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5
6 **UNITED STATES BANKRUPTCY COURT**
7
8 **CENTRAL DISTRICT OF CALIFORNIA**

9
10 In re
11 Old Firehouse of Pomona, LLC,
12 Debtor.

Case No.: 2:18-bk-11835-WB

Chapter 11

13 **NOTICE OF MOTION AND MARK S.**
14 **ADAMS AND CALIFORNIA**
15 **RECEIVERSHIP GROUP'S MOTION FOR**
16 **ORDER AUTHORIZING SALE UNDER 11**
17 **U.S.C. § 363; DECLARATION OF MARK**
18 **ADAMS**

Date: May 31, 2018
Time: 10:00 a.m.
Courtroom: 1375
Hon. Julia W. Brand

19 NOTICE IS HEREBY GIVEN that on May 31, 2018 at 10:00 a.m. or as soon thereafter
20 as the Court may be able to hear the matter, in Courtroom 1375 of the United States Bankruptcy
21 Court for the Central District of California, located at 255 E. Temple Street, Los Angeles, CA
22 90012, State Court Receiver and Creditor Mark S. Adams and CALIFORNIA RECEIVERSHIP
23 GROUP, (together, the "Receiver" or "Adams") hereby move the Court pursuant to 11 U.S.C.
24 §363, Rule 6004 of the Federal Rules of Bankruptcy Procedure, and Rule 6004-1(c) of the Local
25 Bankruptcy Rules for the Central District of California for an Order (a) authorizing the sale of
26 certain bankruptcy estate real property known and designated as 100 and 130 East Alvarado St,
27 Pomona, CA 91767, APN #8336-006-019; #8336-006-022 (the "Property") to "100 E. Alvarado
28

1 St., LLC,” the prospective Buyer (“Buyer”), (b) approving the payment of a 6% broker’s
2 commission to professional real estate broker Danny Holznecht of Allied Commercial Real
3 Estate (“Broker”), (c) finding that Buyer is a good faith purchaser entitled to the protections of
4 11 U.S.C. 363(m), (d) waiving the stay under FRBP 6004(h), and (e) granting such other relief as
5 is just and appropriate. The sale requested here was already confirmed by the state court on
6 February 15, 2018, discussed in this Court at the April 3, 2018 hearing. A copy of the purchase
7 agreement is attached as **Exhibit 7**. This approval or confirmation would allow the sale already
8 approved by the state court to be completed.

9 The hearing on this matter is scheduled for May 31, 2018 at 10:00 a.m. in Courtroom
10 1375 of the Edward R. Roybal Federal Building and Courthouse located at 255 E. Temple Street,
11 Los Angeles, CA 90012. This will be held at the same time as the status conference and allow
12 the Court to determine what future, if any, there is for the continued oversight of both this Court
13 and the state court.

14 15 **I. JURISDICTION AND VENUE**

16 The Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This
17 is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper in this district pursuant
18 to 28 U.S.C. §§ 1408 and 1409. This case is complicated by the concurrent jurisdiction of this
19 Court post-Petition, and the state court that appointed the Receiver under the Health and Safety
20 Code §17980.7(c) and Code of Civil Procedure §564. If the Petition is not going to be dismissed,
21 then this Court has concurrent jurisdiction over the Property as part of the Debtor’s estate.

22 23 **II. STATEMENT OF FACTS**

24 This Motion requests that this Court approve the sale of the receivership/bankruptcy
25 estate property as approved by the state court on February 15, 2018. A copy of that Order is
26 attached as **Exhibit 1** to the Declaration of Mark Adams. That Order was granted based upon the
27 4th-6th Receivers Reports, copies of which are attached as **Exhibits 2-4**. A brief summary of the

1 facts of this case is provided here to lay out the reasons that this Court has a request to confirm
2 the sale before it.

