph 14B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to: (i) a general physical inspection; (ii) an inspection specifically for wood destroying pests and organisms. Any inspection for wood destroying pests and organisms shall be prepared by a registered Structural Pest Control company; shall cover the main building and attached structures; may cover detached structures; shall NOT include water tests of shower pans on upper level units unless the owners of property below the shower consent; shall NOT include roof coverings; and, if the Property is a unit in a condominium or other common interest subdivision, the inspection shall include only the separate interest and any exclusive-use areas being transferred, and shall NOT include common areas; and shall include a report ("Pest Control Report") showing the findings of the company which shall be separated into sections for evident infestation or infections (Section 1) and for conditions likely to lead to infestation or infection (Section 2); (iii) inspect for lead-based paint and other lead-based paint hazards; (iv) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA); (v) review the registered sex offender database; (vi) confirm the insurability of Buyer and the Property including the availability and cost of flood and fire insurance; and (vii) review and seek approval of leases that may need to be assumed by Buyer. Without Seller's prior written consent, Buyer shall neither make nor cause to be made: invasive or destructive Buyer Investigations, except for minimally invasive testing required to prepare a Pest Control Report; or inspections by any governmental building or zoning inspector or government employee, unless required by Law.

B. Seller shall make the Property available for all Buyer Investigations. Buyer shall (i) as specified in paragraph 14B, complete Buyer Investigations and either remove the contingency or cancel this Agreement, and (ii) give Seller, at no cost, complete Copies of all such Investigation reports obtained by Buyer, which obligation shall survive the termination of this Agreement.

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

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

13. **TITLE AND VESTING:**

A. Within the time specified in paragraph 14, Buyer shall be provided a current preliminary title report ("Preliminary Report"). The Preliminary Report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the Preliminary Report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 14B. The company providing the Preliminary Report shall, prior to issuing a Preliminary Report, conduct a search of the General Index for all Sellers except banks or other institutional lenders selling properties they acquired through foreclosure (REOs), corporations, and government entities. Seller shall within 7 Days After Acceptance, give Escrow Holder a completed Statement of Information.

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

C. Within the time specified in paragraph 14A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.

D. At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.

Buyer's Initials ( [Signature] ) ( \_\_\_\_\_ )  
RPA-CA REVISED 12/15 (PAGE 5 OF 10)

Seller's Initials ( [Signature] ) ( \_\_\_\_\_ )

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



Property Address: 3808 Hollins Ave, Claremont, CA 91711-1442

Date: August 26, 2017

- E. Buyer shall receive a CLTA/ALTA "Homeowner's Policy of Title Insurance", if applicable to the type of property and buyer. If not, Escrow Holder shall notify Buyer. A title company can provide information about the availability, coverage, and cost of other title policies and endorsements. If the Homeowner's Policy is not available, Buyer shall choose another policy, instruct Escrow Holder in writing and shall pay any increase in cost.
- 14. **TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS:** The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph by either Buyer or Seller must be exercised in good faith and in writing (C.A.R. Form CR or CC).
  - A. **SELLER HAS: 7 (or \_\_\_) Days After Acceptance to Deliver to Buyer all Reports, disclosures and information for which Seller is responsible under paragraphs 5, 6, 7, 8B(5), 10A, B, C, and F, 11A and 13A.** If, by the time specified, Seller has not Delivered any such item, Buyer after first Delivering to Seller a Notice to Seller to Perform (C.A.R. Form NSP) may cancel this Agreement.
  - B. (1) **BUYER HAS: 17 (or \_\_\_) Days After Acceptance, unless otherwise agreed in writing, to: (i) complete all Buyer Investigations; review all disclosures, reports, lease documents to be assumed by Buyer pursuant to paragraph 8B(5), and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property; and (ii) Deliver to Seller Signed Copies of Statutory and Lead Disclosures and other disclosures Delivered by Seller in accordance with paragraph 10A.**
  - (2) Within the time specified in paragraph 14B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to (C.A.R. Form RRRR) Buyer's requests.
  - (3) By the end of the time specified in paragraph 14B(1) (or as otherwise specified in this Agreement), Buyer shall Deliver to Seller a removal of the applicable contingency or cancellation (C.A.R. Form CR or CC) of this Agreement. However, if any report, disclosure or information for which Seller is responsible is not Delivered within the time specified in paragraph 14A, then Buyer has 5 (or \_\_\_) Days After Delivery of any such items, or the time specified in paragraph 14B(1), whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement.
  - (4) **Continuation of Contingency:** Even after the end of the time specified in paragraph 14B(1) and before Seller cancels, if at all, pursuant to paragraph 14D, Buyer retains the right, in writing, to either (i) remove remaining contingencies, or (ii) cancel this Agreement based on a remaining contingency. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to paragraph 14D(1).
  - (5) **Access to Property:** Buyer shall have access to the Property to conduct inspections and investigations for 17 (or \_\_\_) Days After Acceptance, whether or not any part of the Buyer's Investigation Contingency has been waived or removed.
  - C.  **REMOVAL OF CONTINGENCIES WITH OFFER:** Buyer removes the contingencies specified in the attached Contingency Removal form (C.A.R. Form CR). If Buyer removes any contingency without an adequate understanding of the Property's condition or Buyer's ability to purchase, Buyer is acting against the advice of Broker.
  - D. **SELLER RIGHT TO CANCEL:**
    - (1) **Seller right to Cancel; Buyer Contingencies:** If, by the time specified in this Agreement, Buyer does not Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement, then Seller, after first Delivering to Buyer a Notice to Buyer to Perform (C.A.R. Form NBP), may cancel this Agreement. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.
    - (2) **Seller right to Cancel; Buyer Contract Obligations:** Seller, after first delivering to Buyer a NBP, may cancel this Agreement if, by the time specified in this Agreement, Buyer does not take the following action(s): (i) Deposit funds as required by paragraph 3A, or 3B or if the funds deposited pursuant to paragraph 3A or 3B are not good when deposited; (ii) Deliver a notice of FHA or VA costs or terms as required by paragraph 3D(3) (C.A.R. Form FVA); (iii) Deliver a letter as required by paragraph 3J(1); (iv) Deliver verification, or a satisfactory verification if Seller reasonably disapproves of the verification already provided, as required by paragraph 3C or 3H; (v) In writing assume or accept leases or liens specified in 8B5; (vi) Return Statutory and Lead Disclosures as required by paragraph 10A(5); or (vii) Sign or initial a separate liquidated damages form for an increased deposit as required by paragraphs 3B and 21B; or (viii) Provide evidence of authority to sign in a representative capacity as specified in paragraph 19. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.
  - E. **NOTICE TO BUYER OR SELLER TO PERFORM:** The NBP or NSP shall: (i) be in writing; (ii) be signed by the applicable Buyer or Seller; and (iii) give the other Party at least 2 (or \_\_\_) Days After Delivery (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A NBP or NSP may not be Delivered any earlier than 2 Days Prior to the expiration of the applicable time for the other Party to remove a contingency or cancel this Agreement or meet an obligation specified in paragraph 14.
  - F. **EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES:** If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in writing, Buyer shall conclusively be deemed to have: (i) completed all Buyer Investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections pertaining to that contingency or cancellation right, or for the inability to obtain financing.
  - G. **CLOSE OF ESCROW:** Before Buyer or Seller may cancel this Agreement for failure of the other Party to close escrow pursuant to this Agreement, Buyer or Seller must first Deliver to the other Party a demand to close escrow (C.A.R. Form DCE); The DCE shall: (i) be signed by the applicable Buyer or Seller; and (ii) give the other Party at least 3 (or \_\_\_) Days After Delivery to close escrow. A DCE may not be Delivered any earlier than 3 Days Prior to the scheduled close of escrow.
  - H. **EFFECT OF CANCELLATION ON DEPOSITS:** If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, the Parties agree to Sign mutual instructions to cancel the sale and escrow and release deposits, if any, to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Except as specified below, **release of funds will require mutual Signed release instructions from the Parties, judicial decision or arbitration award.** If either Party fails to execute mutual instructions to cancel escrow, one Party may make a written demand to Escrow Holder for the deposit. (C.A.R. Form BDRD or SDRD). Escrow Holder, upon receipt, shall promptly deliver notice of the demand to the other Party. If, within 10 Days After Escrow Holder's notice, the other Party does not object to the demand, Escrow Holder shall disburse the deposit to the Party making the demand. If Escrow Holder complies with the preceding process, each Party shall be deemed to have released Escrow Holder from any and all claims or liability related to the disbursement of the deposit. Escrow Holder, at its discretion, may nonetheless require mutual cancellation instructions. **A Party may be subject to a civil penalty of up to \$1,000 for refusal to sign cancellation instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).**

Buyer's Initials (\_\_\_\_\_) (\_\_\_\_\_) RPA-CA REVISED 12/15 (PAGE 6 OF 10)

Seller's Initials (\_\_\_\_\_) (\_\_\_\_\_)

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 6 OF 10)





Property Address: 3808 Hollins Ave, Claremont, CA 91711-1442

Date: August 26, 2017

15. **FINAL VERIFICATION OF CONDITION:** Buyer shall have the right to make a final verification of the Property within 5 (or  Days) Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 11; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement (C.A.R. Form VP).
16. **REPAIRS:** Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all Repairs may not be possible. Seller shall: (i) obtain invoices and paid receipts for Repairs performed by others; (ii) prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and (iii) provide Copies of invoices and paid receipts and statements to Buyer prior to final verification of condition.
17. **PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS:** Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, HOA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are now a lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after Close Of Escrow, by Buyer; and (ii) for periods prior to Close Of Escrow, by Seller (see C.A.R. Form SPT or SBSA for further information). TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.
18. **BROKERS:**
- A. **COMPENSATION:** Seller or Buyer, or both, as applicable, agree to pay compensation to Broker as specified in a separate written agreement between Broker and that Seller or Buyer. Compensation is payable upon Close Of Escrow, or if escrow does not close, as otherwise specified in the agreement between Broker and that Seller or Buyer.
- B. **SCOPE OF DUTY:** Buyer and Seller acknowledge and agree that Broker: (i) Does not decide what price Buyer should pay or Seller should accept; (ii) Does not guarantee the condition of the Property; (iii) Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) Does not have an obligation to conduct an inspection of common areas or areas off the site of the Property; (v) Shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Broker; (vi) Shall not be responsible for inspecting public records or permits concerning the title or use of Property; (vii) Shall not be responsible for identifying the location of boundary lines or other items affecting title; (viii) Shall not be responsible for verifying square footage, representations of others or information contained in investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; (ix) Shall not be responsible for determining the fair market value of the Property or any personal property included in the sale; (x) Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (xi) Shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.
19. **REPRESENTATIVE CAPACITY:** If one or more Parties is signing this Agreement in a representative capacity and not for him/herself as an individual then that Party shall so indicate in paragraph 31 or 32 and attach a Representative Capacity Signature Disclosure (C.A.R. Form RCSD). Wherever the signature or initials of the representative identified in the RCSD appear on this Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. The Party acting in a representative capacity (i) represents that the entity for which that party is acting already exists and (ii) shall Deliver to the other Party and Escrow Holder, within 3 Days After Acceptance, evidence of authority to act in that capacity (such as but not limited to: applicable portion of the trust or Certification Of Trust (Probate Code §18400.5), letters testamentary, court order, power of attorney, corporate resolution, or formation documents of the business entity).
20. **JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:**
- A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: paragraphs 1, 3, 4B, 5A, 6, 7, 10C, 13, 14G, 17, 18A, 19, 20, 28, 29, 30, 31, 32 and paragraph D of the section titled Real Estate Brokers on page 10. If a Copy of the separate compensation agreement(s) provided for in paragraph 18A, or paragraph D of the section titled Real Estate Brokers on page 10 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions, if any, directly from Escrow Holder and will execute such provisions within the time specified in paragraph 7C(1)(c). To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow and, as directed by Escrow Holder, within 3 (or  Days, shall pay to Escrow Holder or HOA or HOA management company or others any fee required by paragraphs 7, 10 or elsewhere in this Agreement.
- B. A Copy of this Agreement including any counter offer(s) and addenda shall be delivered to Escrow Holder within 3 Days After Acceptance (or ). Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement. Escrow Holder shall provide Seller's Statement of information to Title company when received from Seller. If Seller delivers an affidavit to Escrow Holder to satisfy Seller's FIRPTA obligation under paragraph 10C, Escrow Holder shall deliver to Buyer a Qualified Substitute statement that complies with federal Law.

Buyer's Initials ( AS ) (            )  
RPA-CA REVISED 12/15 (PAGE 7 OF 10)

Seller's Initials ( AS ) (            )



Property Address: 3808 Hollins Ave, Claremont, CA 91711-1442

Date: August 26, 2017

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

**21. REMEDIES FOR BUYER'S BREACH OF CONTRACT:**

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

Buyer's Initials W

Seller's Initials /

**22. DISPUTE RESOLUTION:**

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

**B. ARBITRATION OF DISPUTES:**

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

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

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

Buyer's Initials W

Seller's Initials /

**C. ADDITIONAL MEDIATION AND ARBITRATION TERMS:**

- (1) EXCLUSIONS: The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; and (iii) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court.

Buyer's Initials ( W ) ( \_\_\_\_\_ )

Seller's Initials ( / ) ( \_\_\_\_\_ )

RPA-CA REVISED 12/15 (PAGE 8 OF 10)

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

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Property Address: 3808 Hollins Ave, Claremont, CA 91711-1442

Date: August 26, 2017

- (2) **PRESERVATION OF ACTIONS:** The following shall not constitute a waiver nor violation of the mediation and arbitration provisions: (i) the filing of a court action to preserve a statute of limitations; (ii) the filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies; or (iii) the filing of a mechanic's lien.
- (3) **BROKERS:** Brokers shall not be obligated nor compelled to mediate or arbitrate unless they agree to do so in writing. Any Broker(s) participating in mediation or arbitration shall not be deemed a party to this Agreement.
- 23. **SELECTION OF SERVICE PROVIDERS:** Brokers do not guarantee the performance of any vendors, service or product providers ("Providers"), whether referred by Broker or selected by Buyer, Seller or other person. Buyer and Seller may select ANY Providers of their own choosing.
- 24. **MULTIPLE LISTING SERVICE ("MLS"):** Brokers are authorized to report to the MLS a pending sale and, upon Close Of Escrow, the sales price and other terms of this transaction shall be provided to the MLS to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS.
- 25. **ATTORNEY FEES:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorney fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 22A.
- 26. **ASSIGNMENT:** Buyer shall not assign all or any part of Buyer's interest in this Agreement without first having obtained the separate written consent of Seller to a specified assignee. Such consent shall not be unreasonably withheld. Any total or partial assignment shall not relieve Buyer of Buyer's obligations pursuant to this Agreement unless otherwise agreed in writing by Seller. (C.A.R. Form AOOA).
- 27. **EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
- 28. **TERMS AND CONDITIONS OF OFFER:**  
This is an offer to purchase the Property on the above terms and conditions. The liquidated damages paragraph or the arbitration of disputes paragraph is incorporated in this Agreement if initiated by all Parties or if incorporated by mutual agreement in a counter offer or addendum. If at least one but not all Parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. The Parties have read and acknowledge receipt of a Copy of the offer and agree to the confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing.
- 29. **TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES:** Time is of the essence. All understandings between the Parties are incorporated in this Agreement. Its terms are intended by the Parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Except as otherwise specified, this Agreement shall be interpreted and disputes shall be resolved in accordance with the Laws of the State of California. Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.
- 30. **DEFINITIONS:** As used in this Agreement:
  - A. "Acceptance" means the time the offer or final counter offer is accepted in writing by a Party and is delivered to and personally received by the other Party or that Party's authorized agent in accordance with the terms of this offer or a final counter offer.
  - B. "Agreement" means this document and any counter offers and any incorporated addenda, collectively forming the binding agreement between the Parties. Addenda are incorporated only when Signed by all Parties.
  - C. "C.A.R. Form" means the most current version of the specific form referenced or another comparable form agreed to by the parties.
  - D. "Close Of Escrow", including "COE", means the date the grant deed, or other evidence of transfer of title, is recorded.
  - E. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
  - F. "Days" means calendar days. However, after Acceptance, the last Day for performance of any act required by this Agreement (including Close Of Escrow) shall not include any Saturday, Sunday, or legal holiday and shall instead be the next Day.
  - G. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59 PM on the final day.
  - H. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
  - I. "Deliver", "Delivered" or "Delivery", unless otherwise specified in writing, means and shall be effective upon: personal receipt by Buyer or Seller or the Individual Real Estate Licensee for that principal as specified in the section titled Real Estate Brokers on page 10, regardless of the method used (i.e., messenger, mail, email, fax, other).
  - J. "Electronic Copy" or "Electronic Signature" means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either Party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other Party.
  - K. "Law" means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
  - L. "Repairs" means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
  - M. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.
- 31. **EXPIRATION OF OFFER:** This offer shall be deemed revoked and the deposit, if any, shall be returned to Buyer unless the offer is Signed by Seller and a Copy of the Signed offer is personally received by Buyer, or by Buyers agent who is authorized to receive it, by 5:00 PM on the third Day after this offer is signed by Buyer (or by  Buyer (or by  Buyers agent) AM/  PM, on \_\_\_\_\_ (date)).

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

Date 08/26/2017 BUYER Kumar Koneru  
 (Print name) Kumar Koneru  
 Date \_\_\_\_\_ BUYER \_\_\_\_\_  
 (Print name) \_\_\_\_\_

Additional Signature Addendum attached (C.A.R. Form ASA).  
 Seller's Initials ( KK ) ( \_\_\_\_\_ )



Untitled



Property Address: 3808 Hollins Ave, Claremont, CA 91711-1442

Date: August 26, 2017

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

(If checked) SELLER'S ACCEPTANCE IS SUBJECT TO ATTACHED COUNTER OFFER (C.A.R. Form SCO or SMCO) DATED: 8-29-17

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

Date 9/1/17 SELLER

(Print name) LAWRENCE R. BERKINS CRO EAST HEIGHTS LLC

Date \_\_\_\_\_ SELLER

(Print name) \_\_\_\_\_

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

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

**REAL ESTATE BROKERS:**

- A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.
- B. Agency relationships are confirmed as stated in paragraph 2.
- C. If specified in paragraph 3A(2), Agent who submitted the offer for Buyer acknowledges receipt of deposit.
- D. **COOPERATING BROKER COMPENSATION:** Listing Broker agrees to pay Cooperating Broker (Selling Firm) and Cooperating Broker agrees to accept, out of Listing Broker's proceeds in escrow, the amount specified in the MLS, provided Cooperating Broker is a Participant of the MLS in which the Property is offered for sale or a reciprocal MLS, if Listing Broker and Cooperating Broker are not both Participants of the MLS, or a reciprocal MLS, in which the Property is offered for sale, then compensation must be specified in a separate written agreement (C.A.R. Form CBC). Declaration of License and Tax (C.A.R. Form DLT) may be used to document that tax reporting will be required or that an exemption exists.

Real Estate Broker (Selling Firm) Kiran Koneru CalBRE Lic. # 01902845  
 By \_\_\_\_\_ Date \_\_\_\_\_  
 By \_\_\_\_\_ CalBRE Lic. # \_\_\_\_\_ Date \_\_\_\_\_  
 Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
 Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_  
 Real Estate Broker (Listing Firm) Greg Blingham CalBRE Lic. # \_\_\_\_\_  
 By \_\_\_\_\_ Date \_\_\_\_\_  
 By \_\_\_\_\_ CalBRE Lic. # \_\_\_\_\_ Date \_\_\_\_\_  
 Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
 Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

**ESCROW HOLDER ACKNOWLEDGMENT:**

Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked,  a deposit in the amount of \$ \_\_\_\_\_), counter offer numbers \_\_\_\_\_,  Seller's Statement of Information and \_\_\_\_\_, and agrees to act as Escrow Holder subject to paragraph 20 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.

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

Escrow Holder \_\_\_\_\_ Escrow # \_\_\_\_\_

By \_\_\_\_\_ Date \_\_\_\_\_

Address \_\_\_\_\_

Phone/Fax/E-mail \_\_\_\_\_

Escrow Holder has the following license number # \_\_\_\_\_

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

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

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

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 525 South Virgil Avenue, Los Angeles, California 90020  
 Buyer's Initials \_\_\_\_\_

RPA-CA REVISED 12/15 (PAGE 10 of 10)

Reviewed by \_\_\_\_\_  
 Broker or Designee \_\_\_\_\_



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

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

Untitled

Property Address: 3808 Hollins Ave, Claremont, CA 91711-1442

Date: August 26, 2017

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

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

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

Date \_\_\_\_\_ SELLER  
(Print name) \_\_\_\_\_

Date \_\_\_\_\_ SELLER  
(Print name) \_\_\_\_\_

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

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

**REAL ESTATE BROKERS:**

- A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.
- B. Agency relationships are confirmed as stated in paragraph 2.
- C. If specified in paragraph 3A(2), Agent who submitted the offer for Buyer acknowledges receipt of deposit.
- D. **COOPERATING BROKER COMPENSATION:** Listing Broker agrees to pay Cooperating Broker (Selling Firm) and Cooperating Broker agrees to accept, out of Listing Broker's proceeds in escrow, the amount specified in the MLS, provided Cooperating Broker is a Participant of the MLS in which the Property is offered for sale or a reciprocal MLS. If Listing Broker and Cooperating Broker are not both Participants of the MLS, or a reciprocal MLS, in which the Property is offered for sale, then compensation must be specified in a separate written agreement (C.A.R. Form CBC). Declaration of License and Tax (C.A.R. Form DLT) may be used to document that tax reporting will be required or that an exemption exists.

Real Estate Broker (Selling Firm) Kiran Koneru CalBRE Lic. # 01902845  
 By \_\_\_\_\_ Date 8-26-17  
 By \_\_\_\_\_ CalBRE Lic. # \_\_\_\_\_ Date \_\_\_\_\_  
 Address 520 E. Foothill Blvd #10 City POMONA State CA Zip 91767  
 Telephone 909-525-4040 Fax 909-525-4041 E-mail KIRAN@KONERU.COM  
 Real Estate Broker (Listing Firm) Greg Bingham CalBRE Lic. # \_\_\_\_\_  
 By \_\_\_\_\_ Date \_\_\_\_\_  
 By \_\_\_\_\_ CalBRE Lic. # \_\_\_\_\_ Date \_\_\_\_\_  
 Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
 Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

**ESCROW HOLDER ACKNOWLEDGMENT:**

Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked,  a deposit in the amount of \$ \_\_\_\_\_), counter offer numbers \_\_\_\_\_  Seller's Statement of Information and \_\_\_\_\_, and agrees to act as Escrow Holder subject to paragraph 20 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.

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

Escrow Holder \_\_\_\_\_ Escrow # \_\_\_\_\_  
 By \_\_\_\_\_ Date \_\_\_\_\_  
 Address \_\_\_\_\_  
 Phone/Fax/E-mail \_\_\_\_\_

Escrow Holder has the following license number # \_\_\_\_\_  
 Department of Business Oversight,  Department of Insurance,  Bureau of Real Estate.

