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

In re

MEHRI AKHLAGHPOUR,

Debtor.

Case No. 1:17-bk-12739-VK

Chapter 11

**CHAPTER 11 TRUSTEE'S MOTION
FOR ORDER: (1) AUTHORIZING
SALE OF ESTATE'S RIGHT, TITLE
AND INTEREST IN REAL PROPERTY
FREE AND CLEAR OF LIEN AND
INTERESTS OF EMYMAC; (2)
APPROVING OVERBID
PROCEDURE; (3) AUTHORIZING
ASSUMPTION AND ASSIGNMENT OF
UNEXPIRED REAL PROPERTY
LEASE; (4) APPROVING PAYMENT
OF COMMISSIONS; (5) FINDING
PURCHASER IS A GOOD FAITH
PURCHASER; AND (6) WAIVING
STAY UNDER RULE 6004(h);
MEMORANDUM OF POINTS AND
AUTHORITIES; AND
DECLARATIONS IN SUPPORT
THEREOF**

[16320 Gledhill Street, North Hills, CA
91343]

Date: May 3, 2018

Time: 2:00 p.m.

Place: Courtroom 301

21041 Burbank Boulevard
Woodland Hills, CA 91367

1 **TO THE HONORABLE VICTORIA KAUFMAN, UNITED STATES BANKRUPTCY**
2 **JUDGE:**

3 Nancy J. Zamora, the Chapter 11 trustee (the “Trustee”) for the bankruptcy estate of
4 Mehri Akhlaghpour (the “Debtor”), respectfully moves this Court, pursuant to 11 U.S.C. §§
5 105(a), 363(b) and (m), and Rule 6004(a) of the Federal Rules of Bankruptcy Procedure, for
6 an order (1) authorizing the Trustee to sell the estate’s right, title, and interest in that certain
7 real property located at 16320 Gledhill Street, North Hills, CA 91343 (the “Property”) free
8 and clear of the lien and interests of Emymac, Inc. (“Emymac”); (2) approving the overbid
9 procedure set forth in the Motion; (3) authorizing assumption and assignment of unexpired
10 real property lease; (4) approving the payment of the real estate broker’s commissions; (5)
11 finding that the Purchaser is a good faith purchaser; and (6) waiving the stay under Federal
12 Rule of Bankruptcy Procedure 6004(h) (the “Motion”).

13 The Trustee has received an offer to purchase the Property from Nick Scarano and
14 Michelle Liu (the “Purchaser”) for \$497,500¹ (the “Purchase Price”). This Motion is brought
15 to authorize the sale of the Property to the Purchaser upon the terms and conditions set forth
16 herein. Furthermore, the Trustee moves the Court for an order authorizing the following
17 overbid procedures: (1) any person interested in submitting an overbid on the Property must
18 attend the hearing on the Motion or be represented by an individual with authority to
19 participate in the overbid process; (2) an overbid will be defined as an initial overbid of
20 \$5,000 above the Purchase Price, with each additional bid in \$1,000 increments; (3)
21 overbidders (except for the Purchaser) must deliver a deposit to the Trustee’s counsel by way
22 of cashier’s check made payable to “Encore Escrow,” in the amount of \$54,750 (the
23 “Deposit”) at least 7 calendar days prior to the hearing on the Motion; (4) overbidders must
24 purchase the Property on the same terms and conditions as the Purchaser; (5) the Deposit of
25 the successful overbidder shall be forfeited if such party is thereafter unable to complete the

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28 ¹ The purchase price was amended from \$515,000 to \$497,500 pursuant to the “Amended
Escrow Instructions” dated March 26, 2018, based on the Property’s condition. Potential buyers
also raised concerns about the remaining length of the existing lease with the Tenant.

1 purchase of the Property within 15 calendar days of entry of an order confirming the sale;
2 and, (6) in the event the successful overbidder cannot timely complete the purchase of the
3 Property, the Trustee shall be authorized to proceed with the sale to the next highest
4 overbidder.

5 In support of this Motion, the Trustee will rely on these moving papers, the
6 Memorandum of Points and Authorities and Declarations attached hereto, the other pleadings
7 and orders already on file in this case, and on such other argument and evidence as may be
8 presented by counsel at the time of the hearing.

9 Accordingly, the Trustee respectfully requests that this Court enter an order:

10 1. Approving the sale of the Property to the Purchaser or the successful
11 overbidder free and clear of the lien and interests of Emymac;

12 2. Finding that the Purchaser or the successful overbidder purchased the Property
13 in “good faith,” as defined in 11 U.S.C. § 363(m);

14 3. Authorizing the Trustee to assume and assign the existing real property lease
15 dated May 20, 2015, between the Debtor and Ted Bunnag (the “Tenant”), to the Purchaser or
16 the successful overbidder;

17 4. Providing that the Trustee is authorized and empowered to execute and
18 deliver, on behalf of the estate, any and all documents as reasonably may be necessary to
19 implement the terms of the proposed sale;

20 5. Providing that the notice given by the Trustee in connection with the sale and
21 the hearing thereon is adequate, sufficient, proper and complies with all applicable provisions
22 of the Bankruptcy Code and Federal Rules of Bankruptcy Procedure;

23 6. Approving the overbid procedure described herein;

24 7. Authorizing the payment of the valid liens against the Property, any unpaid
25 property taxes, the real estate broker’s commissions, and related sale costs directly from
26 escrow;

27 8. Waiving the 14-day stay prescribed by Rule 6004(h) of the Federal Rules of
28 Bankruptcy Procedure; and

1 9. Granting such other and further relief as is just and appropriate.

2 DATED: April 12, 2018

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

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By: /s/ Jeffrey S. Kwong
EDWARD M. WOLKOWITZ
JEFFREY S. KWONG
Attorneys for Nancy J. Zamora
Chapter 11 Trustee

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MEMORANDUM OF POINTS AND AUTHORITIES

I.

STATEMENT OF FACTS AND OVERBID PROCEDURES

A. Case Background

1. The Debtor filed a voluntary petition under Chapter 11 of the Bankruptcy Code on October 11, 2017 (the “Petition Date”). Among the assets of the estate is a single family residence located at 16320 Gledhill Street, North Hills, CA 91343 (the “Gledhill Property” or “Property”).

2. According to the Debtor’s declaration attached to the cash collateral motion [Doc. No. 38], the Debtor lives in the Winnetka Property, is in the “business of renting properties” and has rented to and received rental income from tenants of the Rental Properties.

3. On December 29, 2017, the Office of the United States Trustee filed a motion to appoint a Chapter 11 Trustee (the “Trustee Motion”). As a result, a hearing was held on January 25, 2018 on the Trustee Motion, at which time the Court granted the Trustee Motion, and ordered the appointment of a Chapter 11 Trustee. Specifically, the Court’s tentative ruling on the Trustee Motion opined that cause existed to grant the Trustee Motion because, among other reasons, the:

“Debtor executed the promissory notes² and deeds of trust [regarding the Properties] in favor of Emymac five days before filing her bankruptcy petition . . . [a] chapter 11 trustee should investigate such issues as whether Emymac actually made such loans and whether Emymac is an independent party related to Debtor . . . [and] a chapter 11 trustee is in the best position to investigate the alleged loans and the transfers and to file an action avoiding them, if such an action is warranted[.]”

See Tentative Ruling (Doc. No. 99).

4. Subsequently, the OUST appointed the Trustee who is currently attempting to operate the Debtor’s business and managing her financial affairs.

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² The Trustee has since discovered that there apparently were no promissory notes for the Emymac trust deeds to secure.

1 **B. Employment of Broker**

2 5. On February 7, 2018, the Trustee's application to employ Rodeo Realty, Inc.
3 ("Broker") as real estate broker for the estate was filed. The Court entered its order approving
4 the Broker's employment on March 15, 2018.

5 6. The Broker has marketed the Property for sale and obtained the purchase offer
6 being submitted herewith.

7 **C. The Proposed Sale**

8 7. Subject to Court approval, the Trustee proposes to sell the Property, pursuant
9 to the terms of that certain "*Purchase And Sale Agreement And Escrow Instruction*
10 (*Residential Property*)" and addenda/ amendments thereto (the "Purchase Agreement") by and
11 among the parties, true and correct copies of which are collectively attached hereto as **Exhibit**
12 **1** and incorporated herein by reference. The essential terms of the proposed sale are as
13 follows:

- 14 • Purchaser: Nick Scarano and Michelle Liu (the
15 "Purchaser");
- 16 • Purchase Price: \$497,500³ (the "Purchase Price");
- 17 • Condition of Property: Property purchased "as is where
18 is" without any representations or warranties of any
19 kind; and
- 20 • Broker's Commissions: Six percent, to be shared
21 equally between the Trustee's Broker and Purchaser's
22 broker.

23 Further, the Property is currently leased to Ted Bunnag (the "Tenant"), pursuant to that certain
24 "*Lease*" entered into between the Debtor and Tenant on May 20, 2015, which has a termination
25 date of October 1, 2018 (the "Lease"). A copy of the Lease is attached as **Exhibit 4** hereto.
26

27 _____
28 ³ The purchase price was amended from \$515,000 to \$497,500 pursuant to the "Amended
Escrow Instructions" dated March 26, 2018.

1 Through this Motion, the Trustee also seeks Court authority to assume the Lease and assign it
2 to the Purchaser or successful bidder as part of the sale transaction.

3 **D. The Proposed Overbid Procedures**

4 While the Trustee is prepared to consummate the sale with the Purchaser, she is also
5 interested in obtaining the maximum price for the Property. Therefore, the Trustee seeks
6 approval of the following overbid procedures: (1) any person interested in submitting an
7 overbid on the Property must attend the hearing on the Motion or be represented by an
8 individual with authority to participate in the overbid process; (2) an overbid will be defined as
9 an initial overbid of \$5,000 above the Purchase Price, with each additional bid in \$1,000
10 increments; (3) overbidders (except for the Purchaser) must deliver a deposit to the Trustee's
11 counsel by way of cashier's check made payable to "Encore Escrow," in the amount of
12 \$54,750 (the "Deposit") at least 7 calendar days prior to the hearing on the Motion;
13 (4) overbidders must purchase the Property on the same terms and conditions as the Purchaser;
14 (5) the Deposit of the successful overbidder shall be forfeited if such party is thereafter unable
15 to complete the purchase of the Property within 15 calendar days of entry of an order
16 confirming the sale; and (6) in the event the successful overbidder cannot timely complete the
17 purchase of the Property, the Trustee shall be authorized to proceed with the sale to the next
18 highest overbidder.

19 The Trustee believes that the proposed overbid procedure, notice of which has been
20 given to all creditors and interested parties, will maximize the price ultimately obtained for the
21 Property as well as protect the estate from parties who may wish to participate in the overbid
22 procedure, but who are ultimately unable to consummate the sale transaction. Accordingly, the
23 Trustee requests that the Court authorize the overbid procedure discussed above.

24 **E. Liens and Interests**

25 A preliminary title report on the Property (the "Title Report"), a true and correct copy
26 of which is attached hereto as **Exhibit 2** and incorporated herein by reference, has been
27 obtained from First American Title Company. The Title Report indicates that the following
28 liens have been recorded against the Property:

Item No. on Title Report	Lienholder	Nature and Amount of Lien
1/2	County Assessor's Office	Real property taxes, 2017-2018. The Trustee is informed that real property taxes totaling approximately \$2,827.60 are owed, and the amount owed will be paid from escrow.
6	Wells Fargo Bank, N.A. (" <u>Wells Fargo</u> ")	Deed of Trust recorded in favor of Fidelity National Title Insurance Company on 11/30/10 on behalf of Wells Fargo. The Trustee is informed that an initial obligation of approximately \$386,919 is secured by this deed and the amount owed will be paid from escrow.
7	Emymac	The disputed Deed of Trust recorded in favor of Emymac on 10/10/17. The Title Report provides that the Deed of Trust was alleged to secure "an original indebtedness of \$225,000.00."

F. Distribution To The Estate

The Trustee estimates that the proposed sale will generate approximately \$124,848.75 in net proceeds as follows:

Proposed Sales Price	\$497,500
Real Property Taxes	<\$2,827.60> ⁴
Wells Fargo Lien	<\$321,044.65>
Emymac Lien	<\$0> ⁵
Estimated Tax Liability from Sale	<\$5,979> ⁶

⁴ The real property taxes amount may be further reduced by the pro-rated amount to be paid by the Purchaser after the closing date.

⁵ The Trustee is selling the Property free and clear of this lien.

⁶ The net proceeds will be reduced by some portion that is less than \$5,979 for franchise tax board withholdings.

Tenant Security Deposit to Purchaser<\$3,000>⁷

Closing Costs (estimated at
8% including 6% broker
commission) <\$39,800>

Net Proceeds \$124,848.75

A copy of the “*Seller’s Estimated Net Proceeds*” statement for the proposed sale of the
Property is attached as **Exhibit 6** hereto.

G. Notice To Creditors

Notice of this Motion has been transmitted to all creditors in accordance with Fed. R.
Bankr. P. 2002(a)(2), 6004(a) , and is being filed concurrently herewith.

II.

ARGUMENT

A. The Proposed Sale Is In The Best Interest Of The Estate

Section 363(b)(1) of the Bankruptcy Code provides that:

The trustee, after notice and a hearing, may use, sell, or lease,
other than in the ordinary course of business, property of the
estate.

11 U.S.C. § 363(b)(1). The standard of review used in determining approval of a proposed sale
of property is whether sound business reasons support the sale outside the ordinary course of
business. In re Walter, 83 B.R. 14, 19 (9th Cir. BAP 1988); In re Lionel Corp., 722 F.2d 1063,
1066 (2d Cir. 1983). In order for a sale to be approved under section 363 of the Bankruptcy
Code, the purchase price must be fair and reasonable. In re Coastal Indus., Inc., 63 B.R. 361
(Bankr. N.D. Ohio 1986).

In the present case, the Trustee believes that the sale of the Property under the terms
and conditions set forth above is supported by sound business reasons and is in the best interest
of the estate. The Property is being held by the Debtor as trustee of “The Mary M.

⁷ The Purchaser will also be credited pro-rated rent for the month in which the closing
occurs, which amount is unknown and based on the actual closing date.

1 Akhlaghpour, A.K.A., Mehri Akhlaghour Revocable Living Trust,” (see Title Report), and
2 constitutes property of the Debtor’s bankruptcy estate. See In re Cutter, 398 B.R. 6, 20 (9th
3 Cir. BAP 2008), aff’d, 468 F. App’x 657 (9th Cir. 2011) (“Debtor had a beneficial and
4 equitable interest in the Trust which became property of the estate under section 541(a).”).
5 Based upon the current real estate market and the other sale transactions in the area, the Trustee
6 believes that the sale price represents the fair market value of the Property. In addition, the
7 Trustee received a total of 4 offers and submitted a counteroffer for each of these 4 offers, and
8 the offer from the Purchaser is the highest and best offer received by the Trustee to date.
9 Further, approximately \$124,848.75 will be generated from the sale of the Property for the
10 estate. Thus, the proposed sale represents a sound exercise of the Trustee’s business judgment.

11 **B. The Court Should Approve The Sale Free And Clear Of Eymac’s Lien**
12 **And Interests**

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

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

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

27 11 U.S.C. § 363(f). Section 363(f) is written in the disjunctive; thus, satisfaction of any one of
28 the five conditions is sufficient to sell property free and clear of liens. See e.g., Citicorp

1 Homeowners Services, Inc. v. Elliot (In re Elliot), 94 B.R. 343, 345 (Bankr. E.D. Pa. 1988);
2 Mutual Life Ins. Co. of New York v. Red Oak Farms, Inc. (In re Red Oak Farms, Inc.), 36 B.R.
3 856, 858 (Bankr. W.D. Mo. 1984).