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

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

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Published and Distributed by:  
 REAL ESTATE BUSINESS SERVICES, INC.  
 a subsidiary of the CALIFORNIA ASSOCIATION OF REALTORS®  
 525 South Virgil Avenue, Los Angeles, California 90020

Buyer Acknowledges that page 10 is part of this Agreement (\_\_\_\_\_) Buyer's Initials \_\_\_\_\_

RPA-CA REVISED 12/15 (PAGE 10 of 10)

Reviewed by \_\_\_\_\_  
 Broker or Designee



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

Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 [www.ziplogix.com](http://www.ziplogix.com)

Untitled

Property Address: 3808 Hollins Ave, Claremont, CA 91711-1442

Date: August 26, 2017

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

(If checked) SELLER'S ACCEPTANCE IS SUBJECT TO ATTACHED COUNTER OFFER (C.A.R. Form SCO or SMCO) DATED: 8-29-17

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

Date \_\_\_\_\_ SELLER \_\_\_\_\_  
(Print name) \_\_\_\_\_

Date \_\_\_\_\_ SELLER \_\_\_\_\_  
(Print name) \_\_\_\_\_

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

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

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|  |   |
|--|---|
| Real Estate Broker (Selling Firm) <u>Kiran Koneru</u>  | CalBRE Lic. # <u>01902845</u>                   |
| By _____   | Date _____                                      |
| By _____   | Date _____                                      |
| Address _____  | City _____ State _____ Zip _____                |
| Telephone _____ Fax _____                              | E-mail _____                                    |
| Real Estate Broker (Listing Firm) <u>Greg Bingham</u>  | CalBRE Lic. # <u>03616212</u>                   |
| By <u>Bill FRIEDRICH</u>                               | Date <u>8/29/17</u>                             |
| By _____   | Date _____                                      |
| Address <u>8940 S Sepulveda Blvd</u>                   | City <u>LA</u> State <u>CA</u> Zip <u>90049</u> |
| Telephone <u>424-702-3000</u> Fax <u>424-5902-3010</u> | E-mail <u>bill.friedr@REALINK.net</u>           |

**ESCROW HOLDER ACKNOWLEDGMENT:**

Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked,  a deposit in the amount of \$ \_\_\_\_\_), counter offer numbers \_\_\_\_\_  Seller's Statement of Information and \_\_\_\_\_, and agrees to act as Escrow Holder subject to paragraph 20 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.

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

Escrow Holder \_\_\_\_\_ Escrow # \_\_\_\_\_  
By \_\_\_\_\_ Date \_\_\_\_\_

Address \_\_\_\_\_  
Phone/Fax/E-mail \_\_\_\_\_

Escrow Holder has the following license number # \_\_\_\_\_  
 Department of Business Oversight,  Department of Insurance,  Bureau of Real Estate.

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

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

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Published and Distributed by: **REAL ESTATE BUSINESS SERVICES, INC.** Buyer Acknowledges that page 10 is part of this Agreement (\_\_\_\_\_) (\_\_\_\_\_) Buyer's Initials \_\_\_\_\_  
a subsidiary of the CALIFORNIA ASSOCIATION OF REALTORS®  
525 South Virgil Avenue, Los Angeles, California 90020  
RPA-CA REVISED 12/15 (PAGE 10 of 10)

Reviewed by \_\_\_\_\_  
Broker or Designee





**CLTA Preliminary Report Form**  
(Rev. 11/06)

Order Number: O-SA-5511183  
Page Number: 1



*First American Title*

## **First American Title Company**

**4 First American Way  
Santa Ana, CA 92707**

California Department of Insurance License No. 151

Order Number: O-SA-5511183 (dt)

Title Officer: Debbie Tognetti  
Phone: (714)250-8579  
Fax No.: (714)481-2956  
E-Mail: octitle3@firstam.com  
Property: 3808 Hollins Avenue  
Claremont, CA 91711

### **PRELIMINARY REPORT**

In response to the above referenced application for a policy of title insurance, this company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception 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.

Dated as of July 18, 2017 at 7:30 A.M.

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

ALTA/CLTA Homeowner's (EAGLE) Policy of Title Insurance (2010) and ALTA Ext Loan Policy 1056.06 (06-17-06) if the land described is an improved residential lot or condominium unit on which there is located a one-to-four family residence; or ALTA Standard Owner's Policy 2006 (WRE 06-17-06) and the ALTA Loan Policy 2006 (06-17-06) if the land described is an unimproved residential lot or condominium unit

A specific request should be made if another form or additional coverage is desired.

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

East Heights, Llc, a california limited liability company, subject to item no. 11

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

FEE

The Land referred to herein is described as follows:

(See attached Legal Description)

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

1. General and special taxes and assessments for the fiscal year 2017-2018, a lien not yet due or payable.
2. The lien of defaulted taxes for the fiscal year 2016-2017, and any subsequent delinquencies.

|                   |                |
|-------------------|----------------|
| Tax Rate Area:    | 15-02540       |
| A. P. No.:        | 8673-036-009   |
| Amount to redeem: | \$29,212.46    |
| Valid through:    | AUGUST 2017    |
| Amount to redeem: | \$29,599.91    |
| Valid through:    | SEPTEMBER 2017 |

**Please contact the tax office to verify the payoff amount.**

3. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.

Order Number: O-SA-5511183

Page Number: 3

4. Any and all offers of dedications, conditions, restrictions, easements, notes and/or provisions shown or disclosed by the filed or recorded map referred to in the legal description including but not limited to: LANDSCAPE and incidental purposes affecting said land.
5. An easement for UNDERGROUND ELECTRICAL SUPPLY SYSTEMS AND COMMUNICATION SYSTEMS and incidental purposes in the document recorded March 10, 1988 as INSTRUMENT NO. 88-327745 of Official Records.
6. The terms and provisions contained in the document entitled "AGREEMENT IMPOSING RESTRICTIONS TO LAND USE" recorded May 04, 2004 as INSTRUMENT NO. 04-1404767 of Official Records.
7. A deed of trust to secure an original indebtedness of \$2,880,000.00 recorded October 05, 2012 as INSTRUMENT NO. 12-1503744 OF OFFICIAL RECORDS.

Dated: October 02, 2012  
Trustor: EAST HEIGHTS LLC, A CALIFORNIA LIMITED LIABILITY COMPANY  
Trustee: STEWART TITLE OF CALIFORNIA, INC.  
Beneficiary: SHANGHAI COMMERCIAL BANK, LTD.

The terms and provisions contained in the document entitled "HAZARDOUS SUBSTANCES CERTIFICATE AND INDEMNITY AGREEMENT " recorded October 05, 2012 as INSTRUMENT NO. 12-1503745 OF OFFICIAL RECORDS.

8. A deed of trust to secure an original indebtedness of \$700,000.00 recorded August 06, 2014 as INSTRUMENT NO. 14-815418 OF OFFICIAL RECORDS.

Dated: July 19, 2014  
Trustor: EAST HEIGHTS LLC  
Trustee: FIRST AMERICAN TITLE COMPANY, A CALIFORNIA CORPORATION  
Beneficiary: YONGGANG PAN

Notes:

- a. If this deed of trust is to be eliminated in the policy or policies contemplated by this report/commitment, we will require all of the following prior to the recordation of any documents or the issuance of any policy of title insurance:
  - i. Original note and deed of trust.
  - ii. Payoff demand statement signed by all present beneficiaries.
  - iii. Request for reconveyance signed by all present beneficiaries.
- b. If the payoff demand statement or the request for reconveyance is to be signed by a servicer, we will also require a full copy of the loan servicing agreement executed by all present beneficiaries.
- c. If any of the beneficial interest is presently held by trustees under a trust agreement, we will require a certification pursuant to Section 18100.5 of the California Probate Code in a form satisfactory to the Company

Order Number: **O-SA-5511183**  
Page Number: 4

9. Notice of pendency of action recorded **March 22, 2016** as **INSTRUMENT NO. 16-314049** of Official Records.

Court: UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA LOS ANGELES DIVISION  
Case No.: 2:16-BK-13575, CHAPTER 11  
Plaintiff: LIBERTY ASSET MANAGEMENT CORPORATION, A CALIFORNIA CORPORATION  
Defendant: EAST HEIGHTS LLC, A CALIFORNIA CORPORATION; LUCY GAO, AN INDIVIDUAL  
Purpose: CLAIM AFFECTING THE REAL PROPERTY

10. Notice of pendency of action recorded **February 21, 2017** as **INSTRUMENT NO. 17-207741** of Official Records.

Court: SUPERIOR COURT OF THE STATE OF CALIFORNIA FOR THE COUNTY OF ORANGE  
Case No.: 01D007340  
Plaintiff: PETER SEH  
Defendant: LUCY SEH  
Purpose: RIGHT TO POSSESSION OF REAL PROPERTY

11. Proceedings pending in the Bankruptcy Court of the Central District of the U.S. District Court, California, entitled in re: EAST HEIGHTS LLC, A CALIFORNIA CORPORATION; LUCY GAO, AN INDIVIDUAL, debtor, Case No. 16-13575, wherein a petition for relief was filed under Chapter 11 on May 22, 2017.

The effect of a document entitled "**ORDER**", recorded **June 05, 2017** as **INSTRUMENT NO. 17-616140 OF OFFICIAL RECORDS** .

12. Water rights, claims or title to water, whether or not shown by the public records.
13. This transaction may be subject to the FinCEN Geographic Targeting Order affecting residential sale transactions. This company must be provided with information prior to the closing sufficient to determine if IRS/FinCEN Form 8300 must be completed and filed and must be provided information sufficient to meet the records retention requirements of the FinCEN Geographic Targeting Order. This transaction will not be insured, and this company and/or its underwriter will not be involved in a Covered Transaction (as defined by the FinCEN Geographic Targeting Order) until this information is submitted and reviewed by this company.

**Prior to the issuance of any policy of title insurance, the Company will require:**

14. With respect to EAST HEIGHTS, 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

**INFORMATIONAL NOTES**

Note: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable 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. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

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

|                     |                        |
|---------------------|------------------------|
| First Installment:  | \$12,914.81, DEFAULTED |
| Penalty:            | \$1,291.48             |
| Second Installment: | \$12,914.81, DEFAULTED |
| Penalty:            | \$1,301.48             |
| Tax Rate Area:      | 15-02540               |
| A. P. No.:          | 8673-036-009           |

THIS AMOUNT IS INCLUDED IN THE DEFAULTED AMOUNT SET OUT ABOVE

2. 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(n) Single Family Residence known as 3808 HOLLINS AVENUE, CLAREMONT, CA.

3. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:

None

NOTE to proposed insured lender only: No Private transfer fee covenant, as defined in Federal Housing Finance Agency Final Rule 12 CFR Part 1228, that was created and first appears in the Public Records on or after February 8, 2011, encumbers the Title except as follows: None

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

Order Number: O-SA-5511183  
Page Number: 7

### LEGAL DESCRIPTION

Real property in the City of Claremont, County of Los Angeles, State of California, described as follows:

LOT 9, AS SHOWN ON THAT CERTAIN MAP ENTITLED TRACT NUMBER 44502, WHICH MAP WAS FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA IN BOOK 1104 OF MAPS PAGE(S) 51 AND 52.

EXCEPT THEREFROM ALL SUBSURFACE WATER AND MINERAL RIGHTS LYING BELOW A POINT 250 BELOW THE SURFACE OF THE LAND TO BE CONVEYED, BUT WILL RELEASE AND FOREVER QUITCLAIM TO THE OWNER OR OWNERS OF THE SURFACE OF THE LAND HEREINABOVE DESCRIBED TO A DEPTH OF 250 FEET IN SEVERALTY AND UPON THE SAME TENURE AS THEIR INTEREST APPEARS OF RECORD, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, ALL OF ITS RIGHTS TO THE USE OF THE SURFACE OF SAID REAL PROPERTY FOR THE PURPOSE OF PROSPECTING FOR, DRILLING FOR, OR REMOVING OR PRODUCING ANY AND ALL DEPOSITS, BODIES, VEINS, POOLS, STREAMS AND OTHER FORMATIONS AND CONDITIONS IN THE NATURE OF WATER, MINERALS, PETROLEUM, OIL, NAPHTHA, NATURAL GAS AND HYDROCARBON OR KINDRED SUBSTANCES LYING AND LOCATED IN, ON OR UNDER SAID REAL PROPERTY, EXCEPT BY OPERATIONS ON ADJACENT LANDS IN SUCH MANNER AS NOT TO DISTURB THE SURFACE OF SAID LAND OR ANY IMPROVEMENTS THEREON TO A DEPTH OF 250 FEET, AS RESERVED BY JAMES A. BLAISDELL IN DEED RECORDED DECEMBER 20, 1955 AS INSTRUMENT NO. 2025 IN BOOK 49924 PAGE 332, OFFICIAL RECORDS.

APN: 8673-036-009

Order Number: O-SA-5511183  
Page Number: 8

REVISED  
09/27/2016/09/02/2  
09/28

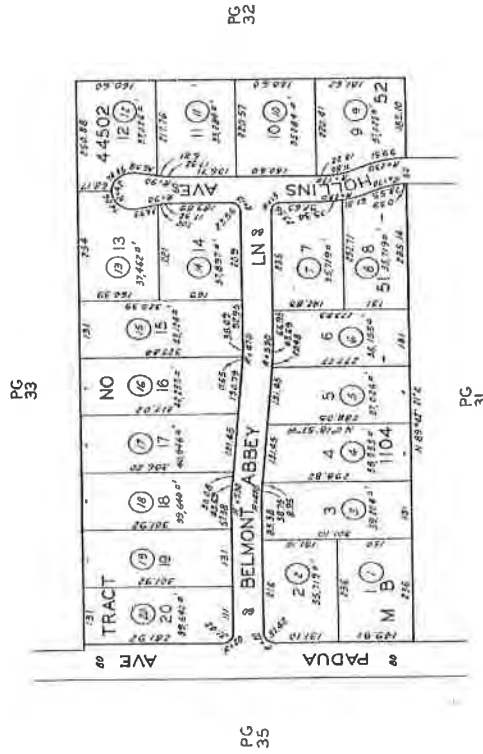
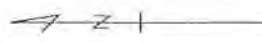
OFFICE OF ASSESSOR  
COUNTY OF LOS ANGELES

TRM  
2540

SCALE 1" = 200'  
P.A. 8873-33

8673 36

1989





Order Number: **O-SA-5511183**  
Page Number: 9

***NOTICE***

Section 12413.1 of the California Insurance Code, effective January 1, 1990, requires that any title insurance company, underwritten title company, or controlled escrow company handling funds in an escrow or sub-escrow capacity, wait a specified number of days after depositing funds, before recording any documents in connection with the transaction or disbursing funds. This statute allows for funds deposited by wire transfer to be disbursed the same day as deposit. In the case of cashier's checks or certified checks, funds may be disbursed the next day after deposit. In order to avoid unnecessary delays of three to seven days, or more, please use wire transfer, cashier's checks, or certified checks whenever possible.

Order Number: **O-SA-5511183**  
Page Number: 10

## **INCOMING DOMESTIC WIRE INSTRUCTIONS**

**Beware of cyber-crime!** If you receive an e-mail or any other communication that appears to be generated from a First American Title Company employee that contains new, revised or altered bank wire instructions, consider it suspect and call our office at a number you trust.

### **\*\* Our Wire Instructions Do Not Change. \*\***

**Funds from other than buyer or seller:** Other than funds from a designated lender, real estate agent or broker, or the attorney of record, we will only accept incoming wires that are from the buyer or seller on a transaction. Other third party deposits not accompanied by appropriate instructions will be returned to the remitter.

**Funds from a U.S. Bank:** Funds should be wired from a bank within the United States. Notify our office at (714)250-3000 when you have transmitted your wire.

**Funds from a non-U.S. Bank:** If your funds are being wired from a non-U.S. bank, additional charges may apply. Contact our office for Incoming International Wiring Instructions.

**ACH Transfers are NOT wire transfers:** An ACH transfer is not immediately available funds and requires additional time for clearance. An ACH transfer cannot be accepted for an imminent closing. Acceptance of ACH transfers are subject to state law. Contact our office at (714)250-3000 prior to sending funds by ACH transfer.

Contact our office at (714)250-3000 when funds are sent.

PAYABLE TO: First American Title Company  
BANK: First American Trust, FSB  
ADDRESS 5 First American Way, Santa Ana, CA 92707  
ACCOUNT NO.: 3012500000  
ROUTING NUMBER 122241255

PLEASE REFERENCE THE FOLLOWING:  
PROPERTY: 3808 Hollins Avenue, Claremont, CA 91711  
FILE NUMBER: O-SA-5511183

FIRST AMERICAN TRUST, FSB CONTACT INFO: Banking Services (877)600-9473

**WIRES MAY BE RETURNED IF THE FILE NUMBER  
AND PROPERTY REFERENCE ARE NOT INCLUDED**

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

**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 Shown in Schedule A or \$2,500<br>(whichever is less) | \$10,000                                     |
| Covered Risk 18: | 1% of Policy Amount Shown in Schedule A or \$5,000<br>(whichever is less) | \$25,000                                     |
| Covered Risk 19: | 1% of Policy Amount Shown in Schedule A or \$5,000<br>(whichever is less) | \$25,000                                     |
| Covered Risk 21: | 1% of Policy Amount Shown in Schedule A or \$2,500<br>(whichever is less) | \$5,000                                      |

**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;

Order Number: **O-SA-5511183**

Page Number: 13

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

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

#### EXCEPTIONS FROM COVERAGE

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

##### [PART I

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

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

##### PART II

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

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

##### EXCLUSIONS FROM COVERAGE

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

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

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

- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

- (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 or 10); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
- (a) a fraudulent conveyance or fraudulent transfer, or
  - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

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

#### EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of: [The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown 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.
7. [Variable exceptions such as taxes, easements, CC&R's, etc. shown here.]

#### **ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (07-26-10)**

#### 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 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, 6, 13(c), 13(d), 14 or 16.

(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.

2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the

Order Number: **O-SA-5511183**  
Page Number: 15

Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.

7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
  - (a) a fraudulent conveyance or fraudulent transfer, or
  - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.



## First American Title

### Privacy Information

#### We Are Committed to Safeguarding Customer Information

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

### Applicability

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

### Types of Information

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

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

### Use of Information

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

### Former Customers

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

### Confidentiality and Security

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

### Information Obtained Through Our Web Site

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

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

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

### Business Relationships

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

### Cookies

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

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

### Fair Information Values

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

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

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

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

**Education** We endeavor to educate the users of our products and services, our employees and others in our industry about the importance of consumer privacy. We will instruct our employees on our fair information values and on the responsible collection and use of data. We will encourage others in our industry to collect and use information in a responsible manner.

**Security** We will maintain appropriate facilities and systems to protect against unauthorized access to and corruption of the data we maintain.



**EXHIBIT “4”**

**CLTA Preliminary Report Form**

(Rev. 11/06)

Order Number: O-SA-5511183

Page Number: 1



*First American Title*

## **First American Title Company**

**4 First American Way  
Santa Ana, CA 92707**

California Department of Insurance License No. 151

Order Number: O-SA-5511183 (dt)

Title Officer: Debbie Tognetti  
Phone: (714)250-8579  
Fax No.: (714)481-2956  
E-Mail: octitle3@firstam.com  
Property: 3808 Hollins Avenue  
Claremont, CA 91711

### **PRELIMINARY REPORT**

In response to the above referenced application for a policy of title insurance, this company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception 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.

Dated as of July 18, 2017 at 7:30 A.M.

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

ALTA/CLTA Homeowner's (EAGLE) Policy of Title Insurance (2010) and ALTA Ext Loan Policy 1056.06 (06-17-06) if the land described is an improved residential lot or condominium unit on which there is located a one-to-four family residence; or ALTA Standard Owner's Policy 2006 (WRE 06-17-06) and the ALTA Loan Policy 2006 (06-17-06) if the land described is an unimproved residential lot or condominium unit

A specific request should be made if another form or additional coverage is desired.

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

East Heights, Llc, a california limited liability company, subject to item no. 11

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

FEE

The Land referred to herein is described as follows:

(See attached Legal Description)

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

1. General and special taxes and assessments for the fiscal year 2017-2018, a lien not yet due or payable.
2. The lien of defaulted taxes for the fiscal year 2016-2017, and any subsequent delinquencies.

|                   |                |
|-------------------|----------------|
| Tax Rate Area:    | 15-02540       |
| A. P. No.:        | 8673-036-009   |
| Amount to redeem: | \$29,212.46    |
| Valid through:    | AUGUST 2017    |
| Amount to redeem: | \$29,599.91    |
| Valid through:    | SEPTEMBER 2017 |

**Please contact the tax office to verify the payoff amount.**

3. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.

4. Any and all offers of dedications, conditions, restrictions, easements, notes and/or provisions shown or disclosed by the filed or recorded map referred to in the legal description including but not limited to: LANDSCAPE and incidental purposes affecting said land.
5. An easement for UNDERGROUND ELECTRICAL SUPPLY SYSTEMS AND COMMUNICATION SYSTEMS and incidental purposes in the document recorded March 10, 1988 as INSTRUMENT NO. 88-327745 of Official Records.
6. The terms and provisions contained in the document entitled "AGREEMENT IMPOSING RESTRICTIONS TO LAND USE" recorded May 04, 2004 as INSTRUMENT NO. 04-1404767 of Official Records.
7. A deed of trust to secure an original indebtedness of \$2,880,000.00 recorded October 05, 2012 as INSTRUMENT NO. 12-1503744 OF OFFICIAL RECORDS.

Dated: October 02, 2012  
Trustor: EAST HEIGHTS LLC, A CALIFORNIA LIMITED LIABILITY COMPANY  
Trustee: STEWART TITLE OF CALIFORNIA, INC.  
Beneficiary: SHANGHAI COMMERCIAL BANK, LTD.

The terms and provisions contained in the document entitled "HAZARDOUS SUBSTANCES CERTIFICATE AND INDEMNITY AGREEMENT " recorded October 05, 2012 as INSTRUMENT NO. 12-1503745 OF OFFICIAL RECORDS.

8. A deed of trust to secure an original indebtedness of \$700,000.00 recorded August 06, 2014 as INSTRUMENT NO. 14-815418 OF OFFICIAL RECORDS.

Dated: July 19, 2014  
Trustor: EAST HEIGHTS LLC  
Trustee: FIRST AMERICAN TITLE COMPANY, A CALIFORNIA CORPORATION  
Beneficiary: YONGGANG PAN

Notes:

- a. If this deed of trust is to be eliminated in the policy or policies contemplated by this report/commitment, we will require all of the following prior to the recordation of any documents or the issuance of any policy of title insurance:
  - i. Original note and deed of trust.
  - ii. Payoff demand statement signed by all present beneficiaries.
  - iii. Request for reconveyance signed by all present beneficiaries.
- b. If the payoff demand statement or the request for reconveyance is to be signed by a servicer, we will also require a full copy of the loan servicing agreement executed by all present beneficiaries.
- c. If any of the beneficial interest is presently held by trustees under a trust agreement, we will require a certification pursuant to Section 18100.5 of the California Probate Code in a form satisfactory to the Company

9. Notice of pendency of action recorded March 22, 2016 as INSTRUMENT NO. 16-314049 of Official Records.

Court: UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA LOS ANGELES DIVISION  
Case No.: 2:16-BK-13575, CHAPTER 11  
Plaintiff: LIBERTY ASSET MANAGEMENT CORPORATION, A CALIFORNIA CORPORATION  
Defendant: EAST HEIGHTS LLC, A CALIFORNIA CORPORATION; LUCY GAO, AN INDIVIDUAL  
Purpose: CLAIM AFFECTING THE REAL PROPERTY

10. Notice of pendency of action recorded February 21, 2017 as INSTRUMENT NO. 17-207741 of Official Records.

Court: SUPERIOR COURT OF THE STATE OF CALIFORNIA FOR THE COUNTY OF ORANGE  
Case No.: 01D007340  
Plaintiff: PETER SEH  
Defendant: LUCY SEH  
Purpose: RIGHT TO POSSESSION OF REAL PROPERTY

11. Proceedings pending in the Bankruptcy Court of the Central District of the U.S. District Court, California, entitled in re: EAST HEIGHTS LLC, A CALIFORNIA CORPORATION; LUCY GAO, AN INDIVIDUAL, debtor, Case No. 16-13575, wherein a petition for relief was filed under Chapter 11 on May 22, 2017.