4 In the instant case, the Trustee seeks an order authorizing the sale of the Property free
5 and clear of Emymac's lien and interests. See **Exhibit 3** hereto. Such lien is in dispute,
6 thereby satisfying section 363(f)(4), because: (1) the lien, recorded on October 10, 2017 (the
7 "Transfer"), was made within the 90-day period prior to the Petition Date and appear to satisfy
8 the elements for its avoidance by the Trustee as a preferential transfer under Section 547 of the
9 Bankruptcy; (2) the Transfer was a fraudulent transfer pursuant to Section 548 of the
10 Bankruptcy Code; and (3) the Transfer was invalid because there does not appear to be a note
11 secured by the deed of trust. The Trustee has filed a complaint to avoid the Transfer, and for a
12 Court finding that that the lien is or will be deemed void, and the adversary complaint is
13 currently pending.

14 Accordingly, it is appropriate in the instant case to allow the Trustee to sell the Property
15 free and clear of Emymac's lien and interests.

16 **C. The Court Should Authorize The Trustee To Assume And Assign The**
17 **Lease To The Purchaser Or Successful Bidder**

18 Barring exceptions not herein relevant, Sections 365(a) and 1107(a) authorize a trustee,
19 "subject to the Court's approval . . . [to] assume or reject any executory contract or unexpired
20 lease of the debtor." A trustee may assume or reject executory contracts for the benefit of the
21 estate. In re Klein Sleep Products, Inc., 78 F.3d 18, 25 (2d. Cir. 1996); In re Central Fla. Metal
22 Fabrication, Inc., 190 B.R. 119, 124 (Bankr. N.D. Fla. 1995); In re Gucci, 193 B.R. 411, 415
23 (S.D.N.Y. 1996). In reviewing the trustee's decision to assume or reject an executory contract,
24 a bankruptcy court should apply the "business judgment test" to determine whether it would be
25 beneficial to the estate to assume it. In re Continental Country Club, Inc., 114 B.R. 763, 767
26 (Bankr. M.D. Fla.1990); see also In re Gucci, 193 B.R. at 415. The business judgment
27 standard requires that the court follow the business judgment of the trustee unless that
28 judgment is the product of bad faith, whim, or caprice. In re Prime Motors Inns, 124 B.R. 378,

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

Pursuant to Section 365(f)(2) of the Bankruptcy Code a trustee may assign the debtor's executory contracts and unexpired leases, provided the trustee first assumes such executory contracts and unexpired leases in accordance with Section 365(b)(1), and provides adequate assurance of future performance by the assignee. Pursuant to Section 365(b)(1), assumption of executory contracts and unexpired leases requires a trustee to: (a) cure any existing defaults under such agreements; (b) compensate all non-debtor parties to such agreements for any actual pecuniary loss resulting from the defaults; and (c) provide adequate assurance of future performance under the contract or lease. 11 U.S.C. § 365(b)(1); see also In re Bowman, 194 B.R. 227, 230 (Bankr. D. Ariz.1995), In re AEG Acquisition Corp., 127 B.R. 34, 44 (Bankr. C.D. Cal. 1991), aff'd 161 B.R. 50 (9th Cir. BAP 1993).

The assumption and assignment of executory contracts furthers the goals of Chapter 11 of promoting reorganization by balancing the interest in maximizing the value of the debtor's estate against the contracting party's interest in receiving the benefit of its bargain and being protected against default by the debtor after assumption has occurred. In re Embers 86th Street, Inc., 184 B.R. 892, 896 (Bankr.S.D.N.Y.1995).

Here, the Debtor is a party to the Property Lease, with Debtor as the lessor and the Tenant as lessee. The Lease is an integral part of the sale transaction, and the Lease should be assumed and assigned to the Purchaser or the successful bidder. Since the Debtor is not the lessee under the lease, the "adequate assurance of future performance" requirements of 11 U.S.C. § 365(b)(1)(C) are not applicable herein.

D. The Court Should Find That The Purchaser Is A Purchaser In "Good Faith" In Accordance With Bankruptcy Code Section 363(m)

As noted above, the Trustee requests, as part of the approval of the proposed sale transaction, that the Court find that the Purchaser is a "good faith" purchaser within the meaning of section 363(m) of the Bankruptcy Code. As set forth in the attached declarations hereto, neither the Trustee nor the Broker had any familiarity with the Purchaser until the

Purchaser expressed an interest in and made the offer for the Property. The Purchaser is not associated in any way with the Debtor, the Estate, the Trustee, and the Trustee's professionals in this case.

Section 363(m) provides that "[t]he reversal or modification on appeal of an authorization under subsection (b) or (c) of this section of a sale or lease of property does not affect the validity of a sale or lease under such authorization to an entity that purchased or leased such property in good faith" 11 U.S.C. § 363(m). Under section 363(m) of the Bankruptcy Code, "an appeal of a bankruptcy court's ruling on a foreclosure action [or sale] generally cannot affect the rights of a good faith purchaser of the foreclosed property, unless the Debtor [or other complaining party] stays the foreclosure [or other] sale pending an appeal." *In re Mann*, 907 F.2d 923, 926 (9th Cir. 1990) . "[T]he primary goal of the mootness rule [embodied in section 363(m)] 'is to protect the interest of a good faith purchaser . . . of the property,' thereby assuring finality of sales." *In re Onouli-Kona Land Co.*, 846 F.2d 1170, 1173 (9th Cir. 1988) (quoting *In re Suchy*, 786 F.2d 900, 901-02 (9th Cir. 1985)); *In re Ewell*, 958 F.2d 276, 280 (9th Cir. 1992). That goal is important in this case because the Purchaser needs assurance that the purchase of the Property will not be subject to future attack by objecting creditors or a frivolous appeal.

E. Waiver Of The Fourteen-Day Stay As Set Forth In Bankruptcy Rule 6004(h) Is Appropriate In This Case.

Rule 6004(h) of the Federal Rules of Bankruptcy Procedure provides, among other things, that an order authorizing the sale of property is stayed until the expiration of fourteen days after entry of the order, unless the Court orders otherwise. Here, all parties with a potential lien, claim or interest in the Property have been served with notice of the sale and an opportunity to object, and the fourteen-day waiting period could only operate to delay the closing of escrow and receipt by the Estate of the estimated net proceeds as detailed above. Under these circumstances, the Court should waive the fourteen-day stay of Bankruptcy Rule 6004(h) to permit the Purchaser to proceed with the close of escrow on the sale as soon as possible.

III.

CONCLUSION

In light of the foregoing, the Trustee respectfully requests that the Court enter an order as follows:

1. Approving the above sale of the Property to the Purchaser or the successful overbidder free and clear of the lien and interests of Eymac;

2. Finding that the Purchaser or the successful overbidder purchased the Property in “good faith,” as defined in 11 U.S.C. § 363(m);

3. Authorizing the Trustee to assume and assign the Lease, entered into between the Debtor and Tenant, to the Purchaser or the successful overbidder;

4. Providing that the Trustee is authorized and empowered to execute and deliver on behalf of the estate any and all documents as reasonably may be necessary to implement the terms of the proposed sale;

5. Providing that the notice given by the Trustee in connection with the sale and the hearing thereon is adequate, sufficient, proper and complies with all applicable provisions of the Bankruptcy Code and Federal Rules of Bankruptcy Procedure;

6. Approving the overbid procedure described herein;

7. Authorizing the payment of the valid liens against the Property, any unpaid property taxes, the real estate broker’s commissions, and related sale costs directly from escrow;

8. Waiving the 14-day stay prescribed by Rule 6004(h) of the Federal Rules of Bankruptcy Procedure; and

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DECLARATION OF NANCY J. ZAMORA

I, Nancy J. Zamora, declare as follows:

1. I am the duly-appointed, qualified, and acting Chapter 11 trustee for the bankruptcy estate of Mehri Akhlaghpour (the “Debtor”). I make this declaration in support of the foregoing motion (the “Motion”). Each of the following facts is of my own knowledge, and if called upon and sworn as a witness, I could and would competently testify thereto.

2. I have been a Chapter 7 Trustee since 1998; been a Chapter 11 Trustee in cases involving real property; sold nearly one hundred properties in my capacity as bankruptcy trustee generating gross sales in excess of \$60 million; and operated rental properties in several Chapter 7 and Chapter 11 bankruptcy cases.

3. Among the assets of this estate is the real property located at 16320 Gledhill Street, North Hills, CA 91343 (the “Property”).

4. On February 7, 2018, I filed the application to employ Rodeo Realty, Inc. (“Broker”) as real estate broker for the estate. There has been no objection to the Broker’s employment, and the Court entered its order approving the Broker’s employment on March 15, 2018.

5. I propose to sell the estate’s interest in the Property to Nick Scarano and Michelle Liu (the “Purchaser”) for \$497,500⁸, pursuant to the terms of that certain “*Purchase And Sale Agreement And Escrow Instructions (Residential Property)*” and addenda/ amendments thereto (the “Purchase Agreement”), true and correct copies of which are collectively attached hereto as **Exhibit 1**.

6. I believe that the overbid procedure proposed in the Motion, notice of which has been given to all creditors and interested parties, will maximize the price ultimately obtained for the Property as well as protect the estate from parties who may wish to participate in the overbid procedure, but who are ultimately unable to consummate the sale transaction.

⁸ The purchase price was amended from \$515,000 to \$497,500 pursuant to the “Amended Escrow Instructions” dated March 26, 2018, based on the Property’s condition. Potential buyers also raised concerns about the remaining length of the existing lease with the Tenant.

7. A preliminary title report on the Property was obtained from First American Title Company (the "Title Report"). A true and correct copy of the Title Report is attached hereto as Exhibit 2 and incorporated herein by reference.

8. The Motion seeks an order authorizing the sale of the Property free and clear of the lien and interests of Emymac, Inc. ("Emymac"). True and correct copies of the relevant lien documents are attached hereto as Exhibit 3 and incorporated herein by reference.

9. As detailed in the Motion, I received a total of 4 offers and I submitted counteroffers to each of these 4 offers, and the offer from the Purchaser is the highest and best offer received by me to date. The sale of the Property is expected to yield approximately \$124,848.75 for the estate. A copy of the "*Seller's Estimated Net Proceeds*" statement for the proposed sale of the Property is attached as Exhibit 6 hereto. Accordingly, I believe the proposed sale of the Property is in the best interest of the estate.

10. The Debtor is also a party to the Property lease dated December 1, 2017 (the "Lease," see Exhibit 4 hereto), with the Debtor as the lessor and Ted Bunnag (the "Tenant") as lessee. Pursuant to the Motion, and in the exercise of my business judgment, I believe that the assumption of the Lease and its assignment to the Purchaser or the successful bidder is appropriate and should be approved.

11. I did not have any familiarity with the Purchaser until the Purchaser expressed an interest in and made the offer for the Property. I believe that the Purchaser is not associated in any way with me, my professionals, the Debtor, and the Estate in the case.

I declare under penalty of perjury, under the laws of the United States of America that the foregoing is true and correct and that this Declaration was executed on April 11, 2018, at Los Angeles, California.


NANCY J. ZAMORA

DECLARATION OF BEHNAZ TAVAKOLI

I, Behnaz Tavakoli, declare:

1. I am a California licensed real estate agent with Rodeo Realty, Inc. (the “Broker”), the broker employed by Nancy J. Zamora, Chapter 11 trustee for the bankruptcy estate of Mehri Akhlaghpour (the “Trustee”), to market and sell the real property located at 16320 Gledhill Street, North Hills, CA 91343 (the “Property”).

2. I make this declaration in support of the foregoing motion. Each of the following facts is of my own knowledge, and if called upon and sworn as a witness, I could and would competently testify thereto.

3. The Court entered its order approving the Broker’s application on March 15, 2018.

4. Prior to the Trustee’s acceptance of the offer for the proposed sale of the Property, I engaged in the following marketing efforts in an attempt to obtain the best and highest prices for the Property:

- Listed the Property on the multiple listing service (MLS);
- Upon listing the Property on MLS, the Property was advertised pursuant to Rodeo Realty’s “Comprehensive Internet Program” and sent to syndicated websites listed in the summary attached as **Exhibit 5** hereto (e.g., AOL Real Estate, Google Maps, Twitter, New York Times, Hotpads.com, Facebook, Backpage.com, Zillow.com, Trulia, etc.);
- Conducted 2 showings of the Property;
- Responded to all telephone and email inquiries about the Property; and
- Worked with the Trustee to submit responses and counteroffers to each of the offers for the Property.

5. The Trustee received 4 offers for the Property, and I assisted the Trustee in submitting responses/counteroffers to these offers. The current offer for the Property, being submitted for the Court’s approval, from Nick Scarano and Michelle Liu (the “Purchaser”) in the amount of \$497,500 is the highest and best offer to date.

1 6. Further, cognizant that the sale of the Property would be subject to overbid, I
2 continue to market the Property in hopes that it could potentially be sold for a greater amount
3 than the Purchase Price offered by the Purchaser. For example, the Property continues to be
4 listed on the multiple listing service ("MLS"), and I will update the MLS listing with the
5 overbid information, date, and time of the sale hearing on the Motion for any possible
6 overbidders.

7 7. Upon the request by the Trustee's counsel, I provided a list of addresses of
8 parties that had previously expressed an interest in the Property, which I have been informed
9 and believe will be served with the notice of the Motion.

10 8. Based on my experience as a real estate agent, I believe that the Purchase Price
11 for the Property reflects the fair market value of the Property.

12 9. I did not have any familiarity with the Purchaser until the Purchaser expressed
13 an interest in and made the offer for the Property. I believe that the Purchaser is not associated
14 in any way with the Debtor, the Estate, Trustee, and Trustee's professionals in the case.

15 I declare under penalty of perjury under the laws of the United States of America that
16 the foregoing is true and correct and that this Declaration was executed on April 12, 2018, at
17 Calabasas, California.

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19 
20 BEHNAZ TAVAKOLI

DECLARATION OF NICK SCARANO

I, Nick Scarano, declare:

1. I am one of the proposed purchasers for that certain real property located at 16320 Gledhill Street, North Hills, CA 91343 (the "Property"). Each of the following facts is of my own knowledge, and if called upon and sworn as a witness, I could and would competently testify thereto.

2. The other proposed purchaser, Michelle Liu, and I have no affiliation with Mehri Akhlaghpour (the "Debtor"), her bankruptcy estate, or Nancy J. Zamora, the Chapter 11 trustee of the Debtor's bankruptcy estate. The proposed sale transaction is the product of arm's-length, good faith negotiations between and among the Trustee, the Trustee's real estate broker, and the estate, on the one hand, and myself, the other proposed purchaser, and my agent on the other.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct and that this Declaration was executed on April 12, 2018, at Los Angeles, California.

DocuSigned by:

Nick Scarano 4/12/2018

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NICK SCARANO

EXHIBIT 1

**PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS
(RESIDENTIAL PROPERTY)**

This purchase and sale agreement and escrow instructions (the "Agreement") is entered into as of March 7, 2018 (the "Execution Date") by and between Nick Scarano ("Buyer") and Nancy Hoffmeier Zamora ("Trustee") in her capacity as chapter 11 trustee for the bankruptcy estate (the "Estate") of Mehri Akhlaghpour. Together, Buyer and Trustee hereinafter shall be referred to as the "Parties."