The effect of a document entitled "ORDER", recorded June 05, 2017 as INSTRUMENT NO. 17-616140 OF OFFICIAL RECORDS .

12. Water rights, claims or title to water, whether or not shown by the public records.
13. This transaction may be subject to the FinCEN Geographic Targeting Order affecting residential sale transactions. This company must be provided with information prior to the closing sufficient to determine if IRS/FinCEN Form 8300 must be completed and filed and must be provided information sufficient to meet the records retention requirements of the FinCEN Geographic Targeting Order. This transaction will not be insured, and this company and/or its underwriter will not be involved in a Covered Transaction (as defined by the FinCEN Geographic Targeting Order) until this information is submitted and reviewed by this company.

**Prior to the issuance of any policy of title insurance, the Company will require:**

14. With respect to EAST HEIGHTS, 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

**INFORMATIONAL NOTES**

Note: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable 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. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

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

|                     |                        |
|---------------------|------------------------|
| First Installment:  | \$12,914.81, DEFAULTED |
| Penalty:            | \$1,291.48             |
| Second Installment: | \$12,914.81, DEFAULTED |
| Penalty:            | \$1,301.48             |
| Tax Rate Area:      | 15-02540               |
| A. P. No.:          | 8673-036-009           |

THIS AMOUNT IS INCLUDED IN THE DEFAULTED AMOUNT SET OUT ABOVE

2. 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(n) Single Family Residence known as 3808 HOLLINS AVENUE, CLAREMONT, CA.

3. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:

None

NOTE to proposed insured lender only: No Private transfer fee covenant, as defined in Federal Housing Finance Agency Final Rule 12 CFR Part 1228, that was created and first appears in the Public Records on or after February 8, 2011, encumbers the Title except as follows: None

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

### **LEGAL DESCRIPTION**

Real property in the City of Claremont, County of Los Angeles, State of California, described as follows:

LOT 9, AS SHOWN ON THAT CERTAIN MAP ENTITLED TRACT NUMBER 44502, WHICH MAP WAS FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA IN BOOK 1104 OF MAPS PAGE(S) 51 AND 52.

EXCEPT THEREFROM ALL SUBSURFACE WATER AND MINERAL RIGHTS LYING BELOW A POINT 250 BELOW THE SURFACE OF THE LAND TO BE CONVEYED, BUT WILL RELEASE AND FOREVER QUITCLAIM TO THE OWNER OR OWNERS OF THE SURFACE OF THE LAND HEREINABOVE DESCRIBED TO A DEPTH OF 250 FEET IN SEVERALTY AND UPON THE SAME TENURE AS THEIR INTEREST APPEARS OF RECORD, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, ALL OF ITS RIGHTS TO THE USE OF THE SURFACE OF SAID REAL PROPERTY FOR THE PURPOSE OF PROSPECTING FOR, DRILLING FOR, OR REMOVING OR PRODUCING ANY AND ALL DEPOSITS, BODIES, VEINS, POOLS, STREAMS AND OTHER FORMATIONS AND CONDITIONS IN THE NATURE OF WATER, MINERALS, PETROLEUM, OIL, NAPHTHA, NATURAL GAS AND HYDROCARBON OR KINDRED SUBSTANCES LYING AND LOCATED IN, ON OR UNDER SAID REAL PROPERTY, EXCEPT BY OPERATIONS ON ADJACENT LANDS IN SUCH MANNER AS NOT TO DISTURB THE SURFACE OF SAID LAND OR ANY IMPROVEMENTS THEREON TO A DEPTH OF 250 FEET, AS RESERVED BY JAMES A. BLAISDELL IN DEED RECORDED DECEMBER 20, 1955 AS INSTRUMENT NO. 2025 IN BOOK 49924 PAGE 332, OFFICIAL RECORDS.

APN: 8673-036-009



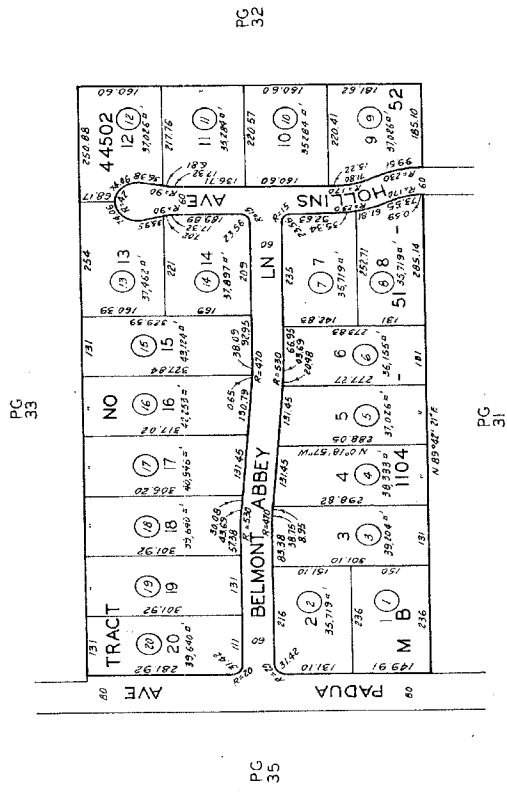
REVISED  
08/03/2016 10:02Z  
891219

OFFICE OF ASSESSOR  
COUNTY OF LOS ANGELES

SCALE 1" = 200'  
TBA  
2540  
P.A. 8673 - 33

8673 36

19861



PG 33

PG 32

PG 31

PG 35

***NOTICE***

Section 12413.1 of the California Insurance Code, effective January 1, 1990, requires that any title insurance company, underwritten title company, or controlled escrow company handling funds in an escrow or sub-escrow capacity, wait a specified number of days after depositing funds, before recording any documents in connection with the transaction or disbursing funds. This statute allows for funds deposited by wire transfer to be disbursed the same day as deposit. In the case of cashier's checks or certified checks, funds may be disbursed the next day after deposit. In order to avoid unnecessary delays of three to seven days, or more, please use wire transfer, cashier's checks, or certified checks whenever possible.

## INCOMING DOMESTIC WIRE INSTRUCTIONS

**Beware of cyber-crime!** If you receive an e-mail or any other communication that appears to be generated from a First American Title Company employee that contains new, revised or altered bank wire instructions, consider it suspect and call our office at a number you trust.

### **\*\* Our Wire Instructions Do Not Change. \*\***

**Funds from other than buyer or seller:** Other than funds from a designated lender, real estate agent or broker, or the attorney of record, we will only accept incoming wires that are from the buyer or seller on a transaction. Other third party deposits not accompanied by appropriate instructions will be returned to the remitter.

**Funds from a U.S. Bank:** Funds should be wired from a bank within the United States. Notify our office at (714)250-3000 when you have transmitted your wire.

**Funds from a non-U.S. Bank:** If your funds are being wired from a non-U.S. bank, additional charges may apply. Contact our office for Incoming International Wiring Instructions.

**ACH Transfers are NOT wire transfers:** An ACH transfer is not immediately available funds and requires additional time for clearance. An ACH transfer cannot be accepted for an imminent closing. Acceptance of ACH transfers are subject to state law. Contact our office at (714)250-3000 prior to sending funds by ACH transfer.

Contact our office at (714)250-3000 when funds are sent.

|                |   |
|----------------|---|
| PAYABLE TO:    | First American Title Company              |
| BANK:          | First American Trust, FSB                 |
| ADDRESS        | 5 First American Way, Santa Ana, CA 92707 |
| ACCOUNT NO.:   | 3012500000                                |
| ROUTING NUMBER | 122241255                                 |

PLEASE REFERENCE THE FOLLOWING:  
PROPERTY: 3808 Hollins Avenue, Claremont, CA 91711  
FILE NUMBER: O-SA-5511183

FIRST AMERICAN TRUST, FSB CONTACT INFO: Banking Services (877)600-9473

**WIRES MAY BE RETURNED IF THE FILE NUMBER  
AND PROPERTY REFERENCE ARE NOT INCLUDED**

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

**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 Shown in Schedule A or \$2,500<br>(whichever is less) | \$10,000                                     |
| Covered Risk 18: | 1% of Policy Amount Shown in Schedule A or \$5,000<br>(whichever is less) | \$25,000                                     |
| Covered Risk 19: | 1% of Policy Amount Shown in Schedule A or \$5,000<br>(whichever is less) | \$25,000                                     |
| Covered Risk 21: | 1% of Policy Amount Shown in Schedule A or \$2,500<br>(whichever is less) | \$5,000                                      |

**2006 ALTA LOAN POLICY (06-17-06)**

EXCLUSIONS FROM COVERAGE

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

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

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

(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.

2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

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

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

#### EXCEPTIONS FROM COVERAGE

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

#### [PART I

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

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

#### PART II

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

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

#### EXCLUSIONS FROM COVERAGE

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

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

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

- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

- (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 or 10); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
- (a) a fraudulent conveyance or fraudulent transfer, or
  - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

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

#### EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of: [The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown 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.
7. [Variable exceptions such as taxes, easements, CC&R's, etc. shown here.]

#### **ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (07-26-10)**

#### 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 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, 6, 13(c), 13(d), 14 or 16.

(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.

2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the

Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.

7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
  - (a) a fraudulent conveyance or fraudulent transfer, or
  - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.





*First American Title*

**Privacy Information**

**We Are Committed to Safeguarding Customer Information**

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

**Applicability**

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

**Types of Information**

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

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

**Use of Information**

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

**Former Customers**

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

**Confidentiality and Security**

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

**Information Obtained Through Our Web Site**

First American Financial Corporation is sensitive to privacy issues on the Internet. We believe it is important you know how we treat the information about you we receive on the Internet. In general, you can visit First American or its affiliates' Web sites on the World Wide Web without telling us who you are or revealing any information about yourself. Our Web servers collect the domain names, not the e-mail addresses, of visitors. This information is aggregated to measure the number of visits, average time spent on the site, pages viewed and similar information. First American uses this information to measure the use of our site and to develop ideas to improve the content of our site. There are times, however, when we may need information from you, such as your name and email address. When information is needed, we will use our best efforts to let you know at the time of collection how we will use the personal information. Usually, the personal information we collect is used only by us to respond to your inquiry, process an order or allow you to access specific account/profile information. If you choose to share any personal information with us, we will only use it in accordance with the policies outlined above.

**Business Relationships**

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

**Cookies**

Some of First American's Web sites may make use of "cookie" technology to measure site activity and to customize information to your personal tastes. A cookie is an element of data that a Web site can send to your browser, which may then store the cookie on your hard drive. [FirstAm.com](http://FirstAm.com) uses stored cookies. The goal of this technology is to better serve you when visiting our site, save you time when you are here and to provide you with a more meaningful and productive Web site experience.

**Fair Information Values**

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

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

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

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

**Education** We endeavor to educate the users of our products and services, our employees and others in our industry about the importance of consumer privacy. We will instruct our employees on our fair information values and on the responsible collection and use of data. We will encourage others in our industry to collect and use information in a responsible manner.

**Security** We will maintain appropriate facilities and systems to protect against unauthorized access to and corruption of the data we maintain.

**EXHIBIT “5”**

1 Ian S. Landsberg, Esq. (SBN 137431)  
2 Casey Z. Donoyan, Esq. (SBN 224945)  
3 **LANDSBERG LAW, APC**  
4 9300 Wilshire Blvd., Suite 565  
5 Beverly Hills, CA 90212  
6 Telephone: (310) 409-2228  
7 Facsimile: (310) 409-2380  
8 Email: ian@landsberg-law.com

9 Attorneys for Debtor and Debtor-in-Possession,  
10 Crystal Waterfalls LLC

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

14 In re: ) Case No.: 2:15-bk-27769-ER  
15 )  
16 CRYSTAL WATERFALLS, LLC, )  
17 ) Chapter 11 Case  
18 Debtor and Debtor in Possession. )  
19 )  
20 ) **STIPULATION TO RECONVEY DEED**  
21 ) **OF TRUST**  
22 )  
23 )  
24 )  
25 )  
26 )  
27 )  
28 )

1 Crystal Waterfalls LLC (“Crystal” or “Debtor”), debtor and debtor in possession in its  
2 pending Chapter 11 bankruptcy proceeding, by and through its counsel of record, and  
3 Yonggang Pan (“Pan”), by and through his counsel of record (collectively referred to herein as  
4 the “Parties”), hereby stipulate and agree as follows:

5 **RECITALS**

6 1. Crystal is a California limited liability company formed on or about July 1,  
7 2011.

8 2. In or about October 2011, Crystal purchased Park Inn by Radisson hotel (the  
9 “Hotel”) and the underlying real property located at 1211 E. Garvey Street, Covina, California  
10 91724 (the “Real Property”). The Real Property was transferred to Crystal by grant deed  
11 recorded on October 12, 2011.

12 3. The Real Property is comprised of, and the Hotel sits on, two lots (APN 8447-  
13 031-045 and APN 8447-031-053) with a combined square footage of approximately 243,934.  
14 The Hotel includes 258 rooms and offers guest accommodations and various amenities, such  
15 as a fitness center, an outdoor heated swimming pool and whirlpool, complimentary wireless  
16 internet access, on-site steakhouse, and approximately 9,000 square feet of meeting space that  
17 could comfortably accommodate groups of up to 450 people.

18 4. On or about August 19, 2014, Crystal granted a \$3,000,000 deed on trust to  
19 Chung Yen Liu (“Liu”), which was recorded in the Los Angeles County Recorders Office on  
20 or about September 26, 2014 bearing instrument number 20141022381 (“Liu DOT”).

21 5. On or about September 25, 2014, the Liu DOT was assigned to Yonggang Pan  
22 (“Pan”), which was recorded in the Los Angeles County Recorders Office on or about January  
23 28, 2105, bearing instrument number 20150101732 (“Pan Assignment”).

24 6. Although Crystal’s principal executed the the Liu DOT, Crystal never entered  
25 into any loan agreements with Liu or Pan, never executed any promissory notes in favor of Liu  
26 or Pan, Plaintiff never borrowed money from Liu or Pan, never received any funds from Liou  
27 or Pan and neither Crystal or the Real Property received any benefit from the Liu DOT.  
28

1           7.     In an effort to avoid protracted and costly litigation regarding the Liu DOT, the  
2 Parties herein wish to resolve any and all disputes relating to the Liu DOT and the Pan  
3 Assignment, and enter into this Stipulation as follows:

4    **STIPULATION**

- 5           A.     The Liu DOT is void and of no force or effect;
- 6           B.     Upon entry of an Order approving this herein Stipulation (the "Order"), the Liu  
7 DOT is shall be deemed reconveyed, as if the Liu DOT had never been executed, delivered  
8 and/or recorded.
- 9           C.     By virtue of this herein Stipulation, Pan grants Crystal the power and authority  
10 to cause a certified copy of the Order to be recorded with the Los Angeles County Recorder's  
11 Office, the effect of which will be the same as if Pan himself had recorded a Full  
12 Reconveyance of the liu DOT.

13 **SO STIPULATED.**

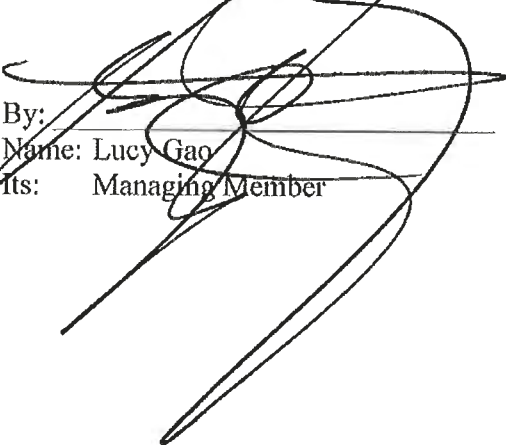
14  
15                    12/20  
Dated: August , 2016

**YONGGANG PAN**



16  
17  
18                    12/20  
19 Dated: August , 2016

**CRYSTAL WATERFALLS LLC**



By:  
Name: Lucy Gao  
Its:     Managing Member

**EXHIBIT “6”**

RECORDING REQUESTED BY

WHEN RECORDED MAIL TO  
AND MAIL TAX STATEMENTS TO

NAME: Lawrence Perkins

ADDRESS 400 S. Hope St. Suite 1050

CITY Los Angeles  
STATE & ZIP CA 90071

TITLE ORDER NO.

ESCROW OR LOAN NO.

APN NO.

**CALIFORNIA QUITCLAIM DEED**

THE UNDERSIGNED GRANTOR(S) DECLARE(S)

DOCUMENTARY TRANSFER TAX is \$ 0 CITY TAX \$ 0

computed on full value of property conveyed, or  computed on full value less value of liens or encumbrances remaining at time of sale,

Unincorporated area:  City of \_\_\_\_\_, and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, East Heights, LLC

hereby remise, release and forever quitclaim to Liberty Asset Management Corporation

the following described real property in the County of Los Angeles, State of California:

3808 HOLLINS AVENUE, CLAREMONT, CA 91711

See Attachment hereto for legal description of property

Dated 9/18/17

EAST HEIGHTS, LLC

By: [Signature]  
Lawrence Perkins,  
Its Manager

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

State of California

County of LOS ANGELES

On SEPTEMBER 18, 2017 before me, STEFANIE L. RUSSO, NOTARY (here insert name and title of the officer), personally appeared LAWRENCE PERKINS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature [Signature] (Seal)



Attachment To Quitclaim Deed

**LEGAL DESCRIPTION**

Real property in the City of Claremont, County of Los Angeles, State of California, described as follows:

LOT 9, AS SHOWN ON THAT CERTAIN MAP ENTITLED TRACT NUMBER 44502, WHICH MAP WAS FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA IN BOOK 1104 OF MAPS PAGE(S) 51 AND 52.

EXCEPT THEREFROM ALL SUBSURFACE WATER AND MINERAL RIGHTS LYING BELOW A POINT 250 BELOW THE SURFACE OF THE LAND TO BE CONVEYED, BUT WILL RELEASE AND FOREVER QUITCLAIM TO THE OWNER OR OWNERS OF THE SURFACE OF THE LAND HEREINABOVE DESCRIBED TO A DEPTH OF 250 FEET IN SEVERALTY AND UPON THE SAME TENURE AS THEIR INTEREST APPEARS OF RECORD, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, ALL OF ITS RIGHTS TO THE USE OF THE SURFACE OF SAID REAL PROPERTY FOR THE PURPOSE OF PROSPECTING FOR, DRILLING FOR, OR REMOVING OR PRODUCING ANY AND ALL DEPOSITS, BODIES, VEINS, POOLS, STREAMS AND OTHER FORMATIONS AND CONDITIONS IN THE NATURE OF WATER, MINERALS, PETROLEUM, OIL, NAPHTHA, NATURAL GAS AND HYDROCARBON OR KINDRED SUBSTANCES LYING AND LOCATED IN, ON OR UNDER SAID REAL PROPERTY, EXCEPT BY OPERATIONS ON ADJACENT LANDS IN SUCH MANNER AS NOT TO DISTURB THE SURFACE OF SAID LAND OR ANY IMPROVEMENTS THEREON TO A DEPTH OF 250 FEET, AS RESERVED BY JAMES A. BLAISDELL IN DEED RECORDED DECEMBER 20, 1955 AS INSTRUMENT NO. 2025 IN BOOK 49924 PAGE 332, OFFICIAL RECORDS.

APN: 8673-036-009



**EXHIBIT “7”**



CALIFORNIA ASSOCIATION OF REALTORS®

RESIDENTIAL LISTING AGREEMENT (Exclusive Authorization and Right to Sell) (C.A.R. Form RLA, Revised 6/17)

Date Prepared: 08/07/2017

1. EXCLUSIVE RIGHT TO SELL: East Heights, LLC ("Seller") hereby employs and grants Coldwell Banker Residential Brokerage ("Broker") beginning (date) August 7, 2017 and ending at 11:59 P.M. on (date) February 28, 2018 ("Listing Period") the exclusive and irrevocable right to sell or exchange the real property described as 3808 Hollins Ave.

Los Angeles (County), California, 91711 (Zip Code), Assessor's Parcel No. 8673-036-009 ("Property").

This Property is a manufactured (mobile) home. See addendum for additional terms.

This Property is being sold as part of a probate, conservatorship or guardianship. See addendum for additional terms.

2. LISTING PRICE AND TERMS:

A. The listing price shall be: Two Million, One Hundred Thousand

Dollars (\$ 2,100,000.00).

3. COMPENSATION TO BROKER:

Notice: The amount or rate of real estate commissions is not fixed by law. They are set by each Broker individually and may be negotiable between Seller and Broker (real estate commissions include all compensation and fees to Broker).

A. Seller agrees to pay to Broker as compensation for services irrespective of agency relationship(s), either 5.000 percent of the listing price (or if a purchase agreement is entered into, of the purchase price), or \$

(1) If during the Listing Period, or any extension, Broker, cooperating broker, Seller or any other person procures a ready, willing, and able buyer(s) whose offer to purchase the Property on any price and terms is accepted by Seller, provided the Buyer completes the transaction or is prevented from doing so by Seller. (Broker is entitled to compensation whether any escrow resulting from such offer closes during or after the expiration of the Listing Period, or any extension.)

OR (2) If within calendar days (a) after the end of the Listing Period or any extension; or (b) after any cancellation of this Agreement, unless otherwise agreed, Seller enters into a contract to sell, convey, lease or otherwise transfer the Property to anyone ("Prospective Buyer") or that person's related entity: (i) who physically entered and was shown the Property during the Listing Period or any extension by Broker or a cooperating broker; or (ii) for whom Broker or any cooperating broker submitted to Seller a signed, written offer to acquire, lease, exchange or obtain an option on the Property. Seller, however, shall have no obligation to Broker under paragraph 3A(2) unless, not later than the end of the Listing Period or any extension or cancellation, Broker has given Seller a written notice of the names of such Prospective Buyers.

OR (3) If, without Broker's prior written consent, the Property is withdrawn from sale, conveyed, leased, rented, otherwise transferred, or made unmarketable by a voluntary act of Seller during the Listing Period, or any extension.

B. If completion of the sale is prevented by a party to the transaction other than Seller, then compensation which otherwise would have been earned under paragraph 3A shall be payable only if and when Seller collects damages by suit, arbitration, settlement or otherwise, and then in an amount equal to the lesser of one-half of the damages recovered or the above compensation, after first deducting title and escrow expenses and the expenses of collection, if any.

C. In addition, Seller agrees to pay Broker:

D. Seller has been advised of Broker's policy regarding cooperation with, and the amount of compensation offered to, other brokers.

(1) Broker is authorized to cooperate with and compensate brokers participating through the multiple listing service(s) ("MLS") by offering to MLS brokers out of Broker's compensation specified in 3A, either 3.000 percent of the purchase price, or \$

(2) Broker is authorized to cooperate with and compensate brokers operating outside the MLS as per Broker's policy.