RECITALS

- A. That certain residential real property (the "Real Property") commonly known as 16320 Gledhill Street, North Hills, California 91343 and identified as Los Angeles County Assessor's Parcel No.2676-009-014 is an asset of the Estate.
- B. Trustee is the duly appointed chapter 11 trustee for the Estate.
- C. Subject to approval by the United States Bankruptcy Court (the "Bankruptcy Court"), Section 363(f) of the United States Bankruptcy Code authorizes Trustee to sell the Real Property free and clear of any interests and liens pursuant to the Agreement.
- D. Article 1.5 ("Article 1.5") of the California Civil Code ("Civil Code") requires disclosures by sellers upon the transfer of residential real property (Civil Code section 1102 et seq.). Civil Code section 1102.2 of the Civil Code exempts Trustee from the provisions of Article 1.5.

AGREEMENT

In consideration of the mutual covenants and agreements reflected herein, and for other good and valuable consideration, receipt of which is hereby acknowledged, the Parties to this Agreement agree as follows:

1. **Purchase of the Real Property.** Buyer shall purchase the Real Property from the Estate for a total sales price of \$515,000.00 (the "Purchase Price") payable in cash upon Close of Escrow (as defined below in Paragraph 6).

2. **Purchase of Personal Property.** The Purchase Price shall include Buyer's purchase of all existing fixtures and fittings (the "Personal Property") attached to the Real Property free and clear of liens and without Trustee's warranty. The Personal Property excludes any and all personal property of the tenants ("Tenants") who reside at the Real Property. Buyer acknowledges that prior and current occupants of the Real Property may have caused waste to the Real Property by, among other things, removing various fixtures and fittings from the Real Property.

3. **As-Is; Where-Is.** Buyer agrees to purchase the Real Property and the Personal Property on an "as-is, where-is" basis. Buyer acknowledges that Trustee made no investigation of nor makes any representation or warranty regarding the condition of the Real Property or the Personal Property.

4. **Earnest Money Deposit.**

a. **Escrow Account.** Buyer shall deposit \$15,000.00 (the "Earnest Money") with Escrow Holder (as defined below in Paragraph 6) on or before March 9, 2018. The Earnest Money shall be in the form of a cashier's check or wire transfer made payable to Escrow Holder. Escrow Holder shall apply the Earnest Money to the Purchase Price upon Close of Escrow.

b. **Refund of the Earnest Money.** Trustee shall authorize Escrow Holder to refund the Earnest Money to Buyer if the Parties cancel Escrow pursuant to Paragraph(s) 5, 8, 9, 15 and/or 16 (as provided below in Paragraph 6(g)(2)).

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c. **Surrender of the Earnest Money.** As provided below in Paragraph 17, Buyer shall surrender the Earnest Money to Trustee as liquidated damages if the Bankruptcy Court approves Buyer's purchase of the Real Property, then Buyer defaults under this Agreement.

5. **Motion for Order Approving Sale of Real Property.**

a. **Buyer Acknowledgment.** Buyer acknowledges that sale of the Real Property pursuant to this Agreement is subject to prior approval by the Bankruptcy Court. As such, the Bankruptcy Court's approval of this Agreement is a contingency of sale.

b. **Sale Motion and Hearing.**

(1) **Motion.** After the Parties execute this Agreement, Trustee shall file with the Bankruptcy Court a motion (the "Sale Motion") for order approving sale of the Real Property free and clear of any interests and liens, subject to overbid, and a notice of hearing (the "Overbid Hearing") on the Sale Motion. Trustee shall attach this Agreement as an exhibit to the Sale Motion.

(2) **Order.** At the conclusion of the Overbid Hearing, Trustee shall lodge a proposed order with the Court approving sale of the Real Property to Buyer pursuant to this Agreement or to the highest bidder approved by the Bankruptcy Court at the Overbid Hearing. Upon the Bankruptcy Court's entry of the order approving Trustee's sale of the Real Property to Buyer (as the highest bidder) pursuant to this Agreement (the "Sale Order"), Trustee shall deposit a certified copy of the Sale Order into Escrow.

(3) **Buyer Not Approved.** If the Bankruptcy Court does not approve Buyer to purchase the Real Property, the Parties shall cancel Escrow and Trustee shall authorize Escrow Holder to refund the Earnest Money to Buyer.

6. **Escrow.**

a. **Opening Escrow.** This sale shall be consummated through an escrow ("Escrow") established with Encore Escrow ("Escrow Holder"), located at 23901 Calabasas Road, #1033, Calabasas, California, 91302. On March 7, 2018, the Parties shall deposit this Agreement with Escrow Holder, which deposit shall open Escrow for sale of the Real Property.

b. **Earnest Money.** Upon receipt of the Earnest Money, Escrow Holder shall deposit the Earnest Money into an escrow account established exclusively for the purpose of selling the Real Property.

c. **Joint Escrow Instructions to Escrow Holder.** The applicable portions of this Agreement shall constitute joint escrow instructions (the "Joint Escrow Instructions") of Trustee and Buyer to Escrow Holder.

d. **Supplemental Escrow Instructions.** The Joint Escrow Instructions may be modified and/or supplemented pursuant to addenda executed by the Parties. Trustee and Buyer acknowledge that Escrow Holder will ask the Parties to execute general escrow provisions (the "Supplemental Escrow Instructions") that control the duties and obligations of Escrow Holder only. To the extent the Supplemental Escrow Instructions conflict with this Agreement or the Joint Escrow Instructions, this Agreement and the Joint Escrow Instructions, not the Supplemental Escrow Instructions, shall control the rights, duties, and obligations of the Parties.

e. **Closing Date.** Close of Escrow shall occur on the first business day that is at least fifteen (15) days after entry of the Sale Order (the "Closing Date"). The Parties can accelerate or extend the Closing Date by executing an amendment to this Agreement that provides for an earlier or later Closing Date that is consistent with the Sale Order.

f. **Close of Escrow.** "Close of Escrow" shall occur when Escrow Holder records the Quitclaim Deed (as defined below in Paragraph 15) transferring fee title to the Real Property from the Estate to Buyer.

g. **Cancellation of Escrow.**

(1) **Buyer Default.** If Close of Escrow does not occur by the Closing Date because Buyer defaults on Buyer's obligations pursuant to this Agreement, Buyer agrees to forfeit the Earnest Money to Trustee and the Estate as provided below in Paragraph 17.

(2) **Cancellation Pursuant to Contingency.** If Buyer cancels Escrow pursuant to Paragraph(s) 5, 8, 9, 15 and/or 16 of this Agreement, the Parties shall cancel Escrow and Trustee shall authorize Escrow Holder to refund the Earnest Money to Buyer.

(3) **No Prejudice.** Cancellation of Escrow as provided herein shall be without prejudice to whatever legal rights Trustee and Buyer may have against each other.

h. **Preliminary Closing Statements.** No less than five (5) business days prior to Close of Escrow, Escrow Holder shall provide Trustee with preliminary closing statements (the "Preliminary Closing Statements") for both Trustee as seller of the Real Property and Buyer as purchaser of the Real Property.

i. **Closing Documents.** No less than five (5) business days prior to Close of Escrow, Escrow Holder shall provide the Parties with any and all documents that the Parties must execute and deposit with Escrow Holder prior to Close of Escrow.

7. **Balance of Purchase Price.** Buyer shall deposit the balance of the Purchase Price (the "Purchase Price Balance"), i.e., \$500,000.00, into Escrow in the form of cash or by wire transfer at least one (1) business day before the Closing Date or by cashier's check during business hours at least two (2) business days before the Closing Date. After paying all approved costs and liens, Escrow Holder shall pay the net proceeds from the Purchase Price Balance to Trustee by check made payable to "Nancy Hoffmeier Zamora, Chapter 7 Trustee, Akhlaghpour Estate."

8. **Inspection Contingency.** Buyer may cancel Escrow on or before March 26, 2018 (the "Contingency Deadline") based on Buyer's inspection of the Real Property. Buyer shall notify Trustee in writing that Buyer is canceling Escrow based on Buyer's inspection of the Real Property and Buyer's ability to obtain an insurance policy for the Real Property. If Buyer cancels Escrow pursuant to this inspection contingency, the Parties shall cancel Escrow and Trustee shall authorize Escrow Holder to refund the Earnest Money to Buyer.

9. **Loan Contingency.**

a. **Buyer Representation.** Buyer represents that Buyer has obtained preliminary approval for financing sufficient to close Escrow by the Closing Date. Buyer agrees to pursue financing sufficient to pay the Purchase Price Balance and any additional closing costs.

b. **Trustee Acknowledgment.** Trustee acknowledges that Buyer will require financing to purchase the Real Property and that Buyer's financing is a contingency of this Agreement.

c. **Buyer Acknowledgment.** Buyer acknowledges that, in evaluating competing bids at the Overbid Hearing, Trustee will prefer an all cash offer for the Real Property without a financing contingency, all other terms and bidder qualifications being equal. Buyer agrees to remove the financing contingency prior to the Contingency Deadline.

d. **Close of Escrow.** Buyer agrees to deposit funds equal to the Purchase Price Balance and Buyer's closing costs by the Closing Date as provided in Paragraph 7.

10. **Closing and Possession.**

a. **Delivery.** Trustee shall deliver possession of the Real Property to Buyer on the Closing Date subject to an existing lease with Tenant, Tipp Bunnag aka Ted Bunnag, for the term from October 1, 2017 to October 1, 2018 (the "Lease"). Buyer acknowledges receipt of a true and correct copy of the Lease.

b. **Assignable Warranty Rights**. Upon Close of Escrow, to the extent permitted by law and/or contract, Trustee shall hereby assign warranty rights, if any, for the Personal Property.

c. **Access**. Upon Close of Escrow, Trustee shall provide Buyer all keys and/or means to operate all locks, mailboxes, security systems, alarms, and garage door openers that are in Trustee's possession or control, if any.

11. **Reports and Disclosures**.

a. **Pest Control**. Trustee shall not pay for or provide Buyer with a pest control report for the Real Property as a condition of sale. Trustee has made no investigation of and makes no representation or warranty regarding the physical condition of the Real Property. Buyer acknowledges that sale of the Real Property is on an "as-is, where-is" basis.

b. **Natural Hazard Zone Disclosure Report**. Buyer acknowledges that Civil Code section 1103.2(a)(1) specifically exempts transfers of real property by a trustee in bankruptcy. Accordingly, Buyer acknowledges that Trustee shall not pay for or otherwise provide a natural hazard zone disclosure report (the "NHZD Report") for Buyer's review prior to Close of Escrow. If Buyer and/or Title Company (as defined below in Paragraph 15) require a NHZD Report in order to close Escrow, Buyer shall pay for the NHZD Report. Trustee has made no investigation of and makes no representation or warranty regarding the physical condition of the Real Property or the location of the Real Property. Buyer acknowledges that sale of the Real Property is on an "as-is, where-is" basis.

c. **Data Base Disclosure Addendum (Megan's Law)**. Buyer acknowledges that Civil Code section 2079.10a (referring to Civil Code section 1102) specifically exempts transfers of real property by a trustee in bankruptcy from the requirements of 2079.10a, commonly referred to as "Megan's Law." Accordingly, Buyer acknowledges that Trustee will not execute a "Data Base Disclosure Addendum (Megan's Law)" as a condition for closing Escrow. Trustee has made no investigation of and makes no representation or warranty regarding the existence or non-existence of convicted sex offenders or other criminals in the neighborhood surrounding the Real Property. Buyer acknowledges that sale of the Real Property is on an "as-is, where-is" basis.

d. **Real Estate Transfer Disclosure Statement**. Buyer acknowledges that Civil Code section 1102 specifically exempts from the provisions of Article 1.5 transfers of real property by a trustee in bankruptcy. Buyer acknowledges that Article 1.5 requires, among other things, disclosures by sellers upon the sale of residential real property. Accordingly, Buyer acknowledges that Trustee will not provide Buyer with a Real Estate Transfer Disclosure Statement or addenda thereto. Trustee has made no investigation and makes no representation or warranty regarding the Real Property, the neighborhood surrounding the Real Property, or the general location of the Real Property. Buyer acknowledges that sale of the Real Property is on an "as-is, where-is" basis.

e. **Mello-Roos Community Facilities Act**. Trustee has made no investigation and makes no representation or warranty regarding any special taxes assessed against the Real Property by a local agency pursuant to the Mello-Roos Community Facilities Act ("Mello-Roos").

12. **Prorations of Property Taxes and Other Items**.

a. **Buyer and Trustee**. The following items shall be paid current and prorated between Buyer and Trustee as of Close of Escrow:

- (1) real property taxes and assessments;
- (2) interest;
- (3) rents and Tenants' security deposit as set forth in the Lease;
- (4) municipal utilities;

- (5) payments on bonds and assessments assumed by Buyer, if any;
- (6) payments on Mello-Roos and other special assessment district bonds and assessments, if any, which are now a lien; and
- (7) any and all other items identified by Escrow Holder in the Preliminary Closing Statements and approved by the Parties prior to Close of Escrow.

b. **Buyer.** Buyer shall be responsible for prorated payments on Mello-Roos and other special assessment district bonds and assessments that are now a lien but not yet due.

c. **Supplemental Tax Bills.** For periods after Close of Escrow, Buyer shall be responsible for any and all supplemental taxes assessed against the Real Property. For periods prior to Close of Escrow, Trustee shall be responsible for any and all supplemental taxes assessed against the Real Property.

13. **Additional Buyer Costs.** In addition to costs allocated to Buyer by other provisions of this Agreement, Buyer shall pay for the cost of:

- a. smoke detector installation, carbon monoxide detector installation and/or water heater bracing, if required by law;
- b. compliance with any other minimum mandatory government retrofit standards, inspections and reports if required as a condition of closing Escrow under any law;
- c. fifty percent (50%) of the escrow fees ("Escrow Fees") charged by Escrow Holder;
- d. homeowner's warranty policy; and
- e. the NHZD Report.

14. **Additional Trustee Costs.** Trustee shall pay for the cost of the following:

- a. county transfer tax or transfer fee;
- b. city transfer tax or transfer fee;
- c. fifty percent (50%) of the Escrow Fees;
- d. title insurance policy;
- e. Home Owner Association transfer fee and document preparation fees, if any.

15. **Title and Vesting.**

a. **Preliminary Title Report.** By 5:00 p.m. on March 7, 2018, Trustee will procure and deposit with Escrow Holder a preliminary title report ("PTR") issued by First American Title Company ("Title Company"). Escrow Holder, upon receipt of PTR, shall provide PTR to Buyer for review and approval. Buyer shall have until 5:00 p.m. on the Contingency Deadline to notify Trustee, in writing, of Buyer's disapproval of any exception in the PTR. If Buyer fails to disapprove any exceptions in the PTR by 5:00 p.m. on the Contingency Deadline, Buyer shall be deemed to have waived any and all objections to the PTR. If Buyer timely notifies Trustee of Buyer's disapproval and Trustee is unwilling or unable to cure or otherwise address the exception to Buyer's satisfaction, not to be unreasonably withheld, then the Parties shall cancel Escrow and Trustee shall authorize Escrow Holder to refund the Earnest Money to Buyer.

b. **Quitclaim Deed.** At Close of Escrow, Buyer shall receive a quitclaim deed (the "Quitclaim Deed") transferring title ("Title") to the Real Property from the Estate to Buyer. Unless otherwise designated in Buyer's escrow instructions, title shall vest as follows: Nick Scarano. Title shall include oil, mineral and water rights, if any, appurtenant to the Real Property.

Title shall be subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters which are of record or are disclosed to Buyer prior to Close of Escrow.

c. **Title Insurance.** Trustee shall procure from Title Company a California Land Title Association ("CLTA") standard policy of title insurance in the amount of the Purchase Price to be approved by Buyer, showing title vested in Buyer, as stated above, with only those exceptions to title approved by Buyer on the PTR produced by Title Company.

d. **Real Property Insurance.** Trustee's hazard and casualty insurance on the Real Property shall be canceled as of the Closing Date, and Buyer shall be responsible for obtaining insurance coverage as of the Closing Date.

16. **Contingency and Cancellation Rights.** If Buyer removes any contingency or cancellation right as provided herein, Buyer shall conclusively be deemed to have:

a. completed all inspections, investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right;

b. elected to proceed with purchasing the Real Property pursuant to this Agreement; and

c. assumed all liability, responsibility, and expense for repairs or corrections pertaining to that contingency or cancellation right.

17. **LIQUIDATED DAMAGES.** If Buyer fails to complete the purchase contemplated by this Agreement because of Buyer's default, Trustee shall retain the Earnest Money as liquidated damages and shall be released from any further obligation to sell the Real Property to Buyer. Escrow Holder shall release the Earnest Money to Trustee upon receiving Trustee's written notification that Buyer has defaulted under the terms of this Agreement.

Buyer's Initials



Trustee's Initials



18. **Additional Obligations.**

a. **Withholding Taxes.** Trustee and Buyer agree to execute and deliver any instrument, affidavit, statement, or instruction reasonably necessary to comply with federal and state tax withholding laws.

b. **Additional Documents.** Trustee and Buyer agree to take such further action and execute all such further documents as may be necessary or appropriate in order to consummate this Agreement.

19. **Broker Compensation.**

a. **Broker's Fee.** Subject to approval by the Bankruptcy Court and the Lender's consent and approval, in consideration of real estate brokerage services rendered, Trustee agrees to pay Rodeo Realty, Inc. upon Close of Escrow, a total real estate brokerage fee equal to six percent (6%) of the Purchase Price to be divided equally between the agent representing Trustee ("Estate Broker") and the agent representing Buyer ("Buyer Broker").

b. **Failure to Close Escrow.** No commission or other fee shall be payable to Estate Broker and/or Buyer Broker if Escrow fails to close. Trustee and Buyer acknowledge that no other broker's commission or finder's fee is payable with regard to this transaction.

c. **Indemnification.** Trustee and Buyer each ("Indemnitor") agrees to indemnify and hold the other harmless from and against all liability, claims, demands, damages, or costs of any kind arising from or connected with any broker's or finder's fee or commission or charge claimed to be due any person arising from Indemnitor's conduct with respect to this transaction, other than the commissions authorized in this paragraph.

20. Miscellaneous.

a. Disputes. The Bankruptcy Court shall have sole and exclusive jurisdiction over any dispute between the Parties over the terms of this Agreement and over any transaction or event referenced or contemplated by this Agreement.

b. Bankruptcy Court Jurisdiction. The Bankruptcy Court shall have continuing jurisdiction to interpret and enforce this Agreement.

c. Attorneys' Fees. The prevailing party in any dispute arising out of this Agreement shall be entitled to recover as an element of its costs of suit, and not as damages, reasonable attorneys' fees and costs to be fixed by the Bankruptcy Court. The "prevailing party" shall be the party who is entitled to recover its costs of suit, whether or not said suit proceeds to final judgment. A party not entitled to recover its costs shall not recover attorneys' fees. No sum for attorneys' fees shall be included in calculating the amount of a judgment for purposes of deciding whether a party is entitled to its costs or attorneys' fees.

d. Time of the Essence. Time is of the essence of each provision of this Agreement in which time is an element. Unless the context otherwise requires, all periods terminating on a given day, period of days, or date, shall terminate at 5:00 p.m., Pacific Standard Time, on that day or date, and reference to "days" shall refer to calendar days.

e. Amendment and Waiver. Neither this Agreement, nor any of the provisions hereof, may be changed, waived, discharged or terminated, except by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought.

f. Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the Parties hereto and their respective successors and assigns.

g. Headings. Paragraph headings contained in this Agreement are for reference purposes only, and shall not affect in any way the meaning or interpretation of this Agreement.

h. Third Party Rights. Except with respect to the releases provided for above, no rights are intended to be created in any person not a party to this Agreement.

i. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together constitute one and the same instrument.

j. Entire Agreement. This Agreement sets forth the entire agreement between the Parties and fully supersedes any and all prior agreements or understandings between the Parties pertaining to the subject matter of this Agreement.

k. Understanding of the Parties. The Parties have each read this Agreement carefully, and the contents hereof are known and understood by all, and the Agreement is signed freely by each person executing this Agreement. Prior to the execution of this Agreement by the Parties, and each of them, each of the Parties hereto has had the opportunity to receive independent legal advice by attorneys of his or her choice with respect to the advisability of executing this Agreement.

l. No Statements, Representations, and/or Reliance. Except as expressly stated in this Agreement, neither of the Parties hereto has made any statement or representation to any other party regarding any fact relied upon by such other party entering into this Agreement, and each of the Parties specifically does not rely upon any statement, representation or promise of any other party in executing this Agreement, except as expressly stated in this Agreement.

m. Construing the Agreement. This Agreement shall be construed without regard as to which party drafted the Agreement, and this Agreement shall be construed as if the Parties hereto participated equally in the drafting of the Agreement.

n. **Applicable Law.** This Agreement shall be construed in accordance with, and governed by, the laws of the State of California and applicable federal law.

o. **Severability.** Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be valid under applicable law, but if any provision of this Agreement shall be invalid, or prohibited thereunder, such provision shall be ineffective to the extent of such prohibition without invalidating the remainder of such provision or the remaining provisions of this Agreement.

p. **Recitals.** The recitals at the beginning of this Agreement are incorporated herein by this reference.

q. **Terms.** Whenever the singular number is used in this Agreement, and when required by the context, the same shall include the plural, and the masculine, and feminine and neuter genders shall each include the others.

r. **Representations and Warranties.** All representations and warranties contained herein shall survive the execution and delivery of this Agreement. All obligations of the Parties to this Agreement which have not been fully performed, paid and satisfied as of the Execution Date, shall survive the execution and delivery of this Agreement.

SIGNATURES OF THE PARTIES

OFFER

As of the Execution Date, the undersigned offers and agrees to buy the Real Property on the terms and conditions stated in this Agreement and acknowledges receiving a copy of this Agreement.

BUYER:

DocuSigned by:

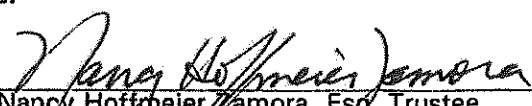
E04B2D7A-1104-4999-8000-000000000000 3/8/2018
Nick Scarano

ACCEPTANCE

As of the Execution Date, Trustee accepts the foregoing offer to purchase the Real Property and agrees to sell the Real Property to Buyer on the terms and conditions specified in this Agreement. Trustee acknowledges receipt of a copy of this Agreement and authorizes Estate Broker to deliver a signed copy to Buyer.

ESTATE:

By:

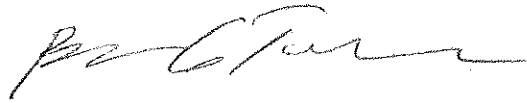

Nancy Hoffmeier Zamora, Esq., Trustee
Chapter 11 Estate of Mehri Akhlaghpour
In re Mehri Akhlaghpour
Case No. 1:17-bk-12739-VK

SIGNATURES OF THE BROKERS

BROKERS' CONSENT

Estate Broker and Buyer Broker consent to the commission provision in Paragraph 19 above. By signing below, Estate Broker and Buyer Broker acknowledge that any and all disputes arising under this Agreement or related to the sale of the Real Property are subject to the jurisdiction of the Bankruptcy Court. The signing of this paragraph shall not result in Estate Broker and Buyer Broker being deemed parties to this Agreement.

ESTATE BROKER:

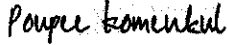


Behnaz Tavakoli, Real Estate Agent
Rodeo Realty, Inc.

BUYER BROKER:

DocuSigned by:

3/8/2018



Poupee Komenkul, Real Estate Agent
Rodeo Realty, Inc.



ADDENDUM TO PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

The following paragraphs are hereby incorporated in, and form a part of the Real Estate Purchase Agreement and Joint Escrow Instructions

Dated: March 7, 2018 and concerning property at 16320 Gledhill Street, North Hills, CA 91343

Broker Compensation: "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 THE BROKER AND BUYER.

Buyer, if represented by Rodeo Realty, agrees to pay a Buyer's Broker Commission to Rodeo Realty in the amount of \$ _____ as compensation for services rendered. Buyer hereby irrevocably assigns and instructs escrow holder to pay Rodeo Realty the above mentioned amount upon the closing of escrow.

Buyers Inspections: Buyer is strongly advised by Rodeo Realty to engage qualified licensed professionals to conduct both physical and geological inspections on both the property and improvements. Buyer understands that there are often significant differences between inspectors who perform physical and geological inspections. Buyer assumes responsibility to determine their inspector's qualifications, licensing, insurance coverage, and scope of inspection prior to employing them. The selection of any inspector shall be at the sole discretion of the Buyer.

Waiver of Professional Physical or Geological Inspection: In the event Buyer elects not to hire qualified licensed professionals to conduct physical and/or geological inspections, Buyer is acting against the advice of Rodeo Realty and acknowledges that adverse physical and geological conditions may exist that are presently unknown, but that may have been identified by such inspections. In such event Buyer agrees to hold Broker harmless from any loss or damage suffered by Buyer for any geological or physical conditions or defects which may have been discovered had Buyer hired appropriate professionals.

Brokers Inspection Disclosure: Your Rodeo Realty agent, as required by law, will conduct a visual inspection of the reasonably accessible areas of the property. They will not go into the attic, on the roof, or under the home. Buyer and Seller acknowledge and agree that Brokers and their sales agents do not have the knowledge, tools, education, or expertise to identify or determine the seriousness of structural, geological, drainage, toxic/environmental hazards, plumbing, electrical, waste disposal, or roofing problems. They are not qualified to test appliances to determine if they are operating properly. Therefore, Buyer and Seller acknowledge and agree that Rodeo Realty, and its agents can not be held responsible for defects that are not visually observable in the reasonably accessible areas of the property.

Waste Disposal System: Buyer and Seller are aware that Broker makes no implied or express warranty as to the existence and/or condition of the waste disposal system for the subject property. Many types of inspections are available, including sending a camera down the sewer line, as well as septic and other inspections. Buyer is recommended to conduct these inspections. Buyer and Seller are further advised that the existence of a Sewer Permit does not guarantee that the property is connected to sewer. Buyer is advised to make own independent investigation as to the type and adequacy of the waste disposal system at subject property.

Toxic Mold: Buyer is advised to have an environmental inspection by a qualified professional to inspect the property for the existence of mold, funguses, spores, and airborne bacteria or any organisms or conditions that may lead to their formation during Buyer's contingency period. Buyer and Seller are advised that Brokers and sales agents are not trained to identify or locate mold, funguses, spores or airborne bacteria. The Brokers and sales agents have not made any representation, express or implied, as to the existence or non-existence of mold, funguses, spores, or airborne bacteria in or on the subject property.

Defective Furnaces: The U.S. Consumer Product Safety Commission (CPSC) has issued a warning regarding certain *gas-fired horizontal forced-air furnaces* that present a substantial risk of fire. These furnaces were manufactured from 1983 through 1994 by Consolidated Industries (formerly Premier Furnace Company) and were marketed under many different brand names. Homes built before 1983 or after 1994 could still have the furnaces in question due to replacements or remodeling. It is recommended to the Buyer and the Seller that this issue be investigated by a qualified professional to determine if the furnace in this property is defective or dangerous. Local gas companies will inspect furnaces at no charge, and if the furnace is one of the models in question; they will indicate that it should not be used. The gas company will not make specific recommendations. If the furnace falls within the category identified by the CPSC, a gas furnace professional should be retained to make a more specific determination.

Rent Control: Buyer is aware the subject property may be located in an area subject to rent control ordinance. Buyer's ability to increase rent, evict tenants, and other related matters may be restricted by said ordinance. Buyer may also be required to pay monetary relocation assistance to any tenants who are evicted by Buyer for any reason. This relocation assistance may amount to several thousand dollars based upon the category of tenant involved. Broker strongly recommend Buyer contact the local government entity responsible for administering the rent control ordinance, to determine the effect of the local ordinance on subject property.

Buyer and Seller acknowledge receipt of copy of this page, which constitutes ^{DS} ~~Page~~ 1 of 2 Pages.
Buyer's Initials (NS) (_____) Seller's Initials (ny) (_____) Broker's Initials (DS) Broker's Initials (B.T.)

1 of 2

rev. 9/14

Property Address: 16320 Gledhill Street, North Hills, CA 91343 Date: March 7, 2018

Information From Lender: Listing agent is authorized to contact Buyer's lender directly regarding progress of loan application. Selling agent will provide listing agent with name and telephone number of lender.

Report of Residential Property Records and Pending Special Assessment Liens: If the subject property is residential and located in the City of Los Angeles, Seller shall pay for and deliver to Buyer, prior to close of escrow, a "Report of Residential Property Records and Pending Special Assessment Liens" in accordance with Los Angeles City Ordinance No. 144.942. Home Protection/Warranty Plans: Buyer and Seller acknowledge that although Brokers may provide names and supply literature on the availability of home protection plans, the selection of any individual plan is at the sole discretion of the Buyer and Seller. Buyer and Seller are advised to make their own investigation as to the exact coverage and what limitations and exclusions individual policies contain.

Impact Hazard Glazing/Smoke Detectors/Water Heater Strapping/Water Saving Devices/Earthquake Gas Shut Off Valve: If the subject property is located in the City of Los Angeles, Seller agrees to comply with: Section 91.2406.7 L.A.M.C., requiring ALL external sliding glass doors to be impact hazard glazing (tempered glass); Smoke Detector Section 91.8603 L.A.M.C., as applicable; water conservation devices in compliance with City Ordinance No. 172075; install approved hot water heater strapping and install earthquake shut off valve on the gas meter as per City Ordinance No. 171874 prior to the close of escrow. Seller is advised to use a licensed retrofit company, and/or obtain all required permits.

Future Development: Buyer is aware that there are hundreds of development projects, both public and private, that may be under way or proposed. Broker strongly advises Buyer to make their own independent investigation and consult appropriate governmental agencies to determine possible future development and planning which may affect the subject property. Broker and its agents are to be held harmless regarding future development and planning.

Megan's Law Disclosure: Buyer is aware that 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.

Related Services: Buyer and Seller acknowledge that although Broker may suggest firms dealing with related services such as escrow, title insurance, pest control, physical and geological inspections, home protection plan, etc., the selection shall be at the sole discretion of the Buyer and Seller. Broker assumes no responsibility for performance of those firms suggested. The Broker or its sales agents herein may refer the Buyer to a lending institution to obtain loans as required to complete this transaction. In connection with any such referral, Broker may or may not receive a commission. It is mutually agreed and understood that Buyer has made their own independent investigation of available financing and is in no way relying on the recommendation of Broker in regards to the financing they ultimately accept and, in fact, is free to obtain financing through any source unless contractually stipulated to the contrary between Buyer and Seller.