E. Seller hereby irrevocably assigns to Broker the above compensation from Seller's funds and proceeds in escrow. Broker may submit this Agreement, as instructions to compensate Broker pursuant to paragraph 3A, to any escrow regarding the Property involving Seller and a buyer, Prospective Buyer or other transferee.

F. (1) Seller represents that Seller has not previously entered into a listing agreement with another broker regarding the Property, unless specified as follows:

(2) Seller warrants that Seller has no obligation to pay compensation to any other broker regarding the Property unless the Property is transferred to any of the following individuals or entities:

(3) If the Property is sold to anyone listed above during the time Seller is obligated to compensate another broker: (i) Broker is not entitled to compensation under this Agreement; and (ii) Broker is not obligated to represent Seller in such transaction.

Seller's Initials

[Handwritten initials]



Property Address: 3808 Hollins Ave., Claremont, 91711

Date: 08/07/2017

4. A. **ITEMS EXCLUDED AND INCLUDED:** Unless otherwise specified in a real estate purchase agreement, all fixtures and fittings that are attached to the Property are included, and personal property items are excluded, from the purchase price.

**ADDITIONAL ITEMS EXCLUDED:**

**ADDITIONAL ITEMS INCLUDED:**

Seller intends that the above items be excluded or included in offering the Property for sale, but understands that: (i) the purchase agreement supersedes any intention expressed above and will ultimately determine which items are excluded and included in the sale; and (ii) Broker is not responsible for and does not guarantee that the above exclusions and/or inclusions will be in the purchase agreement.

B. (1) **Leased Or Not Owned Items:** The following items are leased or not owned by Seller:

- Solar power system       Alarm system       Propane tank       Water Softener
- Other \_\_\_\_\_

(2) **Liened Items:** The following items have been financed and a lien has been placed on the Property to secure payment:

- Solar power system       Windows or doors       Heating/Ventilation/Air conditioning system
- Other \_\_\_\_\_

Seller will provide to Buyer, as part of the sales agreement, copies of lease documents, or other documents obligating Seller to pay for any such leased or liened item.

5. **MULTIPLE LISTING SERVICE:**

A. Broker is a participant/subscriber to CRMLS Multiple Listing Service (MLS) and possibly others. Unless otherwise instructed in writing the Property will be listed with the MLS(s) specified above. That MLS is (or if checked  is not) the primary MLS for the geographic area of the Property. All terms of the transaction, including sales price and financing, if applicable, (i) will be provided to the MLS in which the property is listed for publication, dissemination and use by persons and entities on terms approved by the MLS and (ii) may be provided to the MLS even if the Property was not listed with the MLS.

**BENEFITS OF USING THE MLS; IMPACT OF OPTING OUT OF THE MLS; PRESENTING ALL OFFERS**

**WHAT IS AN MLS?** The MLS is a database of properties for sale that is available and disseminated to and accessible by all other real estate agents who are participants or subscribers to the MLS. Property information submitted to the MLS describes the price, terms and conditions under which the Seller's property is offered for sale (including but not limited to the listing broker's offer of compensation to other brokers). It is likely that a significant number of real estate practitioners in any given area are participants or subscribers to the MLS. The MLS may also be part of a reciprocal agreement to which other multiple listing services belong. Real estate agents belonging to other multiple listing services that have reciprocal agreements with the MLS also have access to the information submitted to the MLS. The MLS may further transmit listing information to internet sites that post property listings online.

**EXPOSURE TO BUYERS THROUGH MLS:** Listing property with an MLS exposes a seller's property to all real estate agents and brokers (and their potential buyer clients) who are participants or subscribers to the MLS or a reciprocating MLS.

**CLOSED/PRIVATE LISTING CLUBS OR GROUPS:** Closed or private listing clubs or groups are not the same as the MLS. The MLS referred to above is accessible to all eligible real estate licensees and provides broad exposure for a listed property. Private or closed listing clubs or groups of licensees may have been formed outside the MLS. Private or closed listing clubs or groups are accessible to a more limited number of licensees and generally offer less exposure for listed property. Whether listing property through a closed, private network - and excluding it from the MLS - is advantageous or disadvantageous to a seller, and why, should be discussed with the agent taking the Seller's listing.

**NOT LISTING PROPERTY IN A LOCAL MLS:** If the Property is listed in an MLS which does not cover the geographic area where the Property is located then real estate agents and brokers working that territory, and Buyers they represent looking for property in the neighborhood, may not be aware the Property is for sale.

**OPTING OUT OF MLS:** If Seller elects to exclude the Property from the MLS, Seller understands and acknowledges that: (a) real estate agents and brokers from other real estate offices, and their buyer clients, who have access to that MLS may not be aware that Seller's Property is offered for sale; (b) information about Seller's Property will not be transmitted from the MLS to various real estate internet sites that are used by the public to search for property listings; (c) real estate agents, brokers and members of the public may be unaware of the terms and conditions under which Seller is marketing the Property.

**REDUCTION IN EXPOSURE:** Any reduction in exposure of the Property may lower the number of offers and negatively impact the sales price.

**PRESENTING ALL OFFERS:** Seller understands that Broker must present all offers received for Seller's Property unless Seller gives Broker written instructions to the contrary.

Seller's Initials ( AS ) ( \_\_\_\_\_ )

Broker's/Agent's Initials ( \_\_\_\_\_ ) ( \_\_\_\_\_ )

Seller's Initials ( \_\_\_\_\_ ) ( \_\_\_\_\_ )



Property Address: 3808 Hollins Ave., Claremont, 91711

Date: 08/07/2017

- B. MLS rules generally provide that residential real property and vacant lot listings be submitted to the MLS within 2 days or some other period of time after all necessary signatures have been obtained on the listing agreement. Broker will not have to submit this listing to the MLS if, within that time, Broker submits to the MLS an appropriate form signed by Seller.
  - Seller elects to exclude the Property from the MLS as provided by C.A.R. Form SELM or the local equivalent form.
- C. MLS rules allow MLS data to be made available by the MLS to additional internet sites unless Broker gives the MLS instructions to the contrary. Seller acknowledges that for any of the below opt-out instructions to be effective, Seller must make them on a separate instruction to Broker signed by Seller. Specific information that can be excluded from the Internet as permitted by (or in accordance with) the MLS is as follows:
  - (1) **Property Availability On The MLS; Address On the MLS:** Seller can instruct Broker to have the MLS not display the Property or the Property address on the Internet. Seller understands that either of these opt-outs would mean consumers searching for listings on the Internet may not see the Property or Property's address in response to their search.
  - (2) **Feature Opt-Outs:** Seller can instruct Broker to advise the MLS that Seller does not want visitors to MLS Participant or Subscriber Websites or Electronic Displays that display the Property listing to have the features below. Seller understands (i) that these opt-outs apply only to Websites or Electronic Displays of MLS Participants and Subscribers who are real estate broker and agent members of the MLS; (ii) that other Internet sites may or may not have the features set forth herein; and (iii) that neither Broker nor the MLS may have the ability to control or block such features on other Internet sites.
    - (a) **Comments And Reviews:** The ability to write comments or reviews about the Property on those sites; or the ability to link to another site containing such comments or reviews if the link is in immediate conjunction with the Property display.
    - (b) **Automated Estimate Of Value:** The ability to create an automated estimate of value or to link to another site containing such an estimate of value if the link is in immediate conjunction with the Property display.  Seller elects to opt out of certain Internet features as provided by C.A.R. Form SELI or the local equivalent form.
- 6. **SELLER REPRESENTATIONS:** Seller represents that, unless otherwise specified in writing, Seller is unaware of: (i) any Notice of Default recorded against the Property; (ii) any delinquent amounts due under any loan secured by, or other obligation affecting, the Property; (iii) any bankruptcy, insolvency or similar proceeding affecting the Property; (iv) any litigation, arbitration, administrative action, government investigation or other pending or threatened action that affects or may affect the Property or Seller's ability to transfer it; and (v) any current, pending or proposed special assessments affecting the Property. Seller shall promptly notify Broker in writing if Seller becomes aware of any of these items during the Listing Period or any extension thereof.
- 7. **BROKER'S AND SELLER'S DUTIES:**
  - A. Broker agrees to exercise reasonable effort and due diligence to achieve the purposes of this Agreement. Unless Seller gives Broker written instructions to the contrary, Broker is authorized, but not required, to (i) order reports and disclosures including those specified in 7C as necessary, (ii) advertise and market the Property by any method and in any medium selected by Broker, including MLS and the Internet, and, to the extent permitted by these media, control the dissemination of the information submitted to any medium; and (iii) disclose to any real estate licensee making an inquiry the receipt of any offers on the Property and the offering price of such offers.
  - B. Seller agrees to consider offers presented by Broker, and to act in good faith to accomplish the sale of the Property by, among other things, making the Property available for showing at reasonable times and, subject to paragraph 4F, referring to Broker all inquiries of any party interested in the Property. Seller is responsible for determining at what price to list and sell the Property.
  - C. **Investigations and Reports:** Seller agrees, within 5 (or     ) Days of the beginning date of this Agreement, to pay for the following pre-sale reports:  Structural Pest Control  General Property Inspection  Homeowners Association Documents  Other \_\_\_\_\_
  - D. Seller further agrees to indemnify, defend and hold Broker harmless from all claims, disputes, litigation, judgments attorney fees and costs arising from any incorrect or incomplete information supplied by Seller, or from any material facts that Seller knows but fails to disclose including dangerous or hidden conditions on the Property..
- 8. **DEPOSIT:** Broker is authorized to accept and hold on Seller's behalf any deposits to be applied toward the purchase price.
- 9. **AGENCY RELATIONSHIPS:**
  - A. **Disclosure:** The Seller acknowledges receipt of a  "Disclosure Regarding Real Estate Agency Relationships" (C.A.R. Form AD).
  - B. **Seller Representation:** Broker shall represent Seller in any resulting transaction, except as specified in paragraph 3F.
  - C. **Possible Dual Agency With Buyer:** Depending upon the circumstances, it may be necessary or appropriate for Broker to act as an agent for both Seller and buyer, exchange party, or one or more additional parties ("Buyer"). Broker shall, as soon as practicable, disclose to Seller any election to act as a dual agent representing both Seller and Buyer. If a Buyer is procured directly by Broker or an associate-licensee in Broker's firm, Seller hereby consents to Broker acting as a dual agent for Seller and Buyer. In the event of an exchange, Seller hereby consents to Broker collecting compensation from additional parties for services rendered, provided there is disclosure to all parties of such agency and compensation. Seller understands and agrees that: (i) Broker, without the prior written consent of Seller, will not disclose to Buyer that Seller is willing to sell the Property at a price less than the listing price; (ii) Broker, without the prior written consent of Buyer, will not disclose to Seller that Buyer is willing to pay a price greater than the offered price; and (iii) except for (i) and (ii) above, a dual agent is obligated to disclose known facts materially affecting the value or desirability of the Property to both parties.
  - D. **Confirmation:** Broker shall confirm the agency relationship described above, or as modified, in writing, prior to or concurrent with Seller's execution of a purchase agreement.

Seller's Initials \_\_\_\_\_

*[Handwritten Signature]*



Property Address: 3500 Hollins Ave., Claremont, 91711

Date: 08/07/2017

**E. Potentially Competing Sellers and Buyers:** Seller understands that Broker may have or obtain listings on other properties, and that potential buyers may consider, make offers on, or purchase through Broker, property the same as or similar to Seller's Property. Seller consents to Broker's representation of sellers and buyers of other properties before, during and after the end of this Agreement. Seller acknowledges receipt of a  "Possible Representation of More than One Buyer or Seller - Disclosure and Consent" (C.A.R. Form PRBS).

**10. SECURITY, INSURANCE, SHOWINGS, AUDIO AND VIDEO:** Broker is not responsible for loss of or damage to personal or real property, or person, whether attributable to use of a key safe/lockbox, a showing of the Property, or otherwise. Third parties, including, but not limited to, appraisers, inspectors, brokers and prospective buyers, may have access to, and take videos and photographs of, the interior of the Property. Seller agrees: (i) to take reasonable precautions to safeguard and protect valuables that might be accessible during showings of the Property; and (ii) to obtain insurance to protect against these risks. Broker does not maintain insurance to protect Seller. Persons visiting the Property may not be aware that they could be recorded by audio or visual devices installed by Seller (such as "nanny cams" and hidden security cameras). Seller is advised to post notice disclosing the existence of security devices.

**11. PHOTOGRAPHS AND INTERNET ADVERTISING:**

**A.** In order to effectively market the Property for sale it is often necessary to provide photographs, virtual tours and other media to buyers. Seller agrees (or  checked, does not agree) that Broker may photograph or otherwise electronically capture images of the exterior and interior of the Property ("Images") for static and/or virtual tours of the Property by buyers and others for use on Broker's website, the MLS, and other marketing materials and sites. Seller acknowledges that once images are placed on the Internet neither Broker nor Seller has control over who can view such images and what use viewers may make of the images, or how long such images may remain available on the Internet. Seller further assigns any rights in all images to the Broker and agrees that such images are the property of Broker and that Broker may use such images for advertising, including post sale and for Broker's business in the future.

**B.** Seller acknowledges that prospective buyers and/or other persons coming onto the property may take photographs, videos or other images of the property. Seller understands that Broker does not have the ability to control or block the taking and use of images by any such persons. (if checked )  Seller instructs Broker to publish in the MLS that taking of images is limited to those persons preparing Appraisal or Inspection reports. Seller acknowledges that unauthorized persons may take images who do not have access to or have not read any limiting instruction in the MLS or who take images regardless of any limiting instruction in the MLS. Once images are taken and/or put into electronic display on the Internet or otherwise, neither Broker nor Seller has control over who views such images nor what use viewers may make of the images.

**12. KEYSAFE/LOCKBOX:** A key safe/lockbox is designed to hold a key to the Property to permit access to the Property by Broker, cooperating brokers, MLS participants, their authorized licensees and representatives, authorized inspectors, and accompanied prospective buyers. Broker, cooperating brokers, MLS and Associations/Boards of REALTORS® are not insurers against injury, theft, loss, vandalism or damage attributed to the use of a key safe/lockbox. Seller does (or if checked  does not) authorize Broker to install a key safe/lockbox. If Seller does not occupy the Property, Seller shall be responsible for obtaining occupant(s)' written permission for use of a key safe/lockbox (C.A.R. Form KLA).

**13. SIGN:** Seller does (or if checked  does not) authorize Broker to install a FOR SALE/SOLD sign on the Property.

**14. EQUAL HOUSING OPPORTUNITY:** The Property is offered in compliance with federal, state and local anti-discrimination laws.

**15. ATTORNEY FEES:** In any action, proceeding or arbitration between Seller and Broker to enforce the compensation provisions of this Agreement, the prevailing Seller or Broker shall be entitled to reasonable attorney fees and costs from the non-prevailing Seller or Broker, except as provided in paragraph 19A.

**16. ADDITIONAL TERMS:**  REO Advisory Listing (C.A.R. Form REOL)  Short Sale Information and Advisory (C.A.R. Form SSIA)  Trust Advisory (C.A.R. Form TA)

**17. MANAGEMENT APPROVAL:** If an associate-licensee in Broker's office (salesperson or broker-associate) enters into this Agreement on Broker's behalf, and Broker or Manager does not approve of its terms, Broker or Manager has the right to cancel this Agreement, in writing, within 5 Days After its execution.

**18. SUCCESSORS AND ASSIGNS:** This Agreement shall be binding upon Seller and Seller's successors and assigns.

**19. DISPUTE RESOLUTION:**

**A. MEDIATION:** Seller and Broker agree to mediate any dispute or claim arising between them regarding the obligation to pay compensation under this Agreement, before resorting to arbitration or court action. 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. Exclusions from this mediation agreement are specified in paragraph 19B.

Seller's Initials \_\_\_\_\_

RLA REVISED 6/17 (PAGE 4 OF 5)

RESIDENTIAL LISTING AGREEMENT - EXCLUSIVE (RLA PAGE 4 OF 5)

Property Address: 3908 Hollins Ave., Claremont, 91711

Date: 08/07/2017

- B. ADDITIONAL MEDIATION TERMS:** The following matters shall be excluded from mediation: (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; (iii) the filing or enforcement of a mechanic's lien; and (iv) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court. 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, shall not constitute a waiver or violation of the mediation provisions.
- C. ADVISORY:** If Seller and Broker desire to resolve disputes arising between them through arbitration rather than court, they can document their agreement by attaching and signing an Arbitration Agreement (C.A.R. Form ARB).
- 20. ENTIRE AGREEMENT:** All prior discussions, negotiations and agreements between the parties concerning the subject matter of this Agreement are superseded by this Agreement, which constitutes the entire contract and a complete and exclusive expression of their agreement, 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. This Agreement and any supplement, addendum or modification, including any photocopy or facsimile, may be executed in counterparts.
- 21. OWNERSHIP, TITLE AND AUTHORITY:** Seller warrants that: (i) Seller is the owner of the Property; (ii) no other persons or entities have title to the Property; and (iii) Seller has the authority to both execute this Agreement and sell the Property. Exceptions to ownership, title and authority are as follows:

**REPRESENTATIVE CAPACITY:** This Listing Agreement is being signed for Seller by an individual acting in a Representative Capacity as specified in the attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD-S). Wherever the signature or initials of the representative identified in the RCSD appear on this Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. Seller (i) represents that the entity for which the individual is signing already exists and (ii) shall Deliver to Broker, within 3 Days After Execution of this Agreement, evidence of authority to act (such as but not limited to: applicable trust document, or portion thereof, letters testamentary, court order, power of attorney, resolution, or formation documents of the business entity).

By signing below, Seller acknowledges that Seller has read, understands, received a copy of and agrees to the terms of this Agreement.

Seller [Signature] attorney for Liberty Asset Management Corp  
East Heights, LLC 100% member of East Heights LLC Date 8/11/17  
 Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
 Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

Seller \_\_\_\_\_ Date \_\_\_\_\_  
 Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
 Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

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

Real Estate Broker (Firm) Coldwell Banker Residential Brokerage CalBRE Lic. # 00816212  
 Address 840 Newport Center Dr. #100 City Newport Beach State CA Zip 92660

By [Signature] Tel. (949) 759-3760 E-mail 9496441660 CalBRE Lic. # 01309137 Date 08/07/2017  
Greg Bringham / Bill Friedman

By [Signature] Tel. (424) 702-3007 E-mail \_\_\_\_\_ CalBRE Lic. # \_\_\_\_\_ Date 08/07/2017  
Bill Friedman

Two Brokers with different companies are co-listing the Property. Co-listing Broker information is on the attached Additional Broker Acknowledgement (C.A.R. Form ABA).

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Reviewed by \_\_\_\_\_ Date \_\_\_\_\_

RLA REVISED 6/17 (PAGE 5 OF 5)

**RESIDENTIAL LISTING AGREEMENT - EXCLUSIVE (RLA PAGE 5 OF 5)**

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Equal Housing Opportunity



CALIFORNIA ASSOCIATION OF REALTORS®

RESIDENTIAL LISTING AGREEMENT (Exclusive Authorization and Right to Sell) (C.A.R. Form RLA, Revised 6/17)

Date Prepared: 08/07/2017

1. EXCLUSIVE RIGHT TO SELL: East Heights, LLC ("Seller") hereby employs and grants Coldwell Banker Residential Brokerage ("Broker") beginning (date) August 7, 2017 and ending at 11:59 P.M. on (date) February 28, 2018 ("Listing Period") the exclusive and irrevocable right to sell or exchange the real property described as 1001 East Rd. situated in La Habra Heights (City), Los Angeles (County), California, 90631 (Zip Code), Assessor's Parcel No. 8266-008-006 ("Property").

- This Property is a manufactured (mobile) home. See addendum for additional terms.
This Property is being sold as part of a probate, conservatorship or guardianship. See addendum for additional terms.

2. LISTING PRICE AND TERMS:

A. The listing price shall be: Six Hundred Ten Thousand Dollars (\$ 610,000.00).
B. Listing Terms:

3. COMPENSATION TO BROKER:

Notice: The amount or rate of real estate commissions is not fixed by law. They are set by each Broker individually and may be negotiable between Seller and Broker (real estate commissions include all compensation and fees to Broker).

- A. Seller agrees to pay to Broker as compensation for services irrespective of agency relationship(s), either 6.000 percent of the listing price (or if a purchase agreement is entered into, of the purchase price), or \$ AND
(1) If during the Listing Period, or any extension, Broker, cooperating broker, Seller or any other person procures a ready, willing, and able buyer(s) whose offer to purchase the Property on any price and terms is accepted by Seller, provided the Buyer completes the transaction or is prevented from doing so by Seller. (Broker is entitled to compensation whether any escrow resulting from such offer closes during or after the expiration of the Listing Period, or any extension.)
OR (2) if within calendar days (a) after the end of the Listing Period or any extension; or (b) after any cancellation of this Agreement, unless otherwise agreed, Seller enters into a contract to sell, convey, lease or otherwise transfer the Property to anyone ("Prospective Buyer") or that person's related entity: (i) who physically entered and was shown the Property during the Listing Period or any extension by Broker or a cooperating broker; or (ii) for whom Broker or any cooperating broker submitted to Seller a signed, written offer to acquire, lease, exchange or obtain an option on the Property. Seller, however, shall have no obligation to Broker under paragraph 3A(2) unless, not later than the end of the Listing Period or any extension or cancellation, Broker has given Seller a written notice of the names of such Prospective Buyers.
OR (3) if, without Broker's prior written consent, the Property is withdrawn from sale, conveyed, leased, rented, otherwise transferred, or made unmarketable by a voluntary act of Seller during the Listing Period, or any extension.
B. If completion of the sale is prevented by a party to the transaction other than Seller, then compensation which otherwise would have been earned under paragraph 3A shall be payable only if and when Seller collects damages by suit, arbitration, settlement or otherwise, and then in an amount equal to the lesser of one-half of the damages recovered or the above compensation, after first deducting title and escrow expenses and the expenses of collection, if any.
C. In addition, Seller agrees to pay Broker:
D. Seller has been advised of Broker's policy regarding cooperation with, and the amount of compensation offered to, other brokers.
(1) Broker is authorized to cooperate with and compensate brokers participating through the multiple listing service(s) ("MLS") by offering to MLS brokers out of Broker's compensation specified in 3A, either 3.000 percent of the purchase price, or \$
(2) Broker is authorized to cooperate with and compensate brokers operating outside the MLS as per Broker's policy.
E. Seller hereby irrevocably assigns to Broker the above compensation from Seller's funds and proceeds in escrow. Broker may submit this Agreement, as instructions to compensate Broker pursuant to paragraph 3A, to any escrow regarding the Property involving Seller and a buyer, Prospective Buyer or other transferee.
F. (1) Seller represents that Seller has not previously entered into a listing agreement with another broker regarding the Property, unless specified as follows:
(2) Seller warrants that Seller has no obligation to pay compensation to any other broker regarding the Property unless the Property is transferred to any of the following individuals or entities:
(3) If the Property is sold to anyone listed above during the time Seller is obligated to compensate another broker: (i) Broker is not entitled to compensation under this Agreement; and (ii) Broker is not obligated to represent Seller in such transaction.

Seller's Initials

[Handwritten initials]



Property Address: 1001 East Rd., La Habra Heights, 90631

Date: 08/07/2017

4. A. **ITEMS EXCLUDED AND INCLUDED:** Unless otherwise specified in a real estate purchase agreement, all fixtures and fittings that are attached to the Property are included, and personal property items are excluded, from the purchase price.