Buyer's Subsequent Purchase: In the event this transaction is not concluded and within twelve (12) months following the date of this offer, should Buyer or any related person, acting directly or indirectly, acquire the property or any interest in the property from Seller, Seller agrees to pay commission as set forth in Seller's listing agreement or, if there is no listing agreement, as specified in the original purchase agreement between Seller and Buyer. For purposes of this agreement, "related person" includes any person related by blood, marriage, or business relationship, and any entity that controls or is controlled by Buyer or any related person excluding the Brokers herein.

Permits: Broker recommends that Buyer obtain all permits and certificates of occupancy to the property from government agencies and present copies to Buyers' inspectors so that they can interpret them for the Buyer. Buyer acknowledges that Brokers and their sales agents are not contractors and are not qualified to interpret permits and certificates of occupancy.

Square Footage & Lot Size: Rodeo Realty, nor its agents have verified lot size and square footage. Broker has not verified the accuracy of the tax assessor's information, and advises Buyer to make their own independent investigation of same. Buyer agrees to hold Broker and its agents harmless in regard to lot size and square footage.

DocuSigned by: 3/8/2018
Buyer: Nick Soriano Date: 3/8/2018
~~Nick Soriano~~

Seller: Nancy Zamora Date: 03/07/2018
Nancy Zamora, Chapter 11 Trustee
Chapter 11 Trustee

Buyer: _____ Date: _____

Seller: _____ Date: _____

Broker: Rodeo Realty Inc. DocuSigned by: 3/8/2018

Broker: Rodeo Realty Inc.

By: Poupee Komenkul Poupee Komenkul
E04B2D7255549F...

By: Behnaz Tavakoli Behnaz Tavakoli

RODEO REALTY ADDENDUM TO PURCHASE AGREEMENT

2 of 2

rev. 9/14



RODEO REALTY
LOCAL EXPERTISE GLOBAL PRESENCE

AFFILIATED BUSINESS ARRANGEMENT DISCLOSURE STATEMENT

Date: 03/07/2018

To: Nick Scurano, Buyer and Nancy Zamora, Chapter 11 Trustee Seller

From: Rodeo Realty, Inc. for the property located at: 16320 Gledhill Street, North Hills, CA 91343

This is to give you notice that RODEO REALTY, INC. has a business relationship with each of the following businesses: 1) ENCORE ESCROW COMPANY, INC.; 2) L.A. MORTGAGE, INC.; and, 3) PROGRESSIVE HOLDING COMPANY, INC. which owns PROGRESSIVE TITLE COMPANY, INC. Specifically, the owners of RODEO REALTY, INC. own 100% of ENCORE ESCROW COMPANY, INC.; 100% of L.A. MORTGAGE, INC.; and, 24% of PROGRESSIVE HOLDING COMPANY, INC. which owns PROGRESSIVE TITLE COMPANY, INC. Because of these relationships, this referral may provide the owners of RODEO REALTY, INC. a financial or other benefit.

Set forth below is the estimated charge or range of charges for the settlement services listed. You are NOT required to use the listed provider(s) as a condition for your purchase of the subject property. THERE ARE FREQUENTLY OTHER SETTLEMENT SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATE FOR THESE SERVICES.

A. **ESCROW SERVICES:** ENCORE ESCROW COMPANY, INC. is a provider of escrow services. It's estimated charges or range of charges for the escrow services listed are as follows:

<u>Settlement Services:</u>	<u>Ranges of Estimated Charges:</u>	<u>Settlement Services:</u>	<u>Ranges of Estimated Charges:</u>
Escrow Base Fee Buyer and Seller	\$2.00 per \$1,000 + \$200 base up to 2 Million \$1.75 per \$1,000 + \$200 base over 2 Million \$1.50 per \$1,000 + \$200 base over 3 Million \$1.25 per \$1,000 + \$200 base over 4 Million \$1.00 per \$1,000 + \$200 base over 5 Million Over 7 Million call for a quote	Document Preparation/ Processing Fee	Document Fee \$50 to \$500 For Grant Deed
		Refinance Escrow Base Fee	\$750 flat rate (includes payoff and one new loan up to \$1.5 Million) \$1,200 for any refi over \$1.5 Million

B. **MORTGAGE BROKERAGE SERVICES:** L.A. MORTGAGE, INC. is a provider of mortgage brokerage services. The following are estimated charges or range of charges for the mortgage brokerage services listed:

<u>Settlement Services:</u>	<u>Ranges of Estimated Charges:</u>	<u>Settlement Services:</u>	<u>Ranges of Estimated Charges:</u>
Loan Origination Fee	0% to 2.5% (of the loan amount)	Appraisal Fee	\$495.00 to \$1,500.00 (depending on property value) paid directly to third party
Admin / Underwriting Fee	\$995.00 to \$1,200.00	Tax Service/Flood Cert Fee	\$65.00 to \$150.00

C. **TITLE INSURANCE SERVICES:** PROGRESSIVE TITLE COMPANY, INC. is a provider of title insurance services. The following are estimated charges or range of charges for the settlement services listed:

<u>Settlement Service</u>	<u>Owner's or Lender's Policy</u>		<u>Lender's Policy Simultaneously Issued With Owner's Policy</u>	
	<u>Charge or Range of Charges</u>		<u>Charge or Range of Charges</u>	
Progressive Title Company, Inc. provides searches of public records that bring to your attention any known problems with the property's title before closing, and provides the title policy that insures against loss due to certain title defects.	\$250,000 home	\$709 - 1188	\$250,000 home	\$455 - 485
	\$500,000 home	\$1058 - 1808	\$500,000 home	\$635 - 738
	\$750,000 home	\$1358 - 2263	\$750,000 home	\$795 - 924
	\$1,000,000 home	\$1658 - 2752	\$1,000,000 home	\$950 - 1123
	\$1,500,000 home	\$2108 - 3408	\$1,500,000 home	\$1190 - 1391

For higher amounts of coverage please consult with a Progressive Title Company, Inc. employee.

ACKNOWLEDGMENT

I/We have read this disclosure form and understand that RODEO REALTY, INC. is referring me/us to purchase the above-described settlement service(s) and may receive a financial or other benefit as the result of this referral.

Buyer Signature: Nick Scurano
Print Name: Nick Scurano Date: 3/8/2018

Seller Signature: Nancy Zamora, Chapter 11 Trustee
Print Name: Nancy Zamora, Chapter 11 Trustee Date: 03/07/2018

Buyer Signature: _____
Print Name: _____ Date: _____

Seller Signature: _____
Print Name: _____ Date: _____

RODEO REALTY AFFILIATED BUSINESS

1 of 1

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CALIFORNIA
ASSOCIATION
OF REALTORS®

REQUEST FOR REPAIR No. One
(Or other Corrective Action)
(C.A.R. Form RR, Revised 12/15)

Date Prepared: 03/24/2018

In accordance with the terms and conditions of the: Purchase Agreement or ☐ Other _____
("Agreement"), dated 03/07/2018, on property known as 16320 Gledhill St, North Hills, CA 91343

between Nick Scarano ("Property"),
and Mary M Akhlaghpour/Nancy Hoffmeier Zamora, Trustee ("Buyer"),
("Seller").

BUYER REQUEST:

1. (a) ☒ Buyer requests that Seller, prior to final verification of condition, repair or take the other specified action for each item listed below or ☐ on the attached list dated _____:

1. Purchase price to be \$497,500.00

2. All Contingencies will be removed at purchase price of \$497,500.00 AND

3. ADDENDUM #1

(b) (i) ☐ SECTION 1: Buyer requests Seller pay to have Section 1 work completed as specified in the attached Pest Control Report dated _____ prepared by _____

(ii) ☐ SECTION 2: Buyer requests Seller pay to have Section 2 work completed as specified in the attached Pest Control Report dated _____ prepared by _____

(iii) If Buyer requests either Section 1 or Section 2 work above, Seller shall, no later than 5 (or _____) Days Prior to Close of Escrow, Deliver to Buyer a written pest control certification showing the corrective work has been completed.

(c) ☐ Buyer requests that Seller credit Buyer \$ _____ at Close of Escrow.
(Note: Credits need to be disclosed to Buyer's lender and total contractual credits may be limited pursuant to the Agreement. Total credit amount may not be enough to remedy all defects or repairs.)

(d) ☐ Buyer requests that Seller reduce the purchase price to \$ _____

2. A copy of the following inspection or other report is attached.

☒ Termite Report

☒ Home Inspection Report

Buyer Nick Scarano 3/24/2018 Nick Scarano Date 03/24/2018
Buyer BA019B12FE08410... Date _____

SELLER RESPONSE:

☒ Seller agrees to all of Buyer's Request provided in writing (see below) (i) Buyer removes the physical inspection contingency, (ii) ☐ Buyer removes those contingencies identified on the attached Contingency Removal Form (C.A.R. Form CR) which must be signed by Buyer, and (iii) Buyer releases Seller from any loss, liability, expense, claim or cause of action regarding the disclosed condition of the Property ("Release").

☐ Seller does NOT agree to any of Buyer's requests

☐ Seller responds to Buyer's request on the attached form (C.A.R. Form RRRR)

Seller Nancy Hoffmeier Zamora, Chapter II Trustee Date 3/26/18 Seller: _____ Date _____
Mary M Akhlaghpour/Nancy Hoffmeier Zamora, Chapter II Trustee

If Seller agrees to all of Buyer's request, Buyer hereby removes the physical inspection contingencies and those identified on the attached CR form signed by Buyer and agrees to the above Release.

Buyer Nick Scarano 3/24/2018 Buyer: _____ Date _____
Nick Scarano

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RR REVISED 12/15 (PAGE 1 OF 1)

Reviewed by _____ Date _____



REQUEST FOR REPAIR (RR PAGE 1 OF 1)

Rodeo Realty - Northridge, 9338 Reseda Blvd. #102 Northridge CA 91334
Jef Simon

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Phone: 818-349-9997

Fax: 818-349-0212

16320 Gledhill St,

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

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

dated 03/07/2018, on property known as 16320 Gledhill St, North Hills, CA 91343 ("Property"),
between Nick Scarano ("Buyer"),
and Mary M Akhlaghpour/Nancy Hoffmeier Zamora, Trustee ("Seller").

I. BUYER REMOVAL OF BUYER CONTINGENCIES:

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

2. Buyer removes those contingencies specified below.

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

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

OR B. ☒ ALL Buyer contingencies are removed, EXCEPT: ☐ Loan Contingency (Paragraph 3J); ☐ Appraisal Contingency (Paragraph 3I); ☐ Contingency for the Sale of Buyer's Property (Paragraph 4B); ☐ Condominium/Planned Development (HOA) Disclosures (Paragraph 10F); ☒ Other At the purchase price of \$497,500.00 & addendum #1

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

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

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

Buyer Nick Scarano 3/24/2018 Date _____

Buyer _____ Date _____

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

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

Seller X _____ Date _____

Seller _____ Date _____

(NS / NS) (Initials) **CONFIRMATION OF RECEIPT:** A copy of this signed Contingency Removal was personally received by ☐ Buyer ☒ Seller or authorized agent on March 26 2018 (date), at 4 ☐ AM / ☒ PM.

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CR REVISED 6/16 (PAGE 1 OF 1)

Reviewed by _____ Date _____



CONTINGENCY REMOVAL (CR PAGE 1 OF 1)

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CALIFORNIA
ASSOCIATION
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ADDENDUM

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

No. one

The following terms and conditions are hereby incorporated in and made a part of the: ☒ Purchase Agreement, ☐ Residential Lease or Month-to-Month Rental Agreement, ☐ Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right to rescind), ☐ Other _____,

dated _____, on property known as 16320 Gledhill St
Northridge, CA 91343-2805
in which Nick Scarano is referred to as ("Buyer/Tenant")
and _____ is referred to as ("Seller/Landlord").

1. in the event the seller/trustee does not receive rent in a timely manner prior to close of escrow, seller/trustee shall initiate and serve a notice to pay rent or quit to the tenant.

2. all rents due shall be prorated at time of close.

4. all deposits from renter shall be credited to buyer at close of escrow.

3. Michelle Liu to be added as a buyer to the contract

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

Date March 26, 2018
Buyer/Tenant Nick Scarano 3/26/2018
Nick Scarano

Date March 26, 2018
Seller/Landlord Nancy J. Jarama
Chapter 11 Trustee

Buyer/Tenant _____

Seller/Landlord _____

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Reviewed by _____ Date _____



ADM REVISED 12/15 (PAGE 1 OF 1)

ADDENDUM (ADM PAGE 1 OF 1)

Rodeo Realty - Northridge, 9338 Reseda Blvd. #102 Northridge CA 91324
Poupee Komerkul

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Phone: 818-349-9997

Fax: 818-349-0212

16320 Gledhill

EXHIBIT 2



First American Title

First American Title Company

207 Goode Avenue, Suite 410

Glendale, CA 91203

California Department of Insurance License No. 151

Order Number: 5630553 (MP)

Title Officer: Michelle Pascual
Phone: (818)550-2517
Fax No.: (866)878-7977
E-Mail: mpascual@firstam.com
Property: 16320 Gledhill Street
Los Angeles, CA 91343

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 January 22, 2018 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 (2013) 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:

Mary M Akhlaghpour, aka Mehri Akhlaghpour, as trustee of the Mary M. Akhlaghpour aka Mehri Akhlaghpour revocable living trust, subject to proceedings pending in the Bankruptcy court of the Central district of the U.S. district court, Los Angeles, entitled in re: Mehri Akhlaghpour, debtor, case no. 17-12739, wherein the petition for relief was filed on October 11, 2017

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 2018-2019, a lien not yet due or payable.
2. General and special taxes and assessments for the fiscal year 2017-2018.

First Installment:	\$2,827.60, PAID
Penalty:	\$0.00
Second Installment:	\$2,827.60, OPEN
Penalty:	\$0.00
Tax Rate Area:	44-00016
A. P. No.:	2676-009-014
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: PUBLIC UTILITIES and incidental purposes affecting said land.
5. Covenants, conditions, restrictions and easements in the document recorded as [BOOK 50408, PAGE 242](#) of Official Records, which provide that a violation thereof shall not defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition, or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, sexual orientation, familial status, disability, handicap, national origin, genetic information, gender, gender identity, gender expression, source of income (as defined in California Government Code § 12955(p)) or ancestry, to the extent such covenants, conditions or restrictions violation 42 U.S.C. § 3604(c) or California Government Code § 12955. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.
6. A deed of trust to secure an original indebtedness of \$386,919.00 recorded November 30, 2010 as INSTRUMENT NO. [10-1733544](#) OF OFFICIAL RECORDS.
Dated: November 18, 2010
Trustor: MEHRI M. AKHLAGHPOUR, A SINGLE PERSON
Trustee: FIDELITY NATIONAL TITLE INSURANCE COMPANY
Beneficiary: WELLS FARGO BANK, N.A.
7. A deed of trust to secure an original indebtedness of \$225,000.00 recorded October 10, 2017 as INSTRUMENT NO. [17-1154429](#) OF OFFICIAL RECORDS.
Dated: October 06, 2017
Trustor: MARY M AKHLAGHPOUR, AKA MEHRI AKHLAGHPOUR, AS
TRUSTEE OF THE MARY M. AKHLAGHPOUR AKA MEHRI
AKHLAGHPOUR REVOCABLE LIVING TRUST
Trustee: EYMAC, INC.
Beneficiary: EYMAC, INC.

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
8. Proceedings pending in the Bankruptcy Court of the Central District of the U.S. District Court, California, entitled in re: Mehri Akhlaghpour, debtor, Case No. 17-12739, wherein a petition for relief was filed under Chapter 11 on October 11, 2017.
 9. Water rights, claims or title to water, whether or not shown by the public records.