**ADDITIONAL ITEMS EXCLUDED:** \_\_\_\_\_

**ADDITIONAL ITEMS INCLUDED:** \_\_\_\_\_

Seller intends that the above items be excluded or included in offering the Property for sale, but understands that: (i) the purchase agreement supersedes any intention expressed above and will ultimately determine which items are excluded and included in the sale; and (ii) Broker is not responsible for and does not guarantee that the above exclusions and/or inclusions will be in the purchase agreement.

B. (1) **Leased Or Not Owned Items:** The following items are leased or not owned by Seller:

- Solar power system       Alarm system       Propane tank       Water Softener
- Other \_\_\_\_\_

(2) **Liened Items:** The following items have been financed and a lien has been placed on the Property to secure payment:

- Solar power system       Windows or doors       Heating/Ventilation/Air conditioning system
- Other \_\_\_\_\_

Seller will provide to Buyer, as part of the sales agreement, copies of lease documents, or other documents obligating Seller to pay for any such leased or liened item.

5. **MULTIPLE LISTING SERVICE:**

A. Broker is a participant/subscriber to CRMLS Multiple Listing Service (MLS) and possibly others. Unless otherwise instructed in writing the Property will be listed with the MLS(s) specified above. That MLS is (or if checked  is not) the primary MLS for the geographic area of the Property. All terms of the transaction, including sales price and financing, if applicable, (i) will be provided to the MLS in which the property is listed for publication, dissemination and use by persons and entities on terms approved by the MLS and (ii) may be provided to the MLS even if the Property was not listed with the MLS.

**BENEFITS OF USING THE MLS; IMPACT OF OPTING OUT OF THE MLS; PRESENTING ALL OFFERS**

**WHAT IS AN MLS?** The MLS is a database of properties for sale that is available and disseminated to and accessible by all other real estate agents who are participants or subscribers to the MLS. Property information submitted to the MLS describes the price, terms and conditions under which the Seller's property is offered for sale (including but not limited to the listing broker's offer of compensation to other brokers). It is likely that a significant number of real estate practitioners in any given area are participants or subscribers to the MLS. The MLS may also be part of a reciprocal agreement to which other multiple listing services belong. Real estate agents belonging to other multiple listing services that have reciprocal agreements with the MLS also have access to the information submitted to the MLS. The MLS may further transmit listing information to Internet sites that post property listings online.

**EXPOSURE TO BUYERS THROUGH MLS:** Listing property with an MLS exposes a seller's property to all real estate agents and brokers (and their potential buyer clients) who are participants or subscribers to the MLS or a reciprocating MLS.

**CLOSED/PRIVATE LISTING CLUBS OR GROUPS:** Closed or private listing clubs or groups are not the same as the MLS. The MLS referred to above is accessible to all eligible real estate licensees and provides broad exposure for a listed property. Private or closed listing clubs or groups of licensees may have been formed outside the MLS. Private or closed listing clubs or groups are accessible to a more limited number of licensees and generally offer less exposure for listed property. Whether listing property through a closed, private network - and excluding it from the MLS - is advantageous or disadvantageous to a seller, and why, should be discussed with the agent taking the Seller's listing.

**NOT LISTING PROPERTY IN A LOCAL MLS:** If the Property is listed in an MLS which does not cover the geographic area where the Property is located then real estate agents and brokers working that territory, and Buyers they represent looking for property in the neighborhood, may not be aware the Property is for sale.

**OPTING OUT OF MLS:** If Seller elects to exclude the Property from the MLS, Seller understands and acknowledges that: (a) real estate agents and brokers from other real estate offices, and their buyer clients, who have access to that MLS may not be aware that Seller's Property is offered for sale; (b) Information about Seller's Property will not be transmitted from the MLS to various real estate Internet sites that are used by the public to search for property listings; (c) real estate agents, brokers and members of the public may be unaware of the terms and conditions under which Seller is marketing the Property.

**REDUCTION IN EXPOSURE:** Any reduction in exposure of the Property may lower the number of offers and negatively impact the sales price.

**PRESENTING ALL OFFERS:** Seller understands that Broker must present all offers received for Seller's Property unless Seller gives Broker written instructions to the contrary.

Seller's Initials (   *JS*   ) ( \_\_\_\_\_ )

Broker's/Agent's Initials ( \_\_\_\_\_ ) ( \_\_\_\_\_ )

Seller's Initials (   *JS*   ) ( \_\_\_\_\_ )





Property Address: 1001 East Rd., La Habra Heights, 90631

Date: 08/07/2017

- B. MLS rules generally provide that residential real property and vacant lot listings be submitted to the MLS within 2 days or some other period of time after all necessary signatures have been obtained on the listing agreement. Broker will not have to submit this listing to the MLS if, within that time, Broker submits to the MLS an appropriate form signed by Seller.
  - Seller elects to exclude the Property from the MLS as provided by C.A.R. Form SELM or the local equivalent form.
- C. MLS rules allow MLS data to be made available by the MLS to additional Internet sites unless Broker gives the MLS instructions to the contrary. Seller acknowledges that for any of the below opt-out instructions to be effective, Seller must make them on a separate instruction to Broker signed by Seller. Specific information that can be excluded from the Internet as permitted by (or in accordance with) the MLS is as follows:
  - (1) **Property Availability On The MLS; Address On the MLS:** Seller can instruct Broker to have the MLS not display the Property or the Property address on the Internet. Seller understands that either of these opt-outs would mean consumers searching for listings on the Internet may not see the Property or Property's address in response to their search.
  - (2) **Feature Opt-Outs:** Seller can instruct Broker to advise the MLS that Seller does not want visitors to MLS Participant or Subscriber Websites or Electronic Displays that display the Property listing to have the features below. Seller understands (i) that these opt-outs apply only to Websites or Electronic Displays of MLS Participants and Subscribers who are real estate broker and agent members of the MLS; (ii) that other Internet sites may or may not have the features set forth herein; and (iii) that neither Broker nor the MLS may have the ability to control or block such features on other Internet sites.
    - (a) **Comments And Reviews:** The ability to write comments or reviews about the Property on those sites; or the ability to link to another site containing such comments or reviews if the link is in immediate conjunction with the Property display.
    - (b) **Automated Estimate Of Value:** The ability to create an automated estimate of value or to link to another site containing such an estimate of value if the link is in immediate conjunction with the Property display.  Seller elects to opt out of certain Internet features as provided by C.A.R. Form SELI or the local equivalent form.
- 6. **SELLER REPRESENTATIONS:** Seller represents that, unless otherwise specified in writing, Seller is unaware of: (i) any Notice of Default recorded against the Property; (ii) any delinquent amounts due under any loan secured by, or other obligation affecting, the Property; (iii) any bankruptcy, insolvency or similar proceeding affecting the Property; (iv) any litigation, arbitration, administrative action, government investigation or other pending or threatened action that affects or may affect the Property or Seller's ability to transfer it; and (v) any current, pending or proposed special assessments affecting the Property. Seller shall promptly notify Broker in writing if Seller becomes aware of any of these items during the Listing Period or any extension thereof.
- 7. **BROKER'S AND SELLER'S DUTIES:**
  - A. Broker agrees to exercise reasonable effort and due diligence to achieve the purposes of this Agreement. Unless Seller gives Broker written instructions to the contrary, Broker is authorized, but not required, to (i) order reports and disclosures including those specified in 7C as necessary, (ii) advertise and market the Property by any method and in any medium selected by Broker, including MLS and the Internet, and, to the extent permitted by these media, control the dissemination of the information submitted to any medium; and (iii) disclose to any real estate licensee making an inquiry the receipt of any offers on the Property and the offering price of such offers.
  - B. Seller agrees to consider offers presented by Broker, and to act in good faith to accomplish the sale of the Property by, among other things, making the Property available for showing at reasonable times and, subject to paragraph 4F, referring to Broker all inquiries of any party interested in the Property. Seller is responsible for determining at what price to list and sell the Property.
  - C. **Investigations and Reports:** Seller agrees, within 5 (or \_\_\_) Days of the beginning date of this Agreement, to pay for the following pre-sale reports:  Structural Pest Control  General Property Inspection  Homeowners Association Documents  Other \_\_\_\_\_
  - D. Seller further agrees to indemnify, defend and hold Broker harmless from all claims, disputes, litigation, judgments attorney fees and costs arising from any incorrect or incomplete information supplied by Seller, or from any material facts that Seller knows but fails to disclose including dangerous or hidden conditions on the Property..
- 8. **DEPOSIT:** Broker is authorized to accept and hold on Seller's behalf any deposits to be applied toward the purchase price.
- 9. **AGENCY RELATIONSHIPS:**
  - A. **Disclosure:** The Seller acknowledges receipt of a  "Disclosure Regarding Real Estate Agency Relationships" (C.A.R. Form AD).
  - B. **Seller Representation:** Broker shall represent Seller in any resulting transaction, except as specified in paragraph 3F.
  - C. **Possible Dual Agency With Buyer:** Depending upon the circumstances, it may be necessary or appropriate for Broker to act as an agent for both Seller and buyer, exchange party, or one or more additional parties ("Buyer"). Broker shall, as soon as practicable, disclose to Seller any election to act as a dual agent representing both Seller and Buyer. If a Buyer is procured directly by Broker or an associate-licensee in Broker's firm, Seller hereby consents to Broker acting as a dual agent for Seller and Buyer. In the event of an exchange, Seller hereby consents to Broker collecting compensation from additional parties for services rendered, provided there is disclosure to all parties of such agency and compensation. Seller understands and agrees that: (i) Broker, without the prior written consent of Seller, will not disclose to Buyer that Seller is willing to sell the Property at a price less than the listing price; (ii) Broker, without the prior written consent of Buyer, will not disclose to Seller that Buyer is willing to pay a price greater than the offered price; and (iii) except for (i) and (ii) above, a dual agent is obligated to disclose known facts materially affecting the value or desirability of the Property to both parties.
  - D. **Confirmation:** Broker shall confirm the agency relationship described above, or as modified, in writing, prior to or concurrent with Seller's execution of a purchase agreement.

Seller's Initials

*[Handwritten Signature]*



Property Address: 1001 East Rd., La Habra Heights, 90631

Date: 08/07/2017

**E. Potentially Competing Sellers and Buyers:** Seller understands that Broker may have or obtain listings on other properties, and that potential buyers may consider, make offers on, or purchase through Broker, property the same as or similar to Seller's Property. Seller consents to Broker's representation of sellers and buyers of other properties before, during and after the end of this Agreement. Seller acknowledges receipt of a  "Possible Representation of More than One Buyer or Seller - Disclosure and Consent" (C.A.R. Form PRBS).

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**B.** Seller acknowledges that prospective buyers and/or other persons coming onto the property may take photographs, videos or other images of the property. Seller understands that Broker does not have the ability to control or block the taking and use of Images by any such persons. (If checked )  Seller instructs Broker to publish in the MLS that taking of Images is limited to those persons preparing Appraisal or Inspection reports. Seller acknowledges that unauthorized persons may take images who do not have access to or have not read any limiting instruction in the MLS or who take images regardless of any limiting instruction in the MLS. Once Images are taken and/or put into electronic display on the Internet or otherwise, neither Broker nor Seller has control over who views such Images nor what use viewers may make of the Images.

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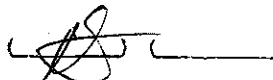
**17. MANAGEMENT APPROVAL:** If an associate-licensee in Broker's office (salesperson or broker-associate) enters into this Agreement on Broker's behalf, and Broker or Manager does not approve of its terms, Broker or Manager has the right to cancel this Agreement, in writing, within 5 Days After its execution.

**18. SUCCESSORS AND ASSIGNS:** This Agreement shall be binding upon Seller and Seller's successors and assigns.

**19. DISPUTE RESOLUTION:**

**A. MEDIATION:** Seller and Broker agree to mediate any dispute or claim arising between them regarding the obligation to pay compensation under this Agreement, before resorting to arbitration or court action. 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. Exclusions from this mediation agreement are specified in paragraph 19B.

Seller's Initials



Property Address: 1001 East Rd., La Habra Heights, 90631

Date: 08/07/2017

**B. ADDITIONAL MEDIATION TERMS:** The following matters shall be excluded from mediation: (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; (iii) the filing or enforcement of a mechanic's lien; and (iv) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court. 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, shall not constitute a waiver or violation of the mediation provisions.

**C. ADVISORY:** If Seller and Broker desire to resolve disputes arising between them through arbitration rather than court, they can document their agreement by attaching and signing an Arbitration Agreement (C.A.R. Form ARB).

**20. ENTIRE AGREEMENT:** All prior discussions, negotiations and agreements between the parties concerning the subject matter of this Agreement are superseded by this Agreement, which constitutes the entire contract and a complete and exclusive expression of their agreement, 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. This Agreement and any supplement, addendum or modification, including any photocopy or facsimile, may be executed in counterparts.

**21. OWNERSHIP, TITLE AND AUTHORITY:** Seller warrants that: (i) Seller is the owner of the Property; (ii) no other persons or entities have title to the Property; and (iii) Seller has the authority to both execute this Agreement and sell the Property. Exceptions to ownership, title and authority are as follows:

**REPRESENTATIVE CAPACITY:** This Listing Agreement is being signed for Seller by an individual acting in a Representative Capacity as specified in the attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD-S). Wherever the signature or initials of the representative identified in the RCSD appear on this Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. Seller (i) represents that the entity for which the individual is signing already exists and (ii) shall Deliver to Broker, within 3 Days After Execution of this Agreement, evidence of authority to act (such as but not limited to: applicable trust document, or portion thereof, letters testamentary, court order, power of attorney, resolution, or formation documents of the business entity).

By signing below, Seller acknowledges that Seller has read, understands, received a copy of and agrees to the terms of this Agreement.

Seller [Signature] attorney for Liberty Asset Management Corp. Date 8/11/17  
100% member of East Heights LLC  
East Heights, LLC

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

Seller \_\_\_\_\_ Date \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

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

Real Estate Broker (Firm) Coldwell Banker Residential Brokerage CalBRE Lic. # 00616212  
Address 840 Newport Center Dr. #100 City Newport Beach State CA Zip 92660

By [Signature] Tel. (949)759-3760 E-mail greg.bingham@camoves.com CalBRE Lic. # 01309137 Date 08/07/2017  
Greg Bingham / Bill Friedman

By [Signature] Tel. (424)702-3007 E-mail billfried@earthlink.net CalBRE Lic. # \_\_\_\_\_ Date \_\_\_\_\_  
Bill Friedman

Two Brokers with different companies are co-listing the Property. Co-listing Broker information is on the attached Additional Broker Acknowledgement (C.A.R. Form ABA).

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Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



RLA REVISED 6/17 (PAGE 5 OF 5)

RESIDENTIAL LISTING AGREEMENT -EXCLUSIVE (RLA PAGE 5 OF 5)

**EXHIBIT “8”**

1 DAVID B. GOLUBCHIK (SBN 185520)  
2 EVE H. KARASIK (SBN 155356)  
3 JEFFREY S. KWONG (SBN 288239)  
4 LEVENE, NEALE, BENDER, YOO & BRILL LLP  
5 10250 Constellation Boulevard, Suite 1700  
6 Los Angeles, California 90067  
7 Telephone: (310) 229-1234; Facsimile: (310) 229-1244  
8 Email: [dbg@lnbyb.com](mailto:dbg@lnbyb.com), [ehk@lnbyb.com](mailto:ehk@lnbyb.com), [jsk@lnbyb.com](mailto:jsk@lnbyb.com)

6 Attorneys for Chapter 11 Debtor and Debtor  
7 in Possession

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

11 In re:

12  
13 LIBERTY ASSET MANAGEMENT  
14 CORPORATION,

15 Debtor.

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

Chapter 11

**APPLICATION FOR AN ORDER  
AUTHORIZING AND APPROVING  
THE EMPLOYMENT OF COLDWELL  
BANKER TO MARKET AND SELL  
REAL PROPERTY IN ROWLAND  
HEIGHTS, CALIFORNIA;  
DECLARATION OF WILLIAM  
FRIEDMAN IN SUPPORT THEREOF**

[No Hearing Required Unless Requested  
Pursuant to Local Bankruptcy Rule 2014-1]

21  
22 Liberty Asset Management Corporation (“Liberty” or the “Debtor”), the debtor and debtor in  
23 possession in the above-captioned chapter 11 case (the “Case”), hereby applies to the Court (the  
24 “Application”), for entry of an order authorizing the Debtor’s retention and employment of Coldwell  
25 Banker (“Coldwell”), whose business office is located at 8840 S. Sepulveda Blvd., Los Angeles,  
26 California 90045, as real estate broker to market and sell certain residential real property owned by  
27 the Debtor and located in Rowland Heights, CA.  
28

I.

**STATEMENT OF JURISDICTION AND VENUE**

On March 21, 2016 (the "Petition Date"), the Debtor filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). The Debtor continues to operate its business and manage its affairs as debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or committee has been appointed in the chapter 11 case (the "Case").

This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). The venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory bases for the relief sought herein are sections 327(a) and 328 of the Bankruptcy Code, Rule 2014(a) of the Federal Rules of Bankruptcy Procedure (the "Federal Bankruptcy Rules") and Local Bankruptcy Rule 2014-1. Compensation will be paid in accordance with sections 328, 330 and 331 of the Bankruptcy Code, subject to Court order.

II.

**STATEMENT OF FACTS**

Prior to the Petition Date, Liberty was a real estate management company with Benjamin Kirk as 100% member. Since its inception, Liberty's mission was to seek out real estate opportunities, invest in such opportunities and manage them.

An asset of the estate includes an interest in certain residential real property located at 1916 Los Padres Drive, Rowland Heights, California 91748 (the "Subject Property"). The Subject Property is a single family home, is approximately 1180 square feet, and is currently vacant. Pursuant to 11 U.S.C. § 363, the Debtor may be authorized to sell or lease property of this chapter 11 estate (the "Estate"). Pursuant to a previously executed stipulation and order of this Court, the Subject Property was transferred to the Debtor. See Exhibit "C" hereto.

III.

**RELIEF REQUESTED**

Based on discussions with real estate brokers, the Debtor believes that there is equity available in the Subject Property for the benefit of the Estate and its creditors and therefore, it is in

1 the best interest of the Estate to sell the Subject Property. As such, the Debtor believes that  
2 employing a real estate broker to market the Subject Property will best accomplish this goal.

3 The Debtor is informed and believes that Coldwell is familiar with bankruptcy and business  
4 matters and the representation of debtors and, as such, will be able to render services both  
5 economically and efficiently in this Case. The Debtor is informed and believes that Coldwell has  
6 been a real estate broker in many bankruptcy matters and understands its compensation in this case is  
7 subject to the approval of this Court. As such, the Debtor seeks to employ Coldwell as real estate  
8 broker for the Subject Property.

9 Coldwell, as the Debtor's broker, shall list, advertise, show and sell the Subject Property and  
10 perform, among other things, the following tasks:

11 (a) analyze and prepare all documentation necessary to list and advertise the  
12 Subject Property for sale as may be necessary and appropriate.

13 (b) list the Subject Property with the most propitious listing services available; to  
14 inspect the Subject Property as necessary to respond to purchaser's inquiries; and to solicit  
15 reasonable offers of purchasers.

16 (c) convey all reasonable purchase offers to the Debtor and to Debtor's counsel,  
17 and subject to the Debtor's approval, to negotiate and confirm the acceptance of the best offer.

18 (d) cause to be prepared and submitted to escrow on behalf of the Debtor any and  
19 all documents necessary to consummate a sale of the Subject Property.

20 The Debtor believes that the appointment of Coldwell as broker in this Case will be  
21 beneficial to the Estate because Coldwell's services and expertise in listing and selling real property.  
22 Subject to approval of this Court, the Debtor entered into a listing agreement retaining Coldwell as  
23 the listing agent on commercially reasonable terms as set forth in that certain *Residential Listing*  
24 *Agreement (Exclusive Authorization and Right to Sell)* and *Addendum to Exclusive Authorization*  
25 *and Right to Sell* (together, the "Listing Agreement") to list for sale, *inter alia*, the Subject Property.  
26 A copy of the Listing Agreement is attached as **Exhibit "A"** to the Declaration of William Friedman  
27 appended hereto (the "Friedman Declaration"). The Listing Agreement was negotiated by the  
28 parties in good faith and at arm's length, and the Debtor believes the terms and conditions are fair

1 and equitable. Any sale shall be subject to Court approval after the “notice and hearing”  
2 requirements of the Bankruptcy Code.

3 IV.

4 COMPENSATION

5 The Listing Agreement for the Subject Property provides that Coldwell shall be compensated  
6 for its services in an amount equal to six percent (6%) of the gross sales price for the sale of the  
7 Subject Property. The Debtor is informed and believes that the commission represents the standard  
8 commission rates used within the local real estate industry for sales of similar residential real  
9 property. The Listing Agreement provides for a listing price of \$419,000 for the Subject Property.  
10 Coldwell acknowledges that its compensation will depend upon application to and approval by this  
11 Court of the terms and conditions of the sale after notice to creditors.

12 Subject to the approval of the Bankruptcy Court pursuant to sections 327 and 328 of the  
13 Bankruptcy Code, Rule 2014 of the Federal Bankruptcy Rules and Rule 2014-1 of the Local Rules  
14 (“LBR” together with Federal Bankruptcy Rules, the “Bankruptcy Rules”), the Debtor seeks to  
15 employ Coldwell as its real estate broker to (a) market the Subject Property, (b) show the Subject  
16 Property to potential purchasers, (c) represent the Debtor as seller in connection with the sale of the  
17 Subject Property, and (d) advise the Debtor with respect to obtaining the highest and best offer  
18 available in the present market for the Subject Property. As noted above, the terms and conditions  
19 for the sale of the Subject Property are set forth in detail in the Listing Agreement.

20 Coldwell has also been advised of and has agreed to accept employment subject to the  
21 provisions of 11 U.S.C. §328(a). Coldwell understands that, notwithstanding the approval of  
22 Coldwell’s employment by this Court in accordance with the terms hereof, the Court may allow a  
23 compensation different from the compensation provided for herein if such terms agreed upon prove  
24 to have been improvident in light of developments that could not have been anticipated at the time  
25 this Application was approved. As set forth in the Friedman Declaration, Friedman has received no  
26 retainer from the Debtor or any other party for Coldwell’s services and has no agreement to share  
27 any compensation to be paid in this case with any other person except among members of Coldwell,  
28 except that the commission may be shared with the buyer’s broker.



V.

**DISINTERESTEDNESS**

As set forth in the Friedman Declaration, the Debtor is informed and believes that William Friedman (“Friedman”) of Coldwell is a “disinterested person” within the meaning of 11 U.S.C. §101(14), has no interest adverse to the Estate, and does not have any connection with the Debtor, any creditors of the Debtor, the Office of the United States Trustee or any person employed in the Office of the United States Trustee or any bankruptcy judge in this district, or their respective attorneys or accountants. Based upon the Friedman Declaration, the Debtor does not believe that any actual or potential conflict exists with respect to these Creditors.

Coldwell may have been engaged by, or in the future may be engaged by, one or more creditors of the Debtor or other parties in interest in the Debtor’s bankruptcy case. In addition, Coldwell in the past may have provided, and in the future may provide, services to the Debtor, in matters unrelated to this case. The Debtor does not believe such relationships, as described above, constitute an actual or potential conflict. The Debtor and/or Friedman will supplement this disclosure and advise the Court if they become aware of any potential or actual conflicts. The disclosures contained in the Friedman Declaration are incorporated herein by reference.

VI.