10. 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:

11. With respect to the trust referred to in the vesting:
- a. A certification pursuant to Section 18100.5 of the California Probate Code in a form satisfactory to the Company.
 - b. Copies of those excerpts from the original trust documents and amendments thereto which designate the trustee and confer upon the trustee the power to act in the pending transaction.
 - c. 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. 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 16320 GLEDHILL STREET, LOS ANGELES, CA.

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

None

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 Los Angeles, County of Los Angeles, State of California, described as follows:

LOT 34 OF TRACT NO. 21594, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN [BOOK 586 PAGE\(S\) 11 AND 12](#) OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES LYING BELOW A DEPTH OF 500 FEET BUT WITH NO RIGHT OF SURFACE ENTRY AS PROVIDED IN DEED RECORDED MAY 18, 1955 IN INSTRUMENT NO. [2175](#) IN BOOK 47812, PAGE 398, OFFICIAL RECORDS.

APN: 2676-009-014

First American Title
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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.

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 (whichever is less)	\$10,000
Covered Risk 18:	1% of Policy Amount Shown in Schedule A or \$5,000 (whichever is less)	\$25,000
Covered Risk 19:	1% of Policy Amount Shown in Schedule A or \$5,000 (whichever is less)	\$25,000
Covered Risk 21:	1% of Policy Amount Shown in Schedule A or \$2,500 (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 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 3

This page is part of your document - DO NOT DISCARD

**20171154429**

Pages:
0020

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

10/10/17 AT 08:00AM

FEES:	79.00
TAXES:	0.00
OTHER:	0.00
PAID:	79.00



LEADSHEET



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SEQ:
05

DAR - Title Company (Hard Copy)



THIS FORM IS NOT TO BE DUPLICATED

T23

E272009

117056630
LAWYERS TITLE

Recording Requested By:
EMYMAC, INC.

And After Recording Return To:
EMYMAC, INC.
28009 SMYTH DRIVE
VALENCIA, CALIFORNIA 91355
Loan Number: EMY2017-09



117056630-LCP

[Space Above This Line For Recording Data]

2676-009-014

DEED OF TRUST

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 10, 12, 17, 19 and 20. Certain rules regarding the usage of words used in this document are also provided in Section 15.

(A) "Security Instrument" means this document, which is dated OCTOBER 6, 2017, together with all Riders to this document.

(B) "Borrower" is MARY M AKHLAGHPUR, A.K.A., Mehri Akhlaghpour, as Trustee of The Mary M. Akhlaghpour A.K.A., Mehri Akhlaghpour Revocable Living Trust
BORROWER'S ADDRESS IS 4450 Winnetka Ave, Woodland Hills, California 91364.

Borrower is the trustor under this Security Instrument.

(C) "Lender" is EMYMAC, INC.

Lender is a NEVADA CORPORATION organized
and existing under the laws of NEVADA
Lender's address is 28009 SMYTH DRIVE, VALENCIA, CALIFORNIA 91355

Lender is the beneficiary under this Security Instrument.

(D) "Trustee" is EMYMAC, INC., A CORPORATION
28009 SMYTH DRIVE, VALENCIA, CALIFORNIA 91355

(E) "Note" means the promissory note signed by Borrower and dated OCTOBER 6, 2017
The Note states that Borrower owes Lender TWO HUNDRED TWENTY-FIVE THOUSAND AND 00/100
Dollars (U.S. \$225,000.00)

plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than NOVEMBER 1, 2019.

(F) **"Property"** means the property that is described below under the heading "Transfer of Rights in the Property."

(G) **"Loan"** means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.

(H) **"Riders"** means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

- | | | |
|--|---|---|
| ☐ Adjustable Rate Rider | ☐ Condominium Rider | ☐ Second Home Rider |
| ☒ Balloon Rider | ☐ Planned Unit Development Rider | ☐ Biweekly Payment Rider |
| ☒ 1 - 4 Family Rider | ☐ Home Improvement Rider | ☐ Revocable Trust Rider |
| ☐ Other(s) [Specify] | | |

(I) **"Applicable Law"** means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.

(J) **"Community Association Dues, Fees, and Assessments"** means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.

(K) **"Electronic Funds Transfer"** means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

(L) **Reserved.**

(M) **"Miscellaneous Proceeds"** means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(N) **Reserved.**

(O) **"Periodic Payment"** means the regularly scheduled amount due for principal and interest under the Note.

(P) **"RESPA"** means the Real Estate Settlement Procedures Act (12 U.S.C. §2601 et seq.) and its implementing regulation, Regulation X (12 C.F.R. Part 1024), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

(Q) **"Successor in Interest of Borrower"** means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the

COUNTY of Los Angeles :
[Type of Recording Jurisdiction] [Name of Recording Jurisdiction]

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SEE LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF AS EXHIBIT "A".
A.P.N.: 2676-009-014

which currently has the address of 16320 Gledhill Street

North Hills Area, Los Angeles, California 91343 ("Property Address");
[City] [Street] [Zip Code]

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. **Payment of Principal, Interest, Prepayment Charges, and Late Charges.** Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Payments due under the Note and this Security Instrument shall be made in U.S. currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 14. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due

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under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. Application of Payments or Proceeds. Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note; and (b) principal due under the Note. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. Reserved.

4. Charges; Liens. Borrower shall perform all of Borrower's obligations under any mortgage, deed of trust, or other security instrument that is a lien having priority over this Security Instrument. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any.

Except for a lien Borrower disclosed to Lender in Borrower's application or in any title report Lender obtained, Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

5. Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater

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or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee and Borrower further agrees to generally assign rights to insurance proceeds to the holder of the Note up to the amount of the outstanding loan balance. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee and Borrower further agrees to generally assign rights to insurance proceeds to the holder of the Note up to the amount of the outstanding loan balance.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 21 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

6. Preservation, Maintenance and Protection of the Property; Inspections. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

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Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

7. Borrower's Loan Application. Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

8. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 8, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 8.

Any amounts disbursed by Lender under this Section 8 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. Borrower shall not surrender the leasehold estate and interests herein conveyed or terminate or cancel the ground lease. Borrower shall not, without the express written consent of Lender, alter or amend the ground lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

9. Reserved.

10. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender, subject to the terms of any mortgage, deed of trust, or other security instrument with a lien which has priority over this Security Instrument.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

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In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 18, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

11. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

12. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 17, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 19) and benefit the successors and assigns of Lender.

13. Loan Charges. Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument,

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including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

14. Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

15. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

16. Borrower's Copy. Borrower shall be given one copy of the Note and of this Security Instrument.

17. Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 17, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 14 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

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18. Borrower's Right to Reinstate After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, to the extent authorized by Applicable Law; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 17.

19. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 14) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 21 and the notice of acceleration given to Borrower pursuant to Section 17 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 19.

20. Hazardous Substances. As used in this Section 20: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a

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condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

21. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 17 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by Applicable Law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 21, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold. Trustee shall cause this notice to be recorded in each county in which any part of the Property is located. Lender or Trustee shall mail copies of the notice as prescribed by Applicable Law to Borrower and to the other persons prescribed by Applicable Law. Trustee shall give public notice of sale to the persons and in the manner prescribed by Applicable Law. After the time required by Applicable Law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

22. Reconveyance. Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled to it. Lender may charge such person or persons a reasonable fee for reconveying the Property, but only if the fee is paid to a third party (such as the Trustee) for services rendered and the charging of the fee is permitted under Applicable Law. If the fee charged does not exceed the fee set by Applicable Law, the fee is conclusively presumed to be reasonable.

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23. Substitute Trustee. Lender, at its option, may from time to time appoint a successor trustee to any Trustee appointed hereunder by an instrument executed and acknowledged by Lender and recorded in the office of the Recorder of the county in which the Property is located. The instrument shall contain the name of the original Lender, Trustee and Borrower, the book and page where this Security Instrument is recorded and the name and address of the successor trustee. Without conveyance of the Property, the successor trustee shall succeed to all the title, powers and duties conferred upon the Trustee herein and by Applicable Law. This procedure for substitution of trustee shall govern to the exclusion of all other provisions for substitution.

24. Statement of Obligation Fee. Lender may collect a fee not to exceed the maximum amount permitted by Applicable Law for furnishing the statement of obligation as provided by Section 2943 of the Civil Code of California.

**REQUEST FOR NOTICE OF DEFAULT AND FORECLOSURE
UNDER SUPERIOR MORTGAGES OR DEEDS OF TRUST**

Borrower and Lender request the holder of any mortgage, deed of trust or other encumbrance with a lien which has priority over this Deed of Trust to give Notice to Lender, at Lender's address set forth on page one of this Deed of Trust, of any default under the superior encumbrance and of any sale or other foreclosure action. In accordance with Section 2924b, Civil Code, request is hereby made that a copy of any notice of default and a copy of any notice of sale under the deed of trust (or mortgage) recorded _____, in Book _____, Page _____, records of _____ County, (or filed for record with recorder's serial number _____ County), California, executed by

as trustor (or mortgagor) in which

is named as beneficiary (or mortgagee) and

as trustee be mailed to EMYMAC, INC., A NEVADA CORPORATION

at 28009 SMYTH DRIVE, VALENCIA, CALIFORNIA 91355

NOTICE: A copy of any notice of default and of any notice of sale will be sent only to the address contained in this recorded request. If your address changes, a new request must be recorded.

Signature: _____

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BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

The undersigned Borrower requests that a copy of any Notice of Default and any Notice of Sale under this Security Instrument be mailed to Borrower at the address set forth above.



Mary M Akhlaghpour (Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

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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.

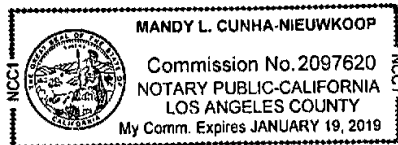
State of CALIFORNIA)County of LOS ANGELES)On 10/06/2017 before me, Mandy L. Cunha-Nieuwkoop, Notary Public
Date Here Insert Name and Title of the Notarizing Officerpersonally appeared Mary M Akhlaghpour AKA Mehri Akhlaghpour

Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) 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.



Notary Seal

Mandy L. Cunha-Nieuwkoop
Signature of Notary Public

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Loan Number: EMY2017-09

Date: OCTOBER 6, 2017

Property Address: 16320 Gledhill Street
North Hills Area, Los Angeles, California 91343

EXHIBIT "A"

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOT 34 OF TRACT NO. 21594, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 586, PAGES 11 AND 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE MINERALS, OIL GAS, AND OTHER HYDROCARBON SUBSTANCES LYING BELOW THE SURFACE OF SAID LAND.

ASSESSOR'S PARCEL NUMBER: 2676-009-014

A.P.N. # : 2676-009-014

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Loan Number: EMY2017-09

1-4 FAMILY RIDER (Assignment of Rents)

THIS 1-4 FAMILY RIDER is made this 6th day of OCTOBER, 2017, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note to EMYMAC, INC., A NEVADA CORPORATION

(the "Lender") of the same date and covering the property described in the Security Instrument and located at:

16320 Gledhill Street, North Hills Area, Los Angeles, California 91343
[Property Address]

1-4 FAMILY COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. ADDITIONAL PROPERTY SUBJECT TO THE SECURITY INSTRUMENT. In addition to the Property described in the Security Instrument, the following items are added to the Property description, and shall also constitute the Property covered by the Security Instrument: building materials, appliances and goods of every nature whatsoever now or hereafter located in, on, or used, or intended to be used in connection with the Property, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, bath tubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, attached mirrors, cabinets, panelling and attached floor coverings now or hereafter attached to the Property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the Property covered by the Security Instrument. All of the foregoing together with the Property described in the Security Instrument (or the leasehold estate if the Security Instrument is on a leasehold) are referred to in this 1-4 Family Rider and the Security Instrument as the "Property."

B. USE OF PROPERTY; COMPLIANCE WITH LAW. Borrower shall not seek, agree to or make a change in the use of the Property or its zoning classification, unless Lender has agreed in writing to the change. Borrower shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property.

C. SUBORDINATE LIENS. Except as permitted by federal law, Borrower shall not allow any lien inferior to the Security Instrument to be perfected against the Property without Lender's prior written permission.

D. RENT LOSS INSURANCE. Borrower shall maintain insurance against rent loss in addition to the other hazards for which insurance is required by Uniform Covenant 5.

E. "BORROWER'S RIGHT TO REINSTATE" DELETED. Uniform Covenant 18 is deleted.

F. BORROWER'S OCCUPANCY. Unless Lender and Borrower otherwise agree in writing, the first sentence in Uniform Covenant 6 concerning Borrower's occupancy of the Property is deleted. All remaining covenants and agreements set forth in Uniform Covenant 6 shall remain in effect.

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G. ASSIGNMENT OF LEASES. Upon Lender's request, Borrower shall assign to Lender all leases of the Property and all security deposits made in connection with leases of the Property. Upon the assignment, Lender shall have the right to modify, extend or terminate the existing leases and to execute new leases, in Lender's sole discretion. As used in this paragraph G, the word "lease" shall mean "sublease" if the Security Instrument is on a leasehold.

H. ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION. Borrower absolutely and unconditionally assigns and transfers to Lender all the rents and revenues ("Rents") of the Property, regardless of to whom the Rents of the Property are payable. Borrower authorizes Lender or Lender's agents to collect the Rents, and agrees that each tenant of the Property shall pay the Rents to Lender or Lender's agents. However, Borrower shall receive the Rents until (i) Lender has given Borrower notice of default pursuant to paragraph 21 of the Security Instrument and (ii) Lender has given notice to the tenant(s) that the Rents are to be paid to Lender or Lender's agent. This assignment of Rents constitutes an absolute assignment and not an assignment for additional security only.

If Lender gives notice of breach to Borrower: (i) all Rents received by Borrower shall be held by Borrower as trustee for the benefit of Lender only, to be applied to the sums secured by the Security Instrument; (ii) Lender shall be entitled to collect and receive all of the Rents of the Property; (iii) Borrower agrees that each tenant of the Property shall pay all Rents due and unpaid to Lender or Lender's agents upon Lender's written demand to the tenant; (iv) unless applicable law provides otherwise, all Rents collected by Lender or Lender's agents shall be applied first to the costs of taking control of and managing the Property and collecting the Rents, including, but not limited to, attorney's fees, receiver's fees, premiums on receiver's bonds, repair and maintenance costs, insurance premiums, taxes, assessments and other charges on the Property, and then to the sums secured by the Security Instrument; (v) Lender, Lender's agents or any judicially appointed receiver shall be liable to account for only those Rents actually received; and (vi) Lender shall be entitled to have a receiver appointed to take possession of and manage the Property and collect the Rents and profits derived from the Property without any showing as to the inadequacy of the Property as security.

If the Rents of the Property are not sufficient to cover the costs of taking control of and managing the Property and of collecting the Rents any funds expended by Lender for such purposes shall become indebtedness of Borrower to Lender secured by the Security Instrument pursuant to Uniform Covenant 7.

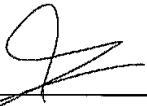
Borrower represents and warrants that Borrower has not executed any prior assignment of the Rents and has not and will not perform any act that would prevent Lender from exercising its rights under this paragraph.

Lender, or Lender's agents or a judicially appointed receiver, shall not be required to enter upon, take control of or maintain the Property before or after giving notice of default to Borrower. However, Lender, or Lender's agents or a judicially appointed receiver, may do so at any time when a default occurs. Any application of Rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of Rents of the Property shall terminate when all the sums secured by the Security Instrument are paid in full.

I. CROSS-DEFAULT PROVISION. Borrower's default or breach under any note or agreement in which Lender has an interest shall be a breach under the Security Instrument and Lender may invoke any of the remedies permitted by the Security Instrument.

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BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this 1-4 Family Rider.



Mary M Akhlaghpour (Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

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Loan Number: EMY2017-09

BALLOON RIDER

THIS BALLOON RIDER is made this 6th day of OCTOBER 2017, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's Note (the "Note") to EMYMAC, INC., A NEVADA CORPORATION

(the "Lender") of the same date and covering the property described in the Security Instrument and located at:

16320 Gledhill Street, North Hills Area, Los Angeles, California 91343
[Property Address]

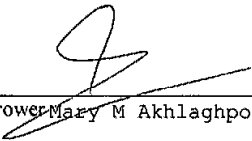
The interest rate stated on the Note is called the "Note Rate." The date of the Note is called the "Note Date." I understand the Lender may transfer the Note, Security Instrument and this Rider. The Lender or anyone who takes the Note, the Security Instrument and this Rider by transfer and who is entitled to receive payments under the Note is called the "Note Holder."

ADDITIONAL COVENANTS. In addition to the covenants and agreements in the Security Instrument, Borrower and Lender further covenant and agree as follows (despite anything to the contrary contained in the Security Instrument or the Note):

THIS LOAN IS PAYABLE IN FULL AT MATURITY. YOU MUST REPAY THE ENTIRE PRINCIPAL BALANCE OF THE LOAN AND UNPAID INTEREST THEN DUE. THE LENDER IS UNDER NO OBLIGATION TO REFINANCE THE LOAN AT THAT TIME. YOU WILL, THEREFORE, BE REQUIRED TO MAKE PAYMENT OUT OF OTHER ASSETS THAT YOU MAY OWN, OR YOU WILL HAVE TO FIND A LENDER, WHICH MAY BE THE LENDER YOU HAVE THIS LOAN WITH, WILLING TO LEND YOU THE MONEY. IF YOU REFINANCE THIS LOAN AT MATURITY, YOU MAY HAVE TO PAY SOME OR ALL OF THE CLOSING COSTS NORMALLY ASSOCIATED WITH A NEW LOAN EVEN IF YOU OBTAIN REFINANCING FROM THE SAME LENDER.

20.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Balloon Rider.

 10-6-17
Borrower Mary M Akhlaghpour, Date Borrower Date

Borrower Date Borrower Date

Borrower Date Borrower Date

EXHIBIT 4

original Contract E 1 on 5-20-15
renew every year

Owner: Roxy International Inc
Renter: TIPP Bunnay
Premises: 16320 Gled Hill Street North Hills CA 91343
(Apt. No.) (Building Address) (City) (Zip)

Owner and Renter agree that Renter's performance of and compliance with each of the terms hereof, and with Owner's House or Pool Rules (if any) which are incorporated herein by reference, constitute a condition on the Renter's right to occupy the Premises. Any failure of compliance of performance by Renter shall allow Owner to forfeit Renter's right to possession. All persons designated as "Renter" are jointly and severally liable for all "renter" obligations. Rent is due for the entire term and for any holdover period.

Term: From and including: Oct 1, 2017 To and including: Oct 1, 2018

A. Rent Start Date: 5-20-15 I. Storage Space: _____
B. Rent Per Month: 3100 J. Maximum Occupancy Per Agreement: 5
C. Day of Month Rent Due: 1st of the month K. Named Renter(s): Tipp Bunnay
D. Late Rent Charge: 50 L. Added Per Occupant Rent: _____
E. Returned Check Charge: 30 M. Owner's Personal Property: _____
F. Security Deposit: 3000 N. Pets (No. & Type, if allowed): 2 dog one cat small
G. Owner-Paid Utilities: MO O. Inspection Consent: Circle One Yes No
See paragraph 9
H. Parking Space: 2 Remote: 2 P. Keys: 2 sets delivered to tenants. All sets to be returned at move-out.
(\$30 will be charged to Security Deposit if functional remote is not returned.)

Q. Required Notices: RENT:

Person/Address/Telephone No. Where and to whom rent to be paid: Mail to:

Roxy International Inc. 16055 Ventura Blvd. Penthouse #1205 Encino, CA 91436

* Phone (818) 386-0357 * Fax (818) 386-0342

Days and times on which rent is to be paid: Rent is due in the office on or before the FIRST of each month. Late fee applied if rent is received after the 5th calendar day.

LEAD:

Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. Before renting a pre-1978 housing, owners must disclose the presence of know lead-based paint hazards in the housing premises. Also Renter must receive a federally approved pamphlet on lead poisoning prevention.

Agent's Initials mean Agent has informed Owner of Owner's obligation to disclose any known facts about lead-based paint on the property under 42 USC 4852D, and is aware of his/ her responsibility to ensure compliance.

HA Owner's Initials mean the Premises were built before 1978.

HA Owner's Initials mean Owner has no knowledge of lead-based paint and /or lead-based hazards in or on the Premises and Owner have no reports or records pertaining to lead-based paint in or on the Premises.

HA Owner's Initials mean Owner has information about lead in or on the Premises which is disclosed on the attached ad-based paint disclosure form and had provided renter with all available reports and records.

HA Renter's Initials indicate that Renter has received copies of all information listed above and has received the pamphlet entitled "Protect Your Family from Lead In Your Home" and Renter shall notify Owner promptly in writing of any deteriorating and / or peeling paint.

The parties whose initials as inserted above have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

CHEMICALS:

HA Renter's Initials indicate that Renter has received a copy of a "chemicals used notice" from Owner's pest control company (Civil Code 1940.8) which must be provided to tenant if, and only if, there is a written pest control in effect.

1. **Rent/ Late Rent Charge/ NSF:** Should the Rent Start Date (Section A) be other than the first day of the month, Owner may pro-rate the rent to the first day of the succeeding month. Renter shall pay owner the rent due for each month in advance, on the date and in the amount set out in Sections B and C plus, after required notice, any additional fees, taxes or assessments authorized for pass-through to Renter. If Renter fails to pay any rent as and when due, Renter shall pay a (one-time such unpaid amount) Late Charge as set out in Section D. Said late charge constitutes a reasonable effort by the parties to estimate fair compensation in as much as it would be impractical or extremely difficult to fix the actual damage caused by the renters default. If Renter's check is returned "NSF," Renter shall pay a Returned Check Charge set out in Section E and Owner may demand that future rent payments be by cashier's check or money order. Such Late Charge and/or Returned Check Charge may be deemed additional rent by inclusion in an eviction notice or may be deducted from Renter's Security Deposit. Any Security Deposit refund claim shall be deemed compensated to the extent of any such deduction. All of Renter's monetary obligations here under are deemed rent.
2. **Security Deposit:** Renter shall pay to Owner the total Security Deposit set out in Section F to secure Renter's compliance with all terms of this Agreement and Owner's Rules & Regulations. (In addition to the first month's rent, Owner may demand only a security deposit equal to two times the monthly rent for unfurnished apartments and three times the monthly rent for furnished apartments.) No portion of the security Deposit shall be deemed rent for any rental monthly unless Owner so does not elect in writing, nor shall it constitute a measure of Owner's damages. No interest is payable on the Security Deposit unless required by law. Within 21 days after Renter totally vacates the Premises, the Security Deposit shall be returned (mailed by first class mail, postage pre-paid, to Renter's last known address) by check made payable to all those designated as "Renter" jointly, whether or not one or more have vacated previously, less the amount(s) used for the purpose(s) specified in Civil Code Section 1950.5, plus an itemized statement (on the refund check or otherwise) showing the total amount of the Security Deposit and the amount of any deduction there from. If the Security Deposit is insufficient for any such authorized purpose, Owner may collect the deficiency from Renter. With Owner's consent, Renter may make from the Security by installment payments. Failure to pay any Deposit Installment when due shall constitute a default. Renter agrees that Owner may deduct from the Security Deposit the amount necessary to compensate Owner for: (a) Any Renter default under the Rental Agreement, (b) Cleaning of the Premises, (c) Repair of any damage thereto, or (d) Restoration, replacement, or return of any personal property or appurtenances, exclusive of ordinary wear and tear, all pursuant to Civil Code Section 1950.5, as may be set out in a Security Deposit Agreement.
3. **Utilities:** Rental shall pay for all utilities supplied to the Premises except those set out in Section G. If Renter defaults in the payment of rent, Owner may instruct any utility company to charge any utilities so designated, henceforth, to Renter and place the same in Renter's name, and Renter is obligated to pay for the same thereafter. Owner is authorized to get notice from any utility company of any default in payment by Renter. If Owner is charged with any such amount, Owner may recover it from Renter or deduct the same from the Security Deposit as unpaid rent or damages. Renter shall not use any common area utilities. To the extent allowed by law, the pro-rated amount of any penalty for utility overuse allowable to the Premises shall be payable by Renter as additional rent.
4. **Parking/Storage Rules:** If Renter is assigned a parking space on Owner's property, set out in Section H, Renter shall use such space only for the parking of operable, licensed and currently registered passenger automobiles and not for the washing, painting or repair of such parking space and Owner may have unauthorized vehicles towed away. Upon seven (7) days written notice to Renter, Owner may terminate Renter's parking privilege or change the size and/ or location of Renter's parking space, or storage space described in Section I.

5. **Name Renter / Assignment / Subletting:** The Premises shall not be occupied by more than the maximum number of "Agreement" occupants set out in Section J, unless required by law, nor by any person other than the Named Renter set out in Section K without the advance written consent of the Owner and at the additional rent set out in Section L or prescribed by law. Renter's right to possession shall not be assigned or sublet.
6. **Good Condition Receipt:** Renter has examined the Premises including, but not limited to, the furniture, furnishings, fixtures, appliances and equipment provided by Owner and set out in Section M, windows, doors, plumbing and electrical facilities, hot and cold water supply, building grounds and appurtenances, accepts the same "AS IS" and acknowledges that the same are in good, clean and sanitary order, condition and repair unless noted to the contrary on Owner's copy of this Agreement. If an inventory is attached hereto it shall be deemed incorporated herein by reference. Except as provided by law, Owner shall not be required to make any improvements, replacements or repairs to the Premises and, if allowed by law, any such work shall be at the Renter's expense. Upon termination of the tenancy, Renter shall return the premises to Owner in as good order, condition and repair as when received, ordinary wear and tear excepted, and free of Renter's personal property. Trash and debris, burns, stains, holes or tears, of any size or kind, in the carpeting, draperies, walls, windows or doors, among other conditions, shall not be deemed ordinary wear and tear. Renter acknowledges that no representation as to the condition or repair of the Premises, or as to Owner's intention with respect to any improvement, alteration, decoration or repair thereof, has been made to Renter unless noted on Owner's copy of this Agreement. Renter's "GOOD FAITH" in the assertion of any habitability defense to eviction for nonpayment of rent shall be established. Evidence of Renter's "good faith" shall include, but not be limited to, written proof of Owner's knowledge and opportunity to repair any claimed housing deficiency prior to service of an eviction notice, whether by a copy of a request-for-maintenance-demand delivered to Owner or otherwise, and lack of Renter-causation of the claimed housing deficiency.
7. **Maintenance and Repair / Alterations:** Renter shall: (a) keep the Premises in a clean and sanitary condition; (b) dispose of all garbage and waste in a clean and sanitary manner; (c) properly use and operate all electrical, gas and plumbing fixtures; (d) not permit any person in or about the Premises with Renter's consent, to deface, damage or remove any part of the structure in which the Premises are located nor the appurtenances thereto or thereon, nor him/herself do any such thing; (e) not tamper with nor remove any smoke detector nor fire alarm equipment, and advise Owner immediately of any equipment malfunction. Renter shall be liable for any damages caused by Renter's failure to comply with these conditions. Renter shall not alter the Premises, nor paint, nor wallpaper any portion thereof, nor repair any damage thereto, except through licensed, insured professionals approved in advance by Owner in writing before or after an Initial Inspection on termination per Civil Code Section 1950.5 Renter shall not install or use any dishwasher, clothes washer, clothes dryer or air conditioner in or about the Premises except those which may be supplied by Owner.
8. **Damage / Destruction:** If the Premises, or structure in which they are located, are totally or partially destroyed and become unavailable for occupancy due to fire, earthquake, accident or other casualty beyond the control of Owner and Renter, for a period of twenty (20) days or more, then, and only then, any party hereto may terminate this Agreement with written notice to all other parties. If this tenancy is not so terminated, or if the period the Premises are unavailable for occupancy is less than twenty (20) days for any of the above reasons or for reasons of Owner's maintenance, repair, modification, alteration remodeling, reconstruction, extermination, or the like, the sole remedy of renter shall be an abatement of the rent, proportionate to the interference with full use and enjoyment, until the Premises are again available for occupancy.

9. **Inspection/ Entry:** Owner may enter and inspect the Premises, during business hours and upon reasonable notice to Renter, without Renter's presence, for any lawful purpose. Owner may enter the Premises without advance notice to Renter in case of an emergency. Renter shall not add nor change any lock or locking device, bolt or latch on the Premises and shall provide Owner with a key to any such device, forthwith, on demand. Renter acknowledges that Owner is entitled to a key to the Premises and may use the same for entry as provided herein of by law.
(initials _____) If you circle "Yes" in Section O, you consent to unannounced entry of your apartment by government inspectors, without your presence.
10. **Rules and Regulations:** Renter, and all persons in or about the Premises with Renter's consent, shall comply with all Rules and Regulations made by Owner, from time to time, and delivered to Renter, including any "House & Pool Rules." Owner shall not be obligated to enforce any such Rules and Regulations or other Agreements by any other Renter or person. Renter understands that the Premises are not in a full security complex and that Owner does not guarantee to employ security personnel to patrol the Premises to provide of Renter's safety. Owner does not take responsibility to mediate disputes between or among Renters and the obligation to resolve disputes with others on the Premises is accepted by Renter as one of the obligations of the tenancy. Each Renter assumes the risk of residing on the Premises for himself or herself, his/her children or their children, and /or personal property without recourse against the Owner or Manager of the Premises.
11. **Insurance:** In consideration of this rental, Renter shall obtain and pay for any insurance converge necessary to protect Renter from any loss or expense due to personal injury or property damage, including but not limited to that caused by any act or omission of any party, including Owner or co-tenants, criminal act, war, riot, insurrection, fire of act of God. The amount of monetary damage caused to Owner by renter's breach of this agreement shall be deemed to be an amount equal to the amount of any loss sustained by renter by any such act or event and shall offset any claim by Renter against Owner.
12. **Compliance with Laws:** Renter shall not violate any law or commit or permit any waste, damage to, or nuisance in or about, the Premises, or in any way annoy any other renter, or operate any business in or about the Premises, or do or keep anything in or about the Premises that will obstruct the common areas or usage thereof, or increase the Owner's insurance premiums.
13. **Notice of Termination/Death:** Renter shall give Owner 30-days written notice of intent to vacate the Premises at the end of the lease term, at least 30 days before the end of the term and Renter shall be liable for payment of rent through the later of: The end of the term, The expiration of the 30-day notice of The date of vacating the Premises. Renter's death shall allow Owner to re-rent the Premises for the balance of the lease-term or take possession for Owner's benefit.
14. **Waiver of Default:** Owner's failure to require strict compliance with the terms of the Agreement, or to exercise any right provided for herein, shall not be deemed a waiver of such compliance or right, or waive such compliance or right in the future, and Owners acceptance of rent with knowledge of any default by Renter shall not be deemed a waiver of such default, nor limit Owner's rights with respect to that or any subsequent default.
15. **Non-Curable Breach of Agreement:** The following, by way of illustration and not limitation, shall constitute a non-curable breach of this Agreement: (a) Police raid upon the Premises resulting in the arrest and conviction of Renter for possession/sale/storage of any illegal narcotic/controlled substance/chemical or herbal contraband, in or about the Premises, or for aiding and abetting any family member, occupant, guest or visitor in any such activity; (b) Misrepresentation or material omission or Renter's Rental Application vitiating the tenancy.