**NOTICE**

Pursuant to Local Bankruptcy Rule 2014-1(b)(4), a hearing is not required in connection with the Application unless requested by the United States Trustee, a party in interest, or otherwise ordered by the Court. Pursuant to Local Bankruptcy Rule 2014-1(b)(3), any response to the Application and request for hearing must be in the form prescribed by Local Bankruptcy Rule 9013-1(f)(1), and must be filed with the Court and served upon the Debtor, his counsel, and the United States Trustee no later than fourteen (14) calendar days from the date of service of notice of the filing of the Application.

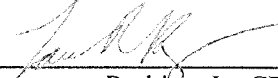
Notice of filing of this Application was provided to the Official Committee of Unsecured Creditors, the Office of the United States Trustee, and any party who filed and served a request for special notice as of the date of service of this Application.

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**WHEREFORE**, the Debtor respectfully requests that the Court enter an order approving the employment of Coldwell Banker as the Debtor's real estate broker to market and sell the Subject Property under the terms and conditions in the Listing Agreement, and that the Court grant such other and further relief as is just and proper.

Dated: October 14 2016

LIBERTY ASSET MANAGEMENT CORPORATION

By:   
Lawrence Perkins, Its CRO

Submitted By:

LEVENE, NEALE, BENDER, YOO & BRILL LLP

\_\_\_\_\_

By: /s/ David B. Golubchik  
David B. Golubchik  
Eve H. Karasik  
Jeffrey S. Kwong

Attorneys for the Debtor and Debtor in Possession

**DECLARATION OF WILLIAM FRIEDMAN**

I, William Friedman, declare:

1. I am employed as an agent for Coldwell Banker (“Coldwell”), located 8840 Sepulveda Blvd., Los Angeles, CA, telephone number (424) 702-3000, and I am the real estate agent which the Debtor desires to employ for the purpose of listing and selling the real property located at 1916 Los Padres Drive, Rowland Heights, California 91748 (the “Subject Property”).

2. I am a California licensed real estate agent and I am experienced in selling residential and commercial properties. My resume, along with the resume of Thomas Burton Bluemel of Coldwell (also expected to work on this matter), are attached hereto collectively as **Exhibit “B”**.

3. Since at least 1985, I have been employed by more than 30 bankruptcy trustees and debtor in the Central District of California. As such, I have evaluated thousands of properties, and I have listed and co-listed hundreds of properties for sale on behalf of trustees, debtor and bankruptcy estates, generally.

4. In the majority of cases, my assistance is requested because of my familiarity with sales through bankruptcy and my resources and contacts in the local areas.

5. Coldwell proposes to market and sell the Subject Property and to perform, among others, the following tasks:

(a) analyze and prepare all documentation necessary to list and advertise the Subject Property for sale as may be necessary and appropriate.

(b) list the Subject Property with the most propitious listing services available; to inspect the Subject Property as necessary to respond to purchaser’s inquiries; and to solicit reasonable offers of purchasers.

(c) convey all reasonable purchase offers to the Debtor and to Debtor’s counsel, and subject to the Debtor’s approval, to negotiate and confirm the acceptance of the best offer.

(d) cause to be prepared and submitted to escrow on behalf of the Debtor any and all documents necessary to consummate a sale of the Subject Property.

7. The Listing Agreement for the Subject Property, a true and correct copy of which is attached hereto as **Exhibit “A”**, provides that Coldwell shall be compensated for its services in an

1 amount equal to six percent (6%) of the gross sales price for the sale of each of the Subject Property.  
2 I am informed and believe that the commission is reasonable and submit that this rate of commission  
3 represents the standard commission rates used within the real estate industry for sales of residential  
4 real property. The Listing Agreement provides for a listing price of \$419,000. I understand that  
5 Coldwell's compensation will depend upon application to and approval by this Court of the terms  
6 and conditions of the sale after notice to all creditors. Coldwell has not received any retainer to  
7 market and sell the Subject Property.

8 8. I understand and agree to accept employment subject to the provisions of 11 U.S.C.  
9 section 328(a). I also understand that notwithstanding the approval of Coldwell's employment by  
10 this Court in accordance with the terms herein, the Court may allow a compensation different from  
11 the compensation provided for according to the Application if such terms agreed upon prove to have  
12 been improvident in light of developments that could not have been anticipated at the time of the  
13 Application was approved. Coldwell has received no retainer from the Debtor for its services.

14 9. I am a disinterested person as defined in 11 U.S.C. § 101(14). Neither I nor any  
15 member of Coldwell are associated or affiliated with the Debtor, its affiliates, its creditors, or any  
16 other party in interest or their respective attorneys or accountants. Coldwell does not hold any pre-  
17 petition claim against the Debtor.

18 10 I am familiar with the Bankruptcy Code, Bankruptcy Rules and Local Rules, and will  
19 comply with them.

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

22 Executed this 14 day of October, 2016, at Los Angeles, California.

23  
24   
25 \_\_\_\_\_  
26 WILLIAM FRIEDMAN  
27  
28

**EXHIBIT "A"**



CALIFORNIA ASSOCIATION OF REALTORS® RESIDENTIAL LISTING AGREEMENT (Exclusive Authorization and Right to Sell) (C.A.R. Form RLA, Revised 12/15)

Date Prepared: 09/26/2016

1. EXCLUSIVE RIGHT TO SELL: Liberty Asset Management Corporation, (Seller) hereby employs and grants Coldwell Banker (Broker) beginning (date) September 26, 2016 and ending at 11:59 P.M. on (date) March 28, 2017 ("Listing Period") the exclusive and irrevocable right to sell or exchange the real property described as 1916 Los Padres Drive, situated in Rowland Heights (City), Los Angeles (County), California, 91748 (Zip Code), Assessor's Parcel No. 8253-006-004 ("Property").

2. LISTING PRICE AND TERMS: A. The listing price shall be: Four Hundred Nineteen Thousand Dollars (\$ 419,000.00). B. Listing Terms: Subject to Bankruptcy Court approval. Property sold "as is."

3. COMPENSATION TO BROKER: Notice: The amount or rate of real estate commissions is not fixed by law. They are set by each Broker individually and may be negotiable between Seller and Broker (real estate commissions include all compensation and fees to Broker).

A. Seller agrees to pay to Broker as compensation for services irrespective of agency relationship(s), either 6.000 percent of the listing price (or if a purchase agreement is entered into, of the purchase price), or \$ AND (1) If during the Listing Period, or any extension, Broker, cooperating broker, Seller or any other person procures a ready, willing, and able buyer(s) whose offer to purchase the Property on any price and terms is accepted by Seller, provided the Buyer completes the transaction or is prevented from doing so by Seller. (Broker is entitled to compensation whether any escrow resulting from such offer closes during or after the expiration of the Listing Period, or any extension.) OR (2) If within calendar days (a) after the end of the Listing Period or any extension; or (b) after any cancellation of this Agreement, unless otherwise agreed, Seller enters into a contract to sell, convey, lease or otherwise transfer the Property to anyone ("Prospective Buyer") or that person's related entity: (i) who physically entered and was shown the Property during the Listing Period or any extension by Broker or a cooperating broker; or (ii) for whom Broker or any cooperating broker submitted to Seller a signed, written offer to acquire, lease, exchange or obtain an option on the Property. Seller, however, shall have no obligation to Broker under paragraph 3A(2) unless, not later than the end of the Listing Period or any extension or cancellation, Broker has given Seller a written notice of the names of such Prospective Buyers. OR (3) If, without Broker's prior written consent, the Property is withdrawn from sale, conveyed, leased, rented, otherwise transferred, or made unmarketable by a voluntary act of Seller during the Listing Period, or any extension. B. If completion of the sale is prevented by a party to the transaction other than Seller, then compensation which otherwise would have been earned under paragraph 3A shall be payable only if and when Seller collects damages by suit, arbitration, settlement or otherwise, and then in an amount equal to the lesser of one-half of the damages recovered or the above compensation, after first deducting title and escrow expenses and the expenses of collection, if any. C. In addition, Seller agrees to pay Broker: D. Seller has been advised of Broker's policy regarding cooperation with, and the amount of compensation offered to, other brokers. (1) Broker is authorized to cooperate with and compensate brokers participating through the multiple listing service(s) ("MLS") by offering to MLS brokers out of Broker's compensation specified in 3A, either 3.000 percent of the purchase price, or \$ (2) Broker is authorized to cooperate with and compensate brokers operating outside the MLS as per Broker's policy. E. F. (1) (2)

(3) If the Property is sold to anyone listed above during the time Seller is obligated to compensate another broker: (i) Broker is not entitled to compensation under this Agreement; and (ii) Broker is not obligated to represent Seller in such transaction. 4. A. ITEMS EXCLUDED AND INCLUDED: Unless otherwise specified in a real estate purchase agreement, all fixtures and fittings that are attached to the Property are included, and personal property items are excluded, from the purchase price. ADDITIONAL ITEMS EXCLUDED: ADDITIONAL ITEMS INCLUDED:

X Seller's Initials ( ) ( )

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

Date: 09/26/2016

Seller intends that the above items be excluded or included in offering the Property for sale, but understands that: (i) the purchase agreement supersedes any intention expressed above and will ultimately determine which items are excluded and included in the sale; and (ii) Broker is not responsible for and does not guarantee that the above exclusions and/or inclusions will be in the purchase agreement.

B. (1) Leased Items: The following items are leased:

- Solar power system       Alarm system       Propane tank       Water Softener
- Other \_\_\_\_\_

(2) Liened Items: The following items have been financed and a lien has been placed on the Property to secure payment:

- Solar power system       Windows or doors       Heating/Ventilation/Air conditioning system
- Other \_\_\_\_\_

Seller will provide to Buyer, as part of the sales agreement, copies of lease documents, or other documents obligating Seller to pay for any such leased or liened item.

5. MULTIPLE LISTING SERVICE:

A. Broker is a participant/subscriber to California Regional Multiple Listing Service (MLS) and possibly others. Unless otherwise instructed in writing the Property will be listed with the MLS(s) specified above. That MLS is (or if checked  is not) the primary MLS for the geographic area of the Property. All terms of the transaction, including sales price and financing, if applicable, (i) will be provided to the MLS in which the property is listed for publication, dissemination and use by persons and entities on terms approved by the MLS and (ii) may be provided to the MLS even if the Property was not listed with the MLS.

**BENEFITS OF USING THE MLS; IMPACT OF OPTING OUT OF THE MLS; PRESENTING ALL OFFERS**

**WHAT IS AN MLS?** The MLS is a database of properties for sale that is available and disseminated to and accessible by all other real estate agents who are participants or subscribers to the MLS. Property information submitted to the MLS describes the price, terms and conditions under which the Seller's property is offered for sale (including but not limited to the listing broker's offer of compensation to other brokers). It is likely that a significant number of real estate practitioners in any given area are participants or subscribers to the MLS. The MLS may also be part of a reciprocal agreement to which other multiple listing services belong. Real estate agents belonging to other multiple listing services that have reciprocal agreements with the MLS also have access to the information submitted to the MLS. The MLS may further transmit listing information to Internet sites that post property listings online.

**EXPOSURE TO BUYERS THROUGH MLS:** Listing property with an MLS exposes a seller's property to all real estate agents and brokers (and their potential buyer clients) who are participants or subscribers to the MLS or a reciprocating MLS.

**CLOSED/PRIVATE LISTING CLUBS OR GROUPS:** Closed or private listing clubs or groups are not the same as the MLS. The MLS referred to above is accessible to all eligible real estate licensees and provides broad exposure for a listed property. Private or closed listing clubs or groups of licensees may have been formed outside the MLS. Private or closed listing clubs or groups are accessible to a more limited number of licensees and generally offer less exposure for listed property. Whether listing property through a closed, private network - and excluding it from the MLS - is advantageous or disadvantageous to a seller, and why, should be discussed with the agent taking the Seller's listing.

**NOT LISTING PROPERTY IN A LOCAL MLS:** If the Property is listed in an MLS which does not cover the geographic area where the Property is located then real estate agents and brokers working that territory, and Buyers they represent looking for property in the neighborhood, may not be aware the Property is for sale.

**OPTING OUT OF MLS:** If Seller elects to exclude the Property from the MLS, Seller understands and acknowledges that: (a) real estate agents and brokers from other real estate offices, and their buyer clients, who have access to that MLS may not be aware that Seller's Property is offered for sale; (b) Information about Seller's Property will not be transmitted from the MLS to various real estate Internet sites that are used by the public to search for property listings; (c) real estate agents, brokers and members of the public may be unaware of the terms and conditions under which Seller is marketing the Property.

**REDUCTION IN EXPOSURE:** Any reduction in exposure of the Property may lower the number of offers and negatively impact the sales price.

**PRESENTING ALL OFFERS:** Seller understands that Broker must present all offers received for Seller's Property unless Seller gives Broker written instructions to the contrary.

X Seller's initials ( \_\_\_\_\_ ) ( \_\_\_\_\_ )

Broker's/agent's initials ( \_\_\_\_\_ ) ( \_\_\_\_\_ )

B. MLS rules generally provide that residential real property and vacant lot listings be submitted to the MLS within 2 days or some other period of time after all necessary signatures have been obtained on the listing agreement. Broker will not have to submit this listing to the MLS if, within that time, Broker submits to the MLS an appropriate form signed by Seller.

Seller elects to exclude the Property from the MLS as provided by C.A.R. Form SELM or the local equivalent form.

X Seller's initials ( \_\_\_\_\_ ) ( \_\_\_\_\_ )



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

Date: 09/26/2016

- C. MLS rules allow MLS data to be made available by the MLS to additional Internet sites unless Broker gives the MLS instructions to the contrary. Seller acknowledges that for any of the below opt-out instructions to be effective, Seller must make them on a separate instruction to Broker signed by Seller. Specific information that can be excluded from the Internet as permitted by (or in accordance with) the MLS is as follows:
  - (1) Property Availability: Seller can instruct Broker to have the MLS not display the Property on the Internet.
  - (2) Property Address: Seller can instruct Broker to have the MLS not display the Property address on the Internet.
 Seller understands that the above opt-outs would mean consumers searching for listings on the Internet may not see the Property or Property's address in response to their search.
  - (3) Feature Opt-Outs: Seller can instruct Broker to advise the MLS that Seller does not want visitors to MLS Participant or Subscriber Websites or Electronic Displays that display the Property listing to have the features below. Seller understands (i) that these opt-outs apply only to Websites or Electronic Displays of MLS Participants and Subscribers who are real estate broker and agent members of the MLS; (ii) that other Internet sites may or may not have the features set forth herein; and (iii) that neither Broker nor the MLS may have the ability to control or block such features on other Internet sites.
    - (a) Comments And Reviews: The ability to write comments or reviews about the Property on those sites; or the ability to link to another site containing such comments or reviews if the link is in immediate conjunction with the Property display.
    - (b) Automated Estimate Of Value: The ability to create an automated estimate of value or to link to another site containing such an estimate of value if the link is in immediate conjunction with the Property display.  Seller elects to opt out of certain Internet features as provided by C.A.R. Form SELI or the local equivalent form.

6. \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

7. BROKER'S AND SELLER'S DUTIES:

- A. Broker agrees to exercise reasonable effort and due diligence to achieve the purposes of this Agreement. Unless Seller gives Broker written instructions to the contrary, Broker is authorized, but not required, to (i) order reports and disclosures including those specified in 7C as necessary, (ii) advertise and market the Property by any method and in any medium selected by Broker, including MLS and the Internet, and, to the extent permitted by these media, control the dissemination of the information submitted to any medium; and (iii) disclose to any real estate licensee making an inquiry the receipt of any offers on the Property and the offering price of such offers.
- B. Seller agrees to consider offers presented by Broker, and to act in good faith to accomplish the sale of the Property by, among other things, making the Property available for showing at reasonable times and, subject to paragraph 3F, referring to Broker all inquiries of any party interested in the Property. Seller is responsible for determining at what price to list and sell the Property.
- C. Investigations and Reports: Seller agrees, within 5 (or \_\_\_\_\_) Days of the beginning date of this Agreement, to pay for the following pre-sale reports:  Structural Pest Control  General Property Inspection  Homeowners Association Documents  Other \_\_\_\_\_

D. \_\_\_\_\_  
 \_\_\_\_\_

8. DEPOSIT: Broker is authorized to accept and hold on Seller's behalf any deposits to be applied toward the purchase price.

9. AGENCY RELATIONSHIPS:

- A. Disclosure: The Seller acknowledges receipt of a  "Disclosure Regarding Real Estate Agency Relationships" (C.A.R. Form AD).
- B. Seller Representation: Broker shall represent Seller in any resulting transaction, except as specified in paragraph 3F.
- C. Possible Dual Agency With Buyer: Depending upon the circumstances, it may be necessary or appropriate for Broker to act as an agent for both Seller and buyer, exchange party, or one or more additional parties ("Buyer"). Broker shall, as soon as practicable, disclose to Seller any election to act as a dual agent representing both Seller and Buyer. If a Buyer is procured directly by Broker or an associate-licensee in Broker's firm, Seller hereby consents to Broker acting as a dual agent for Seller and Buyer. In the event of an exchange, Seller hereby consents to Broker collecting compensation from additional parties for services rendered, provided there is disclosure to all parties of such agency and compensation. Seller understands and agrees that: (i) Broker, without the prior written consent of Seller, will not disclose to Buyer that Seller is willing to sell the Property at a price less than the listing price; (ii) Broker, without the prior written consent of Buyer, will not disclose to Seller that Buyer is willing to pay a price greater than the offered price; and (iii) except for (i) and (ii) above, a dual agent is obligated to disclose known facts materially affecting the value or desirability of the Property to both parties.
- D. Confirmation: If the Property includes residential property with one-to-four dwelling units, Broker shall confirm the agency relationship described above, or as modified, in writing, prior to or concurrent with Seller's execution of a purchase agreement.
- E. Potentially Competing Sellers and Buyers: Seller understands that Broker may have or obtain listings on other properties, and that potential buyers may consider, make offers on, or purchase through Broker, property the same as or similar to Seller's Property. Seller consents to Broker's representation of sellers and buyers of other properties before, during and after the end of this Agreement. Seller acknowledges receipt of a  "Possible Representation of More than One Buyer or Seller - Disclosure and Consent" (C.A.R. Form PRBS).

X Seller's Initials ( \_\_\_\_\_ ) ( \_\_\_\_\_ )





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

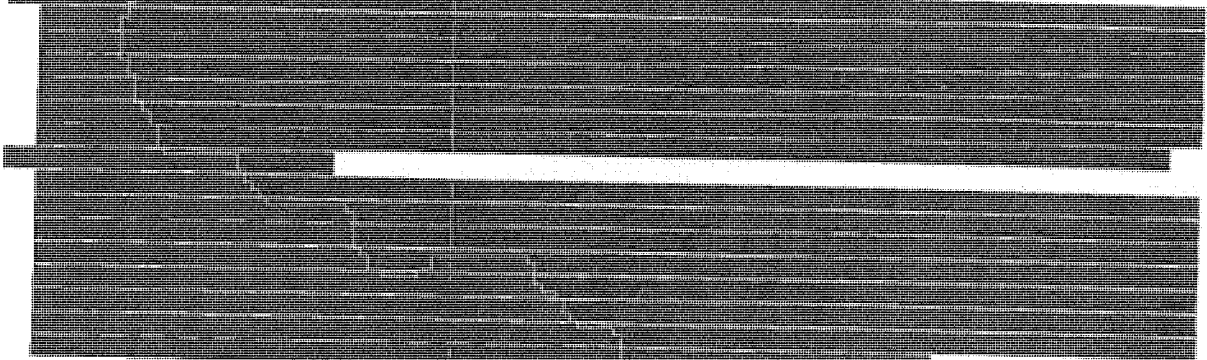
Date: 09/26/2016

- 10. SECURITY AND INSURANCE:** Broker is not responsible for loss of or damage to personal or real property, or person, whether attributable to use of a key safe/lockbox, a showing of the Property, or otherwise. Third parties, including, but not limited to, appraisers, inspectors, brokers and prospective buyers, may have access to, and take videos and photographs of, the interior of the Property. Seller agrees: (i) to take reasonable precautions to safeguard and protect valuables that might be accessible during showings of the Property; and (ii) to obtain insurance to protect against these risks. Broker does not maintain insurance to protect Seller.
- 11. PHOTOGRAPHS AND INTERNET ADVERTISING:**
- A. In order to effectively market the Property for sale it is often necessary to provide photographs, virtual tours and other media to buyers. Seller agrees (or  checked, does not agree) that Broker may photograph or otherwise electronically capture images of the exterior and interior of the Property ("Images") for static and/or virtual tours of the Property by buyers and others for use on Broker's website, the MLS, and other marketing materials and sites. Seller acknowledges that once Images are placed on the Internet neither Broker nor Seller has control over who can view such Images and what use viewers may make of the Images, or how long such Images may remain available on the Internet. Seller further assigns any rights in all Images to the Broker and agrees that such Images are the property of Broker and that Broker may use such Images for advertising, including post sale and for Broker's business in the future.
  - B. Seller acknowledges that prospective buyers and/or other persons coming onto the property may take photographs, videos or other images of the property. Seller understands that Broker does not have the ability to control or block the taking and use of Images by any such persons. (If checked )  Seller instructs Broker to publish in the MLS that taking of Images is limited to those persons preparing Appraisal or Inspection reports. Seller acknowledges that unauthorized persons may take images who do not have access to or have not read any limiting instruction in the MLS or who take images regardless of any limiting instruction in the MLS. Once Images are taken and/or put into electronic display on the Internet or otherwise, neither Broker nor Seller has control over who views such Images nor what use viewers may make of the Images.
- 12. KEYSAFE/LOCKBOX:** A key safe/lockbox is designed to hold a key to the Property to permit access to the Property by Broker, cooperating brokers, MLS participants, their authorized licensees and representatives, authorized inspectors, and accompanied prospective buyers. Broker, cooperating brokers, MLS and Associations/Boards of REALTORS® are not insurers against injury, theft, loss, vandalism or damage attributed to the use of a key safe/lockbox. Seller does (or if checked  does not) authorize Broker to install a key safe/lockbox. If Seller does not occupy the Property, Seller shall be responsible for obtaining occupant(s)' written permission for use of a key safe/lockbox (C.A.R. Form KLA).
- 13. SIGN:** Seller does (or if checked  does not) authorize Broker to install a FOR SALE/SOLD sign on the Property.
- 14. EQUAL HOUSING OPPORTUNITY:** The Property is offered in compliance with federal, state and local anti-discrimination laws.
- 15. ATTORNEY FEES:** In any action, proceeding or arbitration between Seller and Broker regarding the obligation to pay compensation under this Agreement, the prevailing Seller or Broker shall be entitled to reasonable attorney fees and costs from the non-prevailing Seller or Broker, except as provided in paragraph 19A.
- 16. ADDITIONAL TERMS:**  REO Advisory Listing (C.A.R. Form REOL)  Short Sale Information and Advisory (C.A.R. Form SSIA)  Trust Advisory (C.A.R. Form TAL) The following paragraphs are hereby deleted: 3E (all); 3F(1) and 3F(2); 6 (all); 7d; 19 (all); and 20 (all).

**17. MANAGEMENT APPROVAL:** If an associate-licensee in Broker's office (salesperson or broker-associate) enters into this Agreement on Broker's behalf, and Broker or Manager does not approve of its terms, Broker or Manager has the right to cancel this Agreement, in writing, within 5 Days After its execution.

**18. SUCCESSORS AND ASSIGNS:** This Agreement shall be binding upon Seller and Seller's successors and assigns.

19.



X Seller's Initials ( ) ( )



Property Address: 1916 Los Padres Drive, Rowland Heights, 91749

Date: 09/26/2016

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

21. **OWNERSHIP, TITLE AND AUTHORITY:** Seller warrants that: (i) Seller is the owner of the Property; (ii) no other persons or entities have title to the Property; and (iii) Seller has the authority to both execute this Agreement and sell the Property. Exceptions to ownership, title and authority are as follows:

**REPRESENTATIVE CAPACITY:** This Listing Agreement is being signed for Seller by an individual acting in a Representative Capacity as specified in the attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD-S). Wherever the signature or initials of the representative identified in the RCSD appear on this Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. Seller (i) represents that the entity for which the individual is signing already exists and (ii) shall Deliver to Broker, within 3 Days After Execution of this Agreement, evidence of authority to act (such as but not limited to: applicable trust document, or portion thereof, letters testamentary, court order, power of attorney, resolution, or formation documents of the business entity).

By signing below, Seller acknowledges that Seller has read, understands, received a copy of and agrees to the terms of this Agreement.

Seller [Signature] Date [Signature]  
Liberty Asset Management Corporation

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

Seller \_\_\_\_\_ Date \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

Real Estate Broker (Firm) Coldwell Banker Cal BRE Lic. # 00616212  
Address 8840 So. Sepulveda Blvd. City Los Angeles State CA Zip 90045

By [Signature] Tel. (424) 702-3007 E-mail \_\_\_\_\_ CalBRE Lic.# \_\_\_\_\_ Date 9/26/16  
By [Signature] Tel. 424-702-3000 E-mail bill.friede@EARTHLINK.NET CalBRE Lic.# 672015 Date 9/26/16

Two Brokers with different companies are co-listing the property. Co-listing Broker information is on the attached Additional Broker Acknowledgement (C.A.R. Form ABA).

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Reviewed by \_\_\_\_\_ Date \_\_\_\_\_

RLA REVISED 12/15 (PAGE 5 OF 5)

RESIDENTIAL LISTING AGREEMENT - EXCLUSIVE (RLA PAGE 5 OF 5)

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1916 Los Padre



CALIFORNIA ASSOCIATION OF REALTORS®

SELLER'S ADVISORY (C.A.R. Form SA, Revised 12/15)

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

("Property")

1. **INTRODUCTION:** Selling property in California is a process that involves many steps. From start to finish, it could take anywhere from a few weeks to many months, depending upon the condition of your Property, local market conditions and other factors. You have already taken an important first step by listing your Property for sale with a licensed real estate broker. Your broker will help guide you through the process and may refer you to other professionals, as needed. This advisory addresses many things you may need to think about and do as you market your Property. Some of these things are requirements imposed upon you, either by law or by the listing or sale contract. Others are simply practical matters that may arise during the process. Please read this document carefully and, if you have any questions, ask your broker or appropriate legal or tax advisor for help.
2. **DISCLOSURES:**
  - A. **General Disclosure Duties:** You must affirmatively disclose to the buyer, in writing, any and all known facts that materially affect the value or desirability of your Property. You must disclose these facts whether or not asked about such matters by the buyer, any broker, or anyone else. This duty to disclose applies even if the buyer agrees to purchase your Property in its present condition without requiring you to make any repairs. If you do not know what or how to disclose, you should consult a real estate attorney in California of your choosing. Broker cannot advise you on the legal sufficiency of any disclosures you make. If the Property you are selling is a residence with one to four units except for certain subdivisions, your broker also has a duty to conduct a reasonably competent and diligent visual inspection of the accessible areas and to disclose to a buyer all adverse material facts that the inspection reveals. If your broker discovers something that could indicate a problem, your broker must advise the buyer.
  - B. **Statutory Duties: (For one-to-four Residential Units):**
    - (1) You must timely prepare and deliver to the buyer, among other things, a Real Estate Transfer Disclosure Statement ("TDS"), and a Natural Hazard Disclosure Statement ("NHD"). You have a legal obligation to honestly and completely fill out the TDS form in its entirety. (Many local entities or organizations have their own supplement to the TDS that you may also be asked to complete.) The NHD is a statement indicating whether your Property is in certain designated flood, fire or earthquake/seismic hazard zones. Third-party professional companies can help you with this task.
    - (2) Depending upon the age and type of construction of your Property, you may also be required to provide and, in certain cases you can receive limited legal protection by providing, the buyer with booklets entitled "The Homeowner's Guide to Earthquake Safety," "The Commercial Property Owner's Guide to Earthquake Safety," "Protect Your Family From Lead in Your Home" and "Environmental Hazards: A Guide For Homeowners and Buyers." Some of these booklets may be packaged together for your convenience. The earthquake guides ask you to answer specific questions about your Property's structure and preparedness for an earthquake. If you are required to supply the booklet about lead, you will also be required to disclose to the buyer any known lead-based paint and lead-based paint hazards on a separate form. The environmental hazards guide informs the buyer of common environmental hazards that may be found in properties.
    - (3) If you know that your property is: (i) located within one mile of a former military ordnance location; or (ii) in or affected by a zone or district allowing manufacturing, commercial or airport use, you must disclose this to the buyer. You are also required to make a good faith effort to obtain and deliver to the buyer a disclosure notice from the appropriate local agency(ies) about any special tax levied on your Property pursuant to the Mello-Roos Community Facilities Act, the Improvement Bond Act of 1915, and a notice concerning the contractual assessment provided by section 5896.24 of the Streets And Highways Code (collectively, "Special Tax Disclosures").
    - (4) If the TDS, NHD, or lead, military ordnance, commercial zone or Special Tax Disclosures are provided to a buyer after you accept that buyer's offer, the buyer will have 3 days after delivery (or 5 days if mailed) to terminate the offer, which is why it is extremely important to complete these disclosures as soon as possible. There are certain exemptions from these statutory requirements; however, if you have actual knowledge of any of these items, you may still be required to make a disclosure as the items can be considered material facts.
  - C. **Death and Other Disclosures:** Many buyers consider death on real property to be a material fact in the purchase of property. In some situations, it is advisable to disclose that a death occurred or the manner of death; however, California Civil Code Section 1710.2 provides that you have no disclosure duty "where the death has occurred more than three years prior to the date the transferee offers to purchase, lease, or rent the real property, or [regardless of the date of occurrence] that an occupant of that property was afflicted with, or died from, Human T-Lymphotropic Virus Type III/Lymphadenopathy-Associated Virus." This law does not "immunize an owner or his or her agent from making an intentional misrepresentation in response to a direct inquiry from a transferee or a prospective transferee of real property, concerning deaths on the real property."
  - D. **Condominiums and Other Common Interest Subdivisions:** If the Property is a condominium, townhouse, or other property in a common interest subdivision, you must provide to the buyer copies of the governing documents, the most recent financial statements distributed, and other documents required by law or contract. If you do not have a current version of these documents, you can request them from the management of your homeowner's association. To avoid delays, you are encouraged to obtain these documents as soon as possible, even if you have not yet entered into a purchase agreement to sell your Property.
3. **CONTRACT TERMS AND LEGAL REQUIREMENTS:**
  - A. **Contract Terms and Conditions:** A buyer may request, as part of the contract for the sale of your Property, that you pay for repairs to the Property and other items. Your decision on whether or not to comply with a buyer's requests may affect your ability to sell your Property at a specified price.

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X Seller's Initials ( ) ( )



SELLER'S ADVISORY (SA PAGE 1 OF 2)

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

Date: \_\_\_\_\_

- B. **Withholding Taxes:** Under federal and California tax laws, a buyer is required to withhold a portion of the purchase price from your sale proceeds for tax purposes unless you sign an affidavit of non-foreign status and California residency, or some other exemption applies and is documented.
  - C. **Prohibition Against Discrimination:** Discriminatory conduct in the sale of real property against individuals belonging to legally protected classes is a violation of the law.
  - D. **Government Required Repairs, Replacements and Alterations:** Under State law, Property owners with limited exceptions, are required to: (1) Install operable smoke alarms and brace water heaters and provide a Buyer with a statement of compliance. Existing operable smoke alarms, that met compliance standards when installed, do not have to be removed even if not up to current legal requirements. Smoke alarms that are added or that replace older versions must comply with current law; and (2) install carbon monoxide detection devices. Some city and county governments may impose additional requirements, including, but not limited to, installing low-flow toilets and showerheads, gas shut-off valves, tempered glass, and barriers around swimming pools and spas. You should consult with the appropriate governmental agencies, inspectors, and other professionals to determine which requirements apply to your Property, the extent to which your Property complies with such requirements, and the costs, if any, of compliance.
  - E. **EPA's LEAD-BASED PAINT RENOVATION, REPAIR AND PAINTING RULE:** The new rule requires that contractors and maintenance professionals working in pre-1978 housing, child care facilities, and schools with lead-based paint be certified; that their employees be trained; and that they follow protective work practice standards. The rule applies to renovation, repair, or painting activities affecting more than six square feet of lead-based paint in a room or more than 20 square feet of lead-based paint on the exterior. Enforcement of the rule begins October 1, 2010. See the EPA website at [www.epa.gov/lead](http://www.epa.gov/lead) for more information.
  - F. **Legal, Tax and Other Implications:** Selling your Property may have legal, tax, insurance, title or other implications. You should consult an appropriate professional for advice on these matters.
4. **MARKETING CONSIDERATIONS:**
- A. **Pre-Sale Inspections and Considerations:** You should consider doing what you can to prepare your Property for sale, such as correcting any defects or other problems, making cosmetic improvements, and staging. Many people are not aware of defects in or problems with their own Property. One way to make yourself aware is to obtain professional inspections prior to sale. Pre-sale inspections may include a general property inspection; an inspection for wood destroying pest and organisms (Structural Pest Control Report) and an inspection of the septic or well systems, if any, among others. By doing this, you then have an opportunity to make repairs before your Property is sold, which may enhance its marketability. Keep in mind, however, that any problems revealed by such inspection reports or repairs that have been made, whether or not disclosed in a report, should be disclosed to the buyer (see "Disclosures" in paragraph 2 above). This is true even if the buyer gets his/her own inspections covering the same area. Obtaining inspection reports may also assist you during contract negotiations with the buyer. For example, if a Structural Pest Control Report has both a primary and secondary recommendation for clearance, you may want to specify in the purchase agreement those recommendations, if any, for which you are going to pay.
  - B. **Post-Sale Protections:** It is often helpful to provide the buyer with, among other things, a home protection/warranty plan for the Property. These plans will generally cover problems, not deemed to be pre-existing, that occur after your sale is completed. In the event something does go wrong after the sale, and it is covered by the plan, the buyer may be able to resolve the concern by contacting the home protection company.
  - C. **Safety Precautions:** Advertising and marketing your Property for sale, including, but not limited to, holding open houses, placing a keysafe/lockbox, erecting FOR SALE signs, and disseminating photographs, video tapes, and virtual tours of the premises, may jeopardize your personal safety and that of your Property. You are strongly encouraged to maintain insurance, and to take any and all possible precautions and safeguards to protect yourself, other occupants, visitors, your Property, and your belongings, including cash, jewelry, drugs, firearms and other valuables located on the Property, against injury, theft, loss, vandalism, damage, and other harm.
  - D. **Expenses:** You are advised that you, not the Broker, are responsible for the fees and costs, if any, to comply with your duties and obligations to the buyer of your Property.
5. **OTHER ITEMS:**

Seller has read and understands this Advisory. By signing below, Seller acknowledges receipt of a copy of this document.

Seller  Date   
 Print Name Liberty Asset Management Corporation

Seller \_\_\_\_\_ Date \_\_\_\_\_  
 Print Name \_\_\_\_\_

Real Estate Broker Coldwell Banker  
 By Bill Friedman/Thomas Blumenthal CalBRE Lic.# \_\_\_\_\_ CalBRE Lic.# \_\_\_\_\_  
 Address 8840 So. Sepulveda Blvd. City Los Angeles State CA Zip 90045  
 Telephone (424)702-3007 Fax \_\_\_\_\_ E-mail \_\_\_\_\_

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SA REVISED 12/15 (PAGE 2 OF 2)

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_

**SELLER'S ADVISORY (SA PAGE 2 OF 2)**





CALIFORNIA  
ASSOCIATION  
OF REALTORS®

**DISCLOSURE REGARDING  
REAL ESTATE AGENCY RELATIONSHIP**

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

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

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

**SELLER'S AGENT**

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

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

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or obtained from the other party that does not involve the affirmative duties set forth above.

within the diligent attention and observation of, the parties. An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

**BUYER'S AGENT**

A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

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

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

**AGENT REPRESENTING BOTH SELLER AND BUYER**

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

- (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
- (b) Other duties to the Seller and the Buyer as stated above in their respective sections.

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

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

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

Buyer  Seller  Landlord  Tenant \_\_\_\_\_ Date \_\_\_\_\_  
*Liberty Asset Management Corporation*

Buyer  Seller  Landlord  Tenant \_\_\_\_\_ Date \_\_\_\_\_

Agent Coldwell Banker Real Estate Broker (Firm) BRE Lic. # 00316212

By Bill Friedman/Thomas Blumenthal (Salesperson or Broker-Associate) BRE Lic. # 00836974 Date 09/28/2016

**Agency Disclosure Compliance (Civil Code §2079.14):**

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

(SELLER/LANDLORD: DO NOT SIGN HERE) \_\_\_\_\_ (SELLER/LANDLORD: DO NOT SIGN HERE) \_\_\_\_\_  
Seller/Landlord Date Seller/Landlord Date

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AD REVISED 12/14 (PAGE 1 OF 2)

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_





**CIVIL CODE SECTIONS 2079.24 (2079.16 APPEARS ON THE FRONT)**

**2079.13** As used in Sections 2079.14 to 2079.24, inclusive, the following terms have the following meanings: (a) "Agent" means a person acting under provisions of Title 9 (commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained. (b) "Associate licensee" means a person who is licensed as a real estate broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker's agent in connection with acts requiring a real estate license and to function under the broker's supervision in the capacity of an associate licensee. The agent in the real property transaction bears responsibility for his or her associate 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 5, mobilehomes, as defined in Section 798.3, or recreational vehicles, as defined in Section 793.29. (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 701 in property that constitutes or is improved with one to four dwelling units, any commercial real property, any leasehold in these types of property exceeding one year's duration, and mobilehomes, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code. (l) "Real property transaction" means a transaction for the sale of real property in which an agent is employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase. (m) "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer, and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2585, 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 person to whom an agent delegates agency powers as provided in Article 5 (commencing with Section 2349) of Chapter 1 of Title 9. However, "subagent" does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.

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

(Name of Listing Agent) \_\_\_\_\_

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

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

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

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

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

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

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

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

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

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

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AD REVISED 12/14 (PAGE 2 OF 2)

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



CALIFORNIA  
ASSOCIATION  
OF REALTORS®

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

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

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

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

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

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

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

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

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

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

|                           |   |              |                   |
|---------------------------|---|--------------|-------------------|
| Seller                    | <u>Liberty Asset Management Corporation</u> | Date         | _____             |
| Seller                    | _____                                       | Date         | _____             |
| Buyer                     | _____                                       | Date         | _____             |
| Buyer                     | _____                                       | Date         | _____             |
| Real Estate Broker (Firm) | <u>Coldwell Banker</u>                      | CalBRE Lic # | <u>00616212</u>   |
| By                        | <u>Bill Friedman/Thomas Bluemel</u>         | Date         | <u>09/26/2016</u> |
|                           | <u>[Signature]</u>                          | CalBRE Lic # | _____             |
|                           |   | Date         | <u>9/26/16</u>    |
| Real Estate Broker (Firm) | _____                                       | CalBRE Lic # | _____             |
| By                        | _____                                       | CalBRE Lic # | _____             |
|                           |   | 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)**

**ADDENDUM TO EXCLUSIVE AUTHORIZATION AND RIGHT TO SALE**

Liberty Asset Management Corporation (the "Debtor") agrees to grant Coldwell Banker (the "Broker") the exclusive right to negotiate a sale of the real property commonly described as 1916 Los Padres Drive, Rowland Heights, California 91748 (the "Property") upon the terms and conditions of the Exclusive Authorization and Right to Sell Property ("Exclusive Authorization"), as amended by the following terms and conditions:

1. Addendum. This Addendum applies to the Exclusive Authorization. Notwithstanding any contrary terms and conditions in the Exclusive Authorization, this Addendum shall apply.

2. Termination. The Debtor may terminate the Exclusive Authorization at the Debtor's option and upon written notice to the Broker at any time, and no liability or obligations shall accrue to the estate or to the Debtor, as a result of any such termination.

3. Abandonment. The Debtor reserves the right, in the Debtor's sole discretion, to determine not to sell the Property and to abandon the Property by serving a notice of the Debtor's intention to abandon the Property upon the Official Committee of Unsecured Creditors (the "Committee"), the United States Trustee, all creditors, and all parties in interest. In the event of any such abandonment, the Exclusive Authorization and this Addendum shall terminate and no liability or obligations shall accrue to the estate or to the Debtor, either personally or the capacity as Trustee, as a result of any such abandonment and termination.

4. Conditions of Sale. The Broker agrees and understands that any sale of the Property shall be subject to the following terms and conditions:

a. If for any reason, or no reason whatsoever, the Debtor is unable to deliver possession or title to the Property to any potential purchaser, the purchaser's sole remedy shall be the return of any money that the purchaser has deposited towards the purchase of the Property.

b. The Debtor is selling the Property in an "AS IS" condition or basis by quitclaim deed without any representations or warranties whatsoever, including without limitation representations or warranties as to title, oil and mineral rights, city or government agency notifications regarding work to be done, marketability of title, ownership, physical condition, compliance with state, city or federal statutes, codes, ordinances, or regulations, geological stability, zoning, suitability for improvement, and fire insurance policies to cover any improvements on the Property, nor any assurances regarding the subdividability of the Property.

c. The sale of the Property is subject to Bankruptcy Court approval after notice to the Committee, the United States Trustee, all creditors, and all parties in interest as required by the Bankruptcy Code, Federal Rules of Bankruptcy Procedure, and Local Bankruptcy Rules.



d. The sale is subject to overbids.

e. The purchaser shall, at the purchaser's sole expense, acquire any and all insurance policies that the purchaser desires to cover the Property. The Debtor does not agree to acquire or transfer any insurance policies to the purchaser.

f. The purchaser is to arrange for all financing of the acquisition of the Property before the close of escrow.

g. All escrow fees shall be shared and paid on a 50/50 basis by the Debtor and the purchaser.

h. The purchaser shall, at the purchaser's sole expense, install all smoke detectors, if any, as may be required by state or local law. The Debtor is not required to deliver to the purchaser a written statement of compliance with any applicable state and local law.

i. The purchaser shall, at purchaser's sole expense, obtain any and all pest control inspection repairs that purchaser deems appropriate.

j. If any local ordinance requires that the Property be brought into compliance with minimum energy conservation standards as a condition of sale or transfer, the purchaser shall comply with and pay for these requirements at purchaser's sole expense.

k. Any sale is subject to the following conditions being satisfied before the close of escrow:

(1) the Debtor must prevail with respect to any objections to the proposed sale; and

(2) the Debtor reserves the right to reject any and all offers which in his/her judgment are insufficient.

l. The Property is being sold subject to:

(1) All general and special taxes that are presently due, or may become due, regarding the Property, other than property taxes, which shall be prorated as of the close of escrow;

(2) Any and all easements, restrictions, rights and conditions of record and rights of way, against, on or regarding the Property. Title, however, is to be transferred free of secured claims of record.

5. Payment of Commission. The commission to be paid to the Broker shall only be paid from the proceeds of the sale of the Property. The payment of the commission is subject to prior approval of the Bankruptcy Court.

6. Reduction of Listing Price and Extension of Term of Listing Agreement. The Debtor may, in its discretion and business judgment and without further Court order, modify the Exclusive Authorization by reducing the listing price and/or extending the term of the Exclusive Authorization.

7. Entire Agreement. This Addendum and the Exclusive Authorization, to the extent that such Exclusive Authorization is not contrary to the terms and conditions herein, constitute the entire contract between the parties. All prior agreements between the parties are incorporated into this agreement. Its terms are intended by the parties as a final expression of their agreement with respect to such terms as are included herein, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. The parties further intend that this Addendum and the Exclusive Authorization constitute the complete, final and exclusive statement of the terms of the agreement and that no extrinsic evidence whatsoever may be introduced in any judicial or arbitration proceeding, if any, involving this Addendum and the Exclusive Authorization.

8. Bankruptcy Court Jurisdiction. The Bankruptcy Court, sitting without a jury which is expressly waived, shall have exclusive jurisdiction to resolve any and all disputes relating to this Addendum and the Exclusive Authorization. This Addendum and the Exclusive Authorization and any disputes related thereto shall be governed by California law.

**EXHIBIT "B"**

WESTCHESTER/PLAYA VISTA



William Friedman

8840 S. SEPULVEDA BLVD.  
LOS ANGELES, CA 90045  
BUS. (424) 702-3000  
FAX (424) 702-3010

**RESIDENTIAL BROKERAGE**

William Friedman is a licensed real estate agent engaged in real estate sales transactions for over 30 years. Mr. Friedman is a top producer for Coldwell Banker. He was previously appointed Designated Area Real Estate Salesperson with Federal Home Loan Mortgage Corporation.

In addition to directly assisting individual homeowners and buyers, he has represented major lending institutions, receivers and bankruptcy trustees, including:

**Trustees:**

Elissa D. Miller  
David Seror  
Bradley D. Sharp  
Rosendo Gonzalez  
Diane Weil  
Richard M. Pachulski  
Steve Schwaber  
Byron Z. Moldo  
James I. Stang  
Dennis McGoldrich  
David L. Ray  
Alfred H. Siegel  
James Leonard Brown  
Lawrence Diamant  
Samuel R. Biggs  
Carolyn A. Dye  
Nancy Knupfer  
Edward M. Wolkowitz  
F. Wayne Elggren  
Richard K. Diamond  
R. Todd Neilson  
David A. Gill  
Helen Ryan Frazer  
Heide Kurtz  
Howard Ehrenberg  
Alberta Stahl  
David K. Gottlieb  
Brad D. Krasnoff  
Michael Kogan  
Amy L. Goldman  
Jeffrey L. Golden  
Ronald L. Durkin  
Jeffrey Coyne  
Linda Chu  
Christopher Barclay  
Sam Leslie  
Jason Rund  
Barry Schwartz  
David L. Hahn  
Jeremy Faith  
Thomas P. Jeremiassen  
Thomas Casey

**Lenders:**

Countrywide Home Loans  
Federal Home Loan Mortgage Corporation  
Lincoln Service Corporation  
Bank of America  
Cal-Fed Enterprises  
Union Federal Savings  
California Federal Bank  
  
Southern California Savings  
Union Federal Bank  
Residential Funding Corporation/GMAC  
Coast Federal Bank

**Receivers:**

Adrian Stern  
Samuel R. Biggs  
David L. Ray

Coldwell Banker Phone 626.821.1251  
15 East Foothill Blvd. Fax 626.445.6298  
Arcadia, CA 91006 Cell: 626.818.1137  
E-mail: thombluemel@yahoo.com

## Thomas Burton Bluemel

---

### Summary of qualifications

Broad real estate selling experience throughout the San Gabriel Valley, with primary focus on residential real estate. Experienced with multi-family income property, land, and other residential use properties. Experienced and trained to perform fee appraisals (not certified); very experienced performing wide variety of drive-by & accessed valuations.