16. **Pest Control/Fumigation/Extermination:** Upon demand by Owner, Renter shall temporarily vacate the Premises, for a reasonable period required, to allow cited or needed repairs, pest or vermin control work to be done. Rent shall be abated during Renter's absence. Renter shall comply forthwith, with all instructions from the pest controller, fumigator and / or exterminator regarding the preparation of the Premises for the work, including the proper bagging and storage of food, perishables and medicine.
17. **Pets/Furnishing/Musical Instruments:** Renter shall not bring or keep any pet (dog, cat, bird, reptile, etc.) liquid-filled furniture or musical instrument on the Premises, unless noted in Section N of Owner's copy of this Agreement. Liquid filled furniture shall be accepted only with proof of \$100,000 insurance.
18. **Designation of Parties:** The term "Owner" includes a "manager," "agent of the owner," "management company," "Trustee" of a Trust, or any other person or entity acting on the behalf of the owner as the Lessor of the premises entitled to rent the premises, collect the rent for the premises, and prosecute eviction actions.
19. **Partial Invalidity:** If any portion of this Agreement is held invalid, it shall not affect the validity of any other portion of this Agreement.
20. **Attorneys Fees:** If any legal action or proceeding is brought by Owner or Renter related to this Agreement, the prevailing party shall be entitled to recover attorneys fees not to exceed \$500.00
21. **Guarantor(s):** On demand by Owner, Renter shall obtain the execution of a Continuing Guarantee Agreement provided by Owner, by an agreed upon Guarantor. Said agreement shall be deemed incorporated herein and subject hereto.
22. **Rent Acceptance:** Rent tendered by a third person for Renter's benefit may be accepted without creating any new tenancy.
23. **Credit Report:** As required by law, you are hereby notified that a negative credit report of any default reflecting on your credit record may be submitted to a credit reporting agency and / or to which you specifically agree.
24. **Entire Agreement:** The foregoing constitutes the entire agreement between the parties and supersedes any oral or written representation or agreement contrary hereto. Renter has relied on his own judgment in entering into this Agreement. Any modification of this agreement, to have any legal effect, must be in writing and signed by Owner.
25. **Estoppel Certificate:** Within 10 days written notice, Renter agrees to execute and deliver an estoppel certificate as modified and stating the modifications. Failure to comply shall be deemed Renter's acknowledgment that the certificate as submitted by Owner is true and correct and may be relied upon by a lender or purchaser.
26. **Additional Required Notices:**
 - (a) **Toxic Substance Warning Notice**

The Owner is required to give you notice that areas on this property may contain one or more of some 700+ toxic substances and chemical substances, such as swimming pool disinfectant, cleaning substances, automobile exhaust fumes, bar-b-que or second-hand cigarette smoke, laundry room fluids or emissions, lead paint, asbestos, etc. known to the State of California to cause cancer, reproductive toxicity, birth defects and reproductive harm. Please contact owner for further information.

(b) Mold and Mildew Warning Notice

Mold and mildew may be injurious to one's health. Therefore, Renter acknowledges that: (a) Renter has inspected the Premises, and every part thereof, at the outset of tenancy; (b) Renter has found no signs of moisture, mold or mildew therein; (c) Renter shall: (i) keep the Premises well-ventilated, clean and dry and signs of mold or mildew from all surfaces, (ii) promptly notify Owner of any dampness (from leaks, overflows, water intrusion, etc.); and (iii) promptly notify Owner of any malfunction of ventilation, air conditioning or heating systems. Renter shall be liable for any injuries or damages that may result from any negligent performance of the foregoing duties.

(c) Department of Justice (DOJ) Notice

Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides.

(d) Expiration/Holdover/Death-Notice

Renter shall vacate the Premises upon expiration of the term of the lease without notice to vacate from Owner being required. Any holdover without Owner's consent shall be deemed a trespass and damages shall accrue at a daily charge equal to twice the pro-rated monthly Lease rent. A holdover with owner's written consent unless otherwise agreed, shall be a month-to-month tenancy subject to all covenants, and conditions of the Lease. A thirty-day notice is required from Renter to terminate any such holdover tenancy. Renter's death shall not terminate any remaining rental obligation for the balance of the Lease-term but Owner, at Owner's option, may take possession of the Premises and re-rent them to mitigate any damages.

Other Provisions:

Dated: 10-1-17

Owner: [Signature]

Dated: 10-10-2017

Renter: [Signature]

Renter: [Signature]

EXHIBIT 5

RODEO REALTY'S COMPREHENSIVE INTERNET PROGRAM

Over 89% of all buyers begin their real estate search online and listing with Rodeo Realty ensures that your home will have maximum online exposure to thousands of potential homebuyers on numerous websites.

Some examples of the worldwide Internet exposure we provide are shown below.

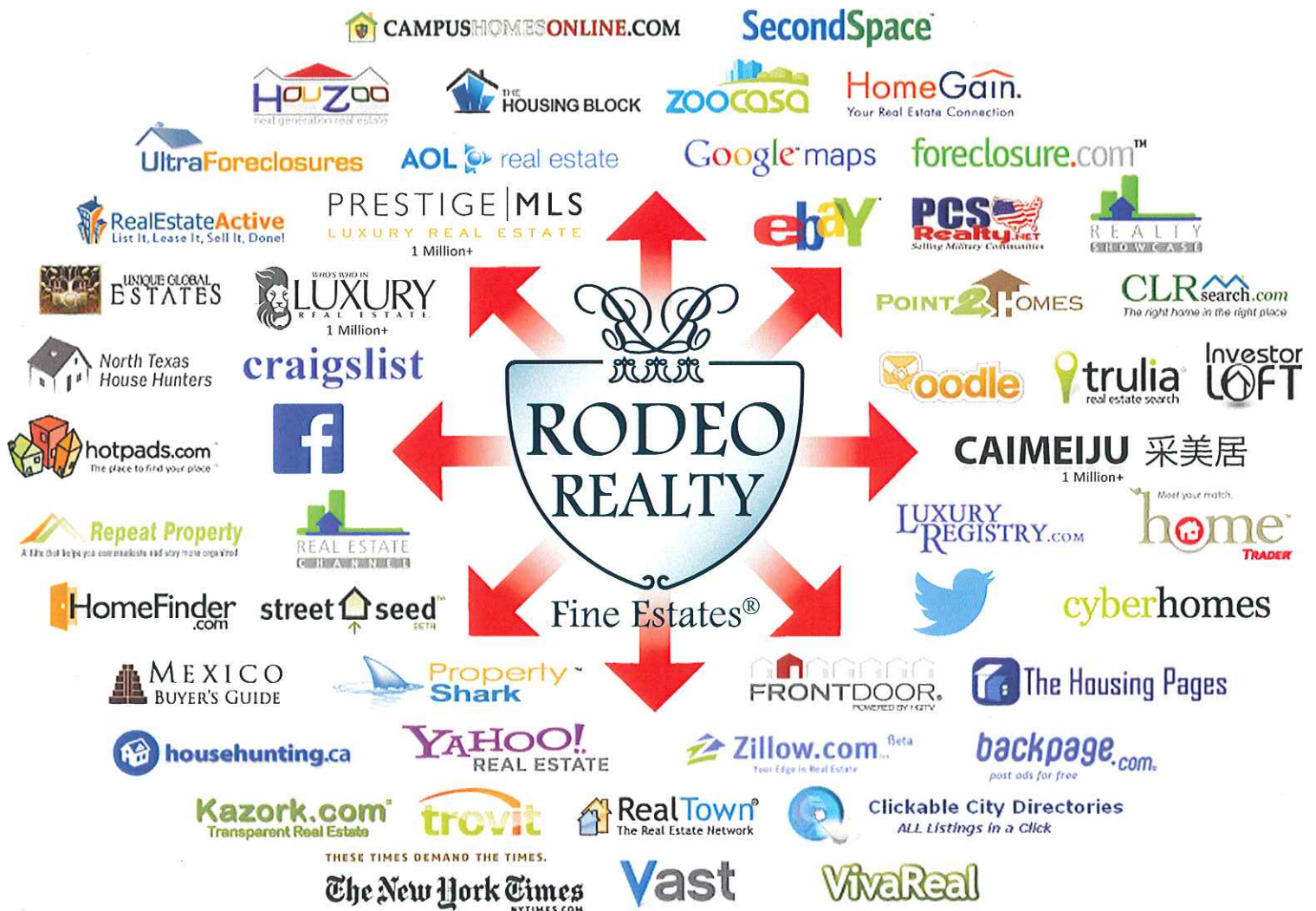


EXHIBIT 6



23901 Calabasas Rd., #1033, Calabasas, CA 91302

(818) 224-2788 • Fax: (818) 224-2789

SELLER'S ESTIMATED NET PROCEEDS

PROPERTY: 16320 Gledhill Street
North Hills, CA 91343

DATE: April 4, 2018

SELLER: Nancy Zamora, also known as Nancy
Hoffmeier Zamora, Trustee for the
Chapter 11 Estate of Mehri
Akhlaghpour, Case No. 1:17-bk-12739-
VK

CLOSING DATE: May 4, 2018
ESCROW NO.: 15639-JP

	<u>DEBITS</u>	<u>CREDITS</u>
FINANCIAL CONSIDERATION		
Total Consideration		497,500.00
PAYOFF CHARGES - Wells Fargo		
[Total Payoff \$321,044.65]		
Principal Balance	317,849.60	
Interest on Principal Balance	3,007.05	
Recording Fee	188.00	
PRORATIONS/ADJUSTMENTS		
County Taxes 2nd Half at \$2,827.60/semi-annually from 05/04/2018 to 07/01/2018		895.41
Rent at \$3,100.00/monthly from 05/04/2018 to 06/01/2018	2,790.00	
COMMISSION CHARGES		
Rodeo Realty, Inc.	14,925.00	
Rodeo Realty, Inc.	14,925.00	
OTHER DEBITS/CREDITS		
Nick Scarano and Michelle Liu for Security Deposit	3,000.00	
TITLE/TAXES/RECORDING CHARGES - First American Title Company		
Title - Owner's Title Insurance	1,575.00	
Title - Sub Escrow Fee	62.50	
Title - Wire Fee/ Insp Fee	95.00	
Transfer Tax - County to Los Angeles County	547.25	
Transfer Tax - City to City of Los Angeles	2,238.75	
Property Taxes (6 mo.) to Los Angeles County Tax Collector	2,827.60	
ESCROW CHARGES - Encore Escrow Company, Inc.		
Title - Escrow Fee	1,195.00	
Title - Processing Demands	50.00	
Title - Drawing Grant Deed	50.00	
Title - Archive & Courier	65.00	
Net Proceeds	133,004.66	
TOTAL	\$ 498,395.41	\$ 498,395.41

THIS IS AN ESTIMATE ONLY AND FIGURES ARE SUBJECT TO CHANGE

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is 10250 Constellation Boulevard, Suite 1700, Los Angeles, CA 90067

A true and correct copy of the foregoing document entitled **CHAPTER 11 TRUSTEE'S MOTION FOR ORDER: (1) AUTHORIZING SALE OF ESTATE'S RIGHT, TITLE AND INTEREST IN REAL PROPERTY FREE AND CLEAR OF LIEN AND INTERESTS OF EYMAC; (2) APPROVING OVERBID PROCEDURE; (3) AUTHORIZING ASSUMPTION AND ASSIGNMENT OF UNEXPIRED REAL PROPERTY LEASE; (4) APPROVING PAYMENT OF COMMISSIONS; (5) FINDING PURCHASER IS A GOOD FAITH PURCHASER; AND (6) WAIVING STAY UNDER RULE 6004(h); MEMORANDUM OF POINTS AND AUTHORITIES; AND DECLARATIONS IN SUPPORT THEREOF [16320 Gledhill Street, North Hills, CA 91343]** 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 March 14, 2018, 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:

- Brandon J Anand brandon@anandlaw.com, r52959@notify.bestcase.com, info@anandlaw.com
- Bhagwati Barot bbarot@aissolution.com
- Matthew R. Clark bankruptcyecfs@gmail.com, mclark@ecf.courtdrive.com; bkyecf@rasflaw.com; mclark@rasflaw.com
- Russell Clementson russell.clementson@usdoj.gov
- Nichole Glowin nglowin@wrightlegal.net, BKUDGeneralupdates@wrightlegal.net
- Stella A Havkin stella@havkinandshrago.com, havkinlaw@earthlink.net; r49306@notify.bestcase.com
- Farrah Mirabel fmesq@fmirabel.com, wcassistant@fmirabel.com
- Giovanni Orantes go@gobklaw.com, gorantes@orantes-law.com, cmh@gobklaw.com, gobklaw@gmail.com, go@ecf.inforuptcy.com
- Kelly M Raftery bknotice@mccarthyholthus.com, kرافtery@ecf.courtdrive.com
- Valerie Smith claims@recoverycorp.com
- Luis A Solorzano ls@gobklaw.com, go@ecf.inforuptcy.com
- United States Trustee (SV) ustpregion16.wh.ecf@usdoj.gov
- Robert P Zahradka caecf@tblaw.com, RPZ@ecf.inforuptcy.com
- Nancy J Zamora (TR) zamora3@aol.com, nzamora@ecf.epiqsystems.com

2. SERVED BY UNITED STATES MAIL: On March 14, 2018, 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 March 14, 2018, 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.

1 **SERVED BY PERSONAL DELIVERY**

2 The Honorable Victoria Kaufman
3 United States Bankruptcy Court
21041 Burbank Boulevard, Suite 354
Woodland Hills, CA 91367

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

5 March 14, 2018	Lourdes Cruz	/s/ Lourdes Cruz
6 <i>Date</i>	<i>Type Name</i>	<i>Signature</i>

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ZAMORA TRUSTEE
Mary M Akhlaghpour Trust (8433)
Sale Motion Service List (Gledhill)

Debtor
Mehri Akhlaghpour
4450 Winnetka Ave
Encino, CA 91436

Russell Clementson
Office of the U.S. Trustee
915 Wilshire Blvd., Suite 1850
Los Angeles, CA 90017

Los Angeles County Tax Collector
Region #02 Index:
North District Office
13800 Balboa Blvd.
Sylmar, CA 91342

Los Angeles County Tax Collector
PO Box 54018
Los Angeles, CA 90054-0018

Emymac
c/o HADY J BREIDY
(Agent for Service of Process)
28009 SMYTH DR
VALENCIA CA 91355

RESIDENTIAL CREDIT SOLUTIONS, INC.
c/o Officer, Managing or General Agent, or Other
Authorized Agent for Service of Process
4500 MERCANTILE PLAZA DRIVE, SUITE 311
FORT WORTH TX 76137

Wells Fargo Bank, N.A.
c/o CSC – Lawyers Incorporating Service, Agent for
Service of Process
251 LITTLE FALLS DR
WILMINGTON DE 19808

Wells Fargo Bank, N.A.
c/o Officer, Managing or General Agent, or Other
Authorized Agent for Service of Process
101 N PHILLIPS AVENUE
SIOUX FALLS SD 57104