### Professional experience

1989 – Present Coldwell Banker Arcadia, CA  
**Real Estate Salesperson**

- Conduct all forms of marketing, sales, contracts, and other paperwork related to listing and selling residential and income property throughout the San Gabriel Valley. Perform valuations, minor property management duties, tenant/landlord relationships. Assist in property repairs and enhancement recommendations, interfacing with contractors. Serve wide range of clientele with emphasis on institutionally-owned properties. Institutional clients have included California Federal Bank, Mortgage Guaranty Insurance Corp., Great Western Bank, Bank of America, GE Capital Mortgage Services, Washington Mutual Bank, Olympus Asset Management, Chinatrust Bank USA, First Nationwide Mortgage, and more. Graduate Appraisal Institute 101 in 1992. Performed many fee appraisals from 1992 – 1993.

1985 - 1989 Jim Dickson Realtors Pasadena, CA  
**Real Estate Salesperson**

- Primary activities included listing, selling, and serving Buyer and Seller clients in the disposition or acquisition of residential and residential income properties. Performed numerous valuations, especially for institutional clients. Began serving institutional clients (see above).

1982 - 1985 Century 21 Val Realty Arcadia, CA  
**Real Estate Salesperson**

- Listing and selling of residential and residential income properties in San Gabriel Valley.

### Professional memberships

National Association of Realtors, California Association of Realtors, Arcadia Association of Realtors.

### Awards received

Century 21: 1983, 1984 Top 1% Century 21/Centurion Award; Jim Dickson: No company awards given; Coldwell Baker: 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2001 President's Club; 1996 President's Elite, Ranked 10<sup>th</sup> Nationally for Listings Sold in Coldwell Banker, 1999 International President's Circle, 2000 President's Club, 2006 International Diamond Society

### References

Provided upon request

**EXHIBIT "C"**

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

6 Attorneys for Official Committee of Unsecured  
 Creditors of Liberty Asset Management Corporation  
 7

8 **UNITED STATES BANKRUPTCY COURT**

9 **CENTRAL DISTRICT OF CALIFORNIA**

10 **LOS ANGELES DIVISION**

11 In re:  
 12 LIBERTY ASSET MANAGEMENT  
 CORPORATION, a California corporation,  
 13  
 14 Debtor.

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

Chapter 11

**STIPULATION RE TURNOVER OF  
 CERTAIN ASSETS**

15  
 16 This Stipulation re Turnover of Certain Assets (the “Stipulation”) is entered into by and  
 17 among the following: 1) Liberty Asset Management Corporation (“LAMC”) and the Official  
 18 Committee of Unsecured Creditors for Liberty Asset Management Corporation (the  
 19 “Committee”), 2) Mel Canyon, LLC (“Mel Canyon”); Golden Field Investment, LLC  
 20 (“Golden Field”); RH Investments, LLC (“RH Investments”); Lowridge Place, LLC  
 21 (“Lowridge Place”); 10th Street Santa Monica Project, LLC (“10<sup>th</sup> Street”), Liberty CMC  
 22 Corporation (“CMC”), Pacific Sunshine Investments LLC (“Pacific”), Bradbury Furlong LLC  
 23 (“BF”), 3), Benjamin Kirk, aka Tzu Ping Ko aka Benny Kirk (“Kirk”) and 4), Lucy Gao  
 24 (“Gao”).

25 I. Upon entry of an order (the “Order”) by the Bankruptcy Court approving this  
 26 Stipulation, Gao shall cause the following transactions to occur:  
 27  
 28

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

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

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

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

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

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



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

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

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

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

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

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

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

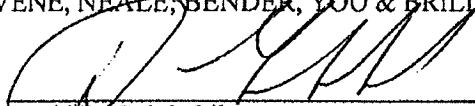
12 9. In entering into this Stipulation, neither the Debtor nor the Committee are  
13 relinquishing or releasing any claims they have, or may have against Gao and/or any of the Gao  
14 Entities, except that, in consideration of paragraph 6 above, the Debtor and the Committee relinquish  
15 the right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

17 10. Notwithstanding anything contained herein, by entering into this stipulation and by  
18 undertaking and taking the actions provided for herein, neither Gao nor Kirk is admitting anything  
19 related to the Adversaries or the Transferred Assets and nothing contained herein is a waiver of any  
20 rights or defenses including, but not limited to, as to any other matters related to LAMC case and  
21 any adversary proceedings commenced or to be commenced in connection with the same.  
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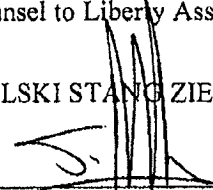
Dated: ~~August~~ <sup>Sept</sup> 2, 2016

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

By:   
\_\_\_\_\_  
David B. Golubchik  
Eve Karasik  
Counsel to Liberty Asset Management Corporation

Dated: ~~August~~ <sup>Sept.</sup> 1, 2016

PACHULSKI STANG ZIEHL & JONES LLP

By:   
\_\_\_\_\_  
Jeremy V. Richards  
Gail S. Greenwood

Counsel for the Official Committee of Unsecured Creditors

Dated: August \_\_, 2016

COSTELL & CORNELIUS LAW CORPORATION

By: \_\_\_\_\_  
Alexandre I. Cornelius  
Counsel for Lucy Gao

Dated: August \_\_, 2016

MEL CANYON, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

Dated: August \_\_, 2016

GOLDEN FIELD INVESTMENT, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

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Dated: August \_\_, 2016

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

By: \_\_\_\_\_  
David B. Golubchik  
Eve Karasik  
Counsel to Liberty Asset Management Corporation

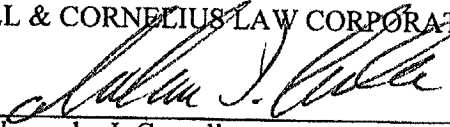
Dated: August \_\_, 2016

PACHULSKI STANG ZIEHL & JONES LLP

By: \_\_\_\_\_  
Jeremy V. Richards  
Gail S. Greenwood  
Counsel for the Official Committee of Unsecured  
Creditors

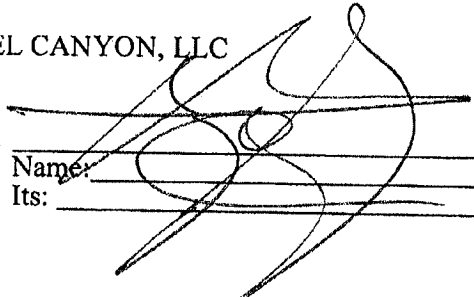
Dated: August 31, 2016

COSTELL & CORNELIUS LAW CORPORATION

By: \_\_\_\_\_  
  
Alexandre I. Cornelius  
Counsel for Lucy Gao

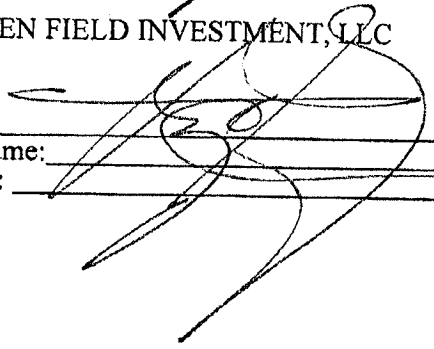
Dated: August 31, 2016

MEL CANYON, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_  


Dated: August 31, 2016

GOLDEN FIELD INVESTMENT, LLC

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Dated: August 31, 2016

RH INVESTMENTS, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

Dated: August 31, 2016

LOWRIDGE PLACE, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

Dated: August 31, 2016

10TH STREET SANTA MONICA PROJECT, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

Dated: August 31, 2016

LIBERTY CMC CORPORATION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

Dated: August 31, 2016

PACIFIC SUNSHINE INVESTMENTS LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

Dated: August 31, 2016

BRADBURY FURLONG LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

1 Dated: August \_\_, 2016

RH INVESTMENTS, LLC

2

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

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6 Dated: August \_\_, 2016

LOWRIDGE PLACE, LLC

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By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

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Dated: August \_\_, 2016

10TH STREET SANTA MONICA PROJECT, LLC

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By:   
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

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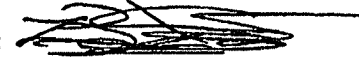
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Dated: August \_\_, 2016

LIBERTY CMC CORPORATION

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By:   
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

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Dated: August \_\_, 2016

PACIFIC SUNSHINE INVESTMENTS LLC

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By:   
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

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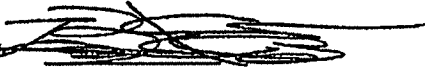
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Dated: August \_\_, 2016

BRADBURY FURLONG LLC

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By:   
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

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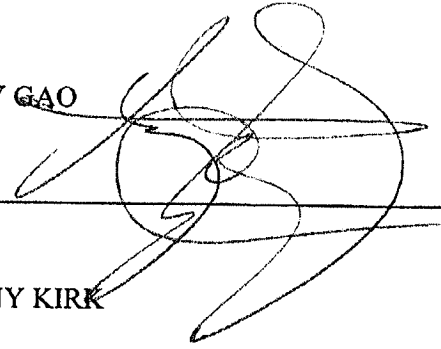
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Dated: August 31, 2016

LUCY GAO

By: \_\_\_\_\_



Dated: August \_\_, 2016

BENNY KIRK

By: \_\_\_\_\_

Dated: August \_\_, 2016

LAW OFFICES OF DAVID W. MEADOWS

By: \_\_\_\_\_

David W. Meadows  
Counsel to Benjamin Kirk

1 Dated: August \_\_, 2016

LUCY GAO

2

By: \_\_\_\_\_

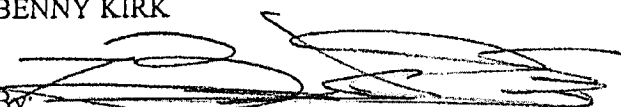
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Dated: August \_\_, 2016

BENNY KIRK

5

By: 

6

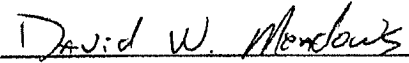
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Dated: ~~August~~ <sup>September 2</sup> \_\_, 2016

LAW OFFICES OF DAVID W. MEADOWS

8

9

By: 

David W. Meadows  
Counsel to Benjamin Kirk

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## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:  
10100 Santa Monica Boulevard, 13<sup>th</sup> Floor, Los Angeles, California 90067

A true and correct copy of the foregoing document entitled (*specify*): **STIPULATION RE TURNOVER OF CERTAIN ASSETS** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF)**: Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) **September 7, 2016**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Service information continued on attached page

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

**September 7, 2016**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

3. **SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) **September 7, 2016**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

**PERSONAL DELIVERY**

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

Service information continued on attached page

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

September 7, 2016

Date

Myra Kulick

Printed Name

/s/ Myra Kulick

Signature

---

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

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

- Kyra E Andrassy kandrassy@swelawfirm.com, csheets@swelawfirm.com;gcruz@swelawfirm.com;hdavis@swelawfirm.com
- Alexandre I Cornelius aicornelius@costell-law.com, ssaad@costell-law.com;mharris@costell-law.com;jstambaugh@costell-law.com;ladelson@costell-law.com;jlcostell@costell-law.com
- Lei Lei Wang Ekvall lekvall@swelawfirm.com, csheets@swelawfirm.com;gcruz@swelawfirm.com;hdavis@swelawfirm.com
- Julie A Esposito cesarjuliem@yahoo.com, sensberg@aol.com
- John D Fiero jfiero@pszjlaw.com, ocarpio@pszjlaw.com
- John-Patrick M Fritz jpf@lnbyb.com, JPF.LNBYB@ecf.inforuptcy.com
- Barry S Glaser bglaser@swesq.com, erhee@swesq.com
- David B Golubchik dbg@lnbyb.com, dbg@ecf.inforuptcy.com
- Gail S Greenwood ggreenwood@pszjlaw.com, efitzgerald@pszjlaw.com
- David S Henshaw david@henshawlaw.com, info@henshawlaw.com
- Eve H Karasik ehk@lnbyb.com
- Jeffrey S Kwong jsk@lnbyb.com, jsk@ecf.inforuptcy.com
- Ian Landsberg ian@landsberg-law.com, casey@landsberg-law.com;lisa@landsberg-law.com;diana@landsberg-law.com;yesi@landsberg-law.com;ilandsberg@ecf.inforuptcy.com
- Robert S Lawrence rlawrence@callahan-law.com, mwalters@callahan-law.com
- Patricia H Lyon phlyon@frenchlyontang.com, mwoodward@frenchlyontang.com
- David W. Meadows david@davidwmeadowslaw.com
- Charles Alex Naegele alex@canlawcorp.com, alexnaegelelaw@gmail.com
- Victoria Newmark vnewmark@pszjlaw.com
- Queenie K Ng queenie.k.ng@usdoj.gov
- Laura Palazzolo laura.palazzolo@berliner.com, sabina.hall@berliner.com
- Jeremy V Richards jrichards@pszjlaw.com, bdassa@pszjlaw.com;imorris@pszjlaw.com
- Mark Romeo romeolaw@msn.com
- Robert M Saunders rsaunders@pszjlaw.com, rsaunders@pszjlaw.com
- Lindsey L Smith lls@lnbyb.com, lls@ecf.inforuptcy.com
- David A Trinh dtrinh@trinhlawfirm.com, kim@trinhlawfirm.com
- United States Trustee (LA) ustpregion16.la.ecf@usdoj.gov
- James S Yan jsyan@msn.com

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

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

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

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

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

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

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

---

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

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

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

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

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

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

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

Samantha Galapin  
4708 Merced Ave.  
Baldwin Park, CA 91706

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

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

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

Tsai Luan Ho  
126 Atherton Ave.  
Atherton, CA 94027

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

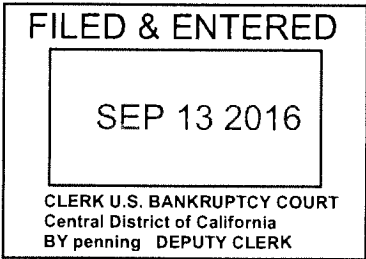
Vanessa Lavendera  
f/k/a Vanessa Van Holland  
13017 Falcon Pl  
Chino, CA 91710-3805

---

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

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

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



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

11 In re:  
 12 LIBERTY ASSET MANAGEMENT  
 CORPORATION, a California corporation,  
 13  
 14 Debtor.

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

Chapter 11

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

16  
 17 The Court having read and considered the *Stipulation Re Turnover of Certain Assets* [Docket  
 18 No. 210] (the "Stipulation") and good cause appearing therefor,

19 **IT IS HEREBY ORDERED THAT:**

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

PACHULSKI STANG ZIEHL & JONES LLP  
 ATTORNEYS AT LAW  
 LOS ANGELES, CALIFORNIA

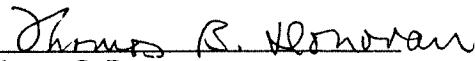
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1 3. The Court shall retain jurisdiction to hear all disputes arising from the implementation  
2 of this Order.

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4 ###

PACHULSKI STANG ZIEHL & JONES LLP  
ATTORNEYS AT LAW  
LOS ANGELES, CALIFORNIA

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23 Date: September 13, 2016

  
Thomas B. Donovan  
United States Bankruptcy Judge

## 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: **APPLICATION FOR AN ORDER AUTHORIZING AND APPROVING THE EMPLOYMENT OF COLDWELL BANKER TO MARKET AND SELL REAL PROPERTY IN ROWLAND HEIGHTS, CALIFORNIA; DECLARATION OF WILLIAM FRIEDMAN 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 **October 14, 2016**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- Kyra E Andrassy kandrassy@swelawfirm.com, csheets@swelawfirm.com;gcruz@swelawfirm.com;hdavis@swelawfirm.com
- Robert D Bass rbass@greenbass.com, rholland@greenbass.com;ecfnotification@greenbass.com
- Alexandre I Cornelius aicornelius@costell-law.com, ssaad@costell-law.com;mharris@costell-law.com;jstambaugh@costell-law.com;ladelson@costell-law.com;jlcostell@costell-law.com
- William Crockett wec@weclaw.com, ksa@weclaw.com
- Lei Lei Wang Ekvall lekvall@swelawfirm.com, csheets@swelawfirm.com;gcruz@swelawfirm.com;hdavis@swelawfirm.com
- Julie A Esposito cesarjuliem@yahoo.com, sensberg@aol.com
- James R Felton jfelton@greenbass.com, mtyndall@greenbass.com;ecfnotification@greenbass.com
- John D Fiero jfiero@pszjlaw.com, ocarpio@pszjlaw.com
- Sandford Frey sfrey@leechtishman.com, knielsen@leechtishman.com;knielsen@cmkllp.com
- John-Patrick M Fritz jpf@lnbyb.com, JPF.LNBYB@ecf.inforuptcy.com
- Barry S Glaser bglaser@swesq.com, erhee@swesq.com
- David B Golubchik dbg@lnbyb.com, dbg@ecf.inforuptcy.com
- Gail S Greenwood ggreenwood@pszjlaw.com, efitzgerald@pszjlaw.com
- David S Henshaw david@henshawlaw.com, info@henshawlaw.com
- Eve H Karasik ehk@lnbyb.com
- Jeffrey S Kwong jsk@lnbyb.com, jsk@ecf.inforuptcy.com
- Ian Landsberg ian@landsberg-law.com, casey@landsberg-law.com;lisa@landsberg-law.com;diana@landsberg-law.com;yesi@landsberg-law.com;ilandsberg@ecf.inforuptcy.com
- Robert S Lawrence rlawrence@callahan-law.com, mwalters@callahan-law.com
- Patricia H Lyon phlyon@frenchlyontang.com, mwoodward@frenchlyontang.com
- David W. Meadows david@davidwmeadowslaw.com
- Charles Alex Naegele alex@canlawcorp.com, alexnaegelelaw@gmail.com
- Victoria Newmark vnewmark@pszjlaw.com
- Queenie K Ng queenie.k.ng@usdoj.gov
- Laura Palazzolo laura.palazzolo@berliner.com, sabina.hall@berliner.com
- Uzzi O Raanan uor@dgdk.com, DanningGill@gmail.com;uraanan@ecf.inforuptcy.com
- Jeremy V Richards jrichards@pszjlaw.com, bdassa@pszjlaw.com;imorris@pszjlaw.com
- Mark Romeo romeolaw@msn.com
- Robert M Saunders rsaunders@pszjlaw.com, rsaunders@pszjlaw.com
- Steven R Skirvin srs@weclaw.com

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- Lindsey L Smith lls@lnbyb.com, lls@ecf.inforuptcy.com
- David A Trinh dtrinh@trinhlawfirm.com, kim@trinhlawfirm.com
- United States Trustee (LA) ustpreion16.la.ecf@usdoj.gov
- Scott L Whitman slw@mwlegal.com, holly@mwlegal.com
- James S Yan jsyan@msn.com

**2. SERVED BY UNITED STATES MAIL:** On **October 14, 2016**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Liberty Asset Management Corporation  
2648 E. Workman Avenue #3001-263  
West Covina, CA 91791-1604

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

Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on **October 14, 2016**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

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

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

|                  |                    |                        |
|------------------|--------------------|------------------------|
| October 14, 2016 | Stephanie Reichert | /s/ Stephanie Reichert |
| <i>Date</i>      | <i>Type Name</i>   | <i>Signature</i>       |

## 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: **MOTION FOR ORDER (A) APPROVING SALE OF PROPERTY FREE AND CLEAR OF LIENS, CLAIMS AND INTERESTS; (B) APPROVING EMPLOYMENT OF COLDWELL BANKER; AND (C) GRANTING RELATED RELIEF; MEMORANDUM OF POINTS AND AUTHORITIES AND DECLARATIONS OF LAWRENCE PERKINS AND GREGORY BINGHAM 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 27, 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
- Julie A Esposito cesarjuliem@yahoo.com, sensberg@aol.com
- John D Fiero jfiero@pszjlaw.com, ocarpio@pszjlaw.com
- Sandford L. Frey sfrey@leechtishman.com, jabrams@leechtishman.com
- John-Patrick M Fritz jpf@lnbyb.com, JPF.LNBYB@ecf.inforuptcy.com
- Barry S Glaser bglaser@swesq.com, erhee@swesq.com
- David B Golubchik dbg@lnbyb.com, dbg@ecf.inforuptcy.com
- Gail S Greenwood ggreenwood@pszjlaw.com, rrosales@pszjlaw.com
- Irving M Gross img@lnbyb.com, john@lnbyb.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@lnbyb.com
- Linda Kim lkim@t-nlaw.com, lkim@t-nlaw.com
- Jeffrey S Kwong jsk@lnbyb.com, jsk@ecf.inforuptcy.com
- Ian Landsberg ian@landsberg-law.com, casey@landsberg-law.com;lisa@landsberg-law.com;diana@landsberg-law.com;yesi@landsberg-law.com;ilandsberg@ecf.inforuptcy.com
- Robert S Lawrence rlawrence@callahan-law.com, mwalters@callahan-law.com
- Patricia H Lyon phlyon@frenchlyontang.com, mwoodward@frenchlyontang.com
- Daniel J McCarthy dmccarthy@hillfarrer.com, spadilla@hillfarrer.com;docket@hillfarrer.com
- David W. Meadows david@davidwmeadowslaw.com
- Charles Alex Naegele alex@canlawcorp.com, alexnaegelelaw@gmail.com



- 1 • Victoria Newmark vnewmark@pszjlaw.com
- 2 • Laura Palazzolo laura.palazzolo@berliner.com, sabina.hall@berliner.com
- 3 • Kimberly A Posin kim.posin@lw.com
- 4 • Uzzi O Raanan uor@dgd.com, DanningGill@gmail.com;uraanan@ecf.inforruptcy.com
- 5 • Jeremy V Richards jrichards@pszjlaw.com, bdassa@pszjlaw.com;imorris@pszjlaw.com
- 6 • Mark Romeo romeolaw@msn.com
- 7 • Robert M Saunders rsaunders@pszjlaw.com, rsaunders@pszjlaw.com
- 8 • Timothy J Silverman tsilverman@scheerlawgroup.com
- 9 • Lindsey L Smith lls@lnbyb.com, lls@ecf.inforruptcy.com
- 10 • Michael Stein mdstein91104@gmail.com
- 11 • David A Trinh dtrinh@trinhlawfirm.com, kim@trinhlawfirm.com
- 12 • United States Trustee (LA) ustpreion16.la.ecf@usdoj.gov
- 13 • Stephen R Wade srw@srwadelaw.com, reception@srwadelaw.com
- 14 • Scott L Whitman slw@mwlegal.com, holly@mwlegal.com
- 15 • James S Yan jsyan@msn.com
- 16 • Hatty K Yip hatty.yip@usdoj.gov

17 **2. SERVED BY UNITED STATES MAIL:** On **September 27, 2017**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

18  *Service information continued on attached page*

19 **3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on **September 27, 2017**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

20 **Served via Attorney Service**

21 Hon. Ernest Robles  
 22 United States Bankruptcy Court  
 23 Edward R. Roybal Federal Building  
 24 255 E. Temple Street, Suite 1560, Ctrm 1568  
 25 Los Angeles, CA 90012

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

|    |                    |                    |                        |
|----|--------------------|--------------------|------------------------|
| 27 | September 27, 2017 | Stephanie Reichert | /s/ Stephanie Reichert |
| 28 | <i>Date</i>        | <i>Type Name</i>   | <i>Signature</i>       |

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

Yonggang Pan  
1724 Pass And Covina Road  
West Covina, CA 91792