3 Old Firehouse of Pomona, LLC (“Debtor”) took title to the real property at 100 East
4 Alvarado St., Pomona, California 91767, APN #8336-006-019 (“Property”) in August of 2008.
5 The Property had been used first as a firehouse, then as a restaurant. By 2008, a fire (and the
6 larger economic condition) had shut the Property down. Since that time, the Property has not
7 been in use, except as an illegal “squat” used by the local homeless community. Per Debtor, the
8 cost of permits and the work necessary to get the Property approved and nuisance-free is
9 prohibitive and that is the reason that no tenant has occupied it in the Debtor’s ten years of
10 ownership.

11 After years of citations and warnings about the nuisance conditions and the homeless
12 squatters, the City filed suit in state court seeking a variety of relief. In May of 2016, there was
13 another fire on-site, and after five months of discussion, in October 2016, the City gave notice
14 that they were going to seek the appointment of a receiver. On December 12, 2016, Judge Dan T.
15 Oki granted the City’s request, finding that the Debtor was negligent in operating the Property,
16 that the Property was “substandard,” “a public nuisance,” and a “dangerous building,” and that
17 the violations would not be abated without the appointment of a receiver. A copy of that Order is
18 attached as **Exhibit 5**.

19 After the appointment, state court Respondent Daniel Rafalian (who has a substantial
20 property portfolio and does not appear to have other similarly-degraded properties) stepped in,
21 and based upon his counsel’s assurances and Rafalian’s reputation, an arrangement was worked
22 out where Debtors would remain in possession with the Receiver only in a monitoring role, ready
23 to take possession if the Property reverted to its dangerous condition. By April of 2017, it was
24 clear that the Debtor was not living up to that agreement, and so on April 27, 2017, the Receiver
25 seized possession of the Property and removed the homeless occupants that Debtor had been
26 allowing to stay on-site. Again, the Property is not a residential building, and would not be fit for
27 habitation even if there were not nuisance conditions and violations throughout. So the illegal

1 and unpermitted work, coupled with the squatters on-site made the Property particularly
2 dangerous.

3 The appointing state court approved a \$70,000 Receiver's Certificate, attached as **Exhibit**
4 **6**, which was funded, used to pay the immediate boarding and security costs, as well as partially
5 pay the outstanding receivership costs, and has long since been depleted. But after Receiver
6 seized possession in April 2017, the Property did not present the same problems, and Receiver
7 was able to scale down the security and property caretaker visits by summer of 2017. Since that
8 time, the Property has had a few break-ins or problems, but no trespassers beyond break-ins. The
9 Property still presents a threat and could suffer from squatters again, but for the moment the
10 daily checks by security and a local handyman have kept the Property preserved.

11 The sale of the Property has reportedly been Debtor's goal since the beginning. He had
12 listed the Property for many months prior to the Receiver's appointment, and the Receiver listed
13 the Property again with his own agent. As described more below, the Property is a unique
14 historic building, and the only appropriate party to do the work necessary to remedy the
15 violations is the owner that is going to own the Property going forward. It cannot be built out in
16 advance of the sale, nor would it be financially viable to do the abatement work and then sell. So
17 selling the Property is the ultimate goal, and there is no disagreement about that.

18 The question is one of price. Receiver put an offer of \$450,000 to the state court, and the
19 court confirmed that sale on September 21, 2017. That sale fell through on November 1, 2017,
20 during the due diligence period, and another sale was recommended to the Court on January 4,
21 2018 for the same price. There had been substantial interest, although only two formal offers
22 were submitted. The February 15, 2018 Sale Confirmation Order, confirming the sale at
23 \$450,000.00 to 100 E. Alvarado St., LLC is attached hereto as **Exhibit 1**.

24 The Receiver's recommendation to the state court both times was to sell the Property
25 because only the next owner would know and be able to make the appropriate corrections and do
26 the necessary work to fit the intended purpose for the Property. The Receiver could abate the
27

1 nuisance conditions and violations, but because the Property is unique¹ and essentially has to be
2 built to fit the next buyer, it does not make financial sense for the Receiver to do work that will
3 be undone/redone by the next owner. The more efficient way to proceed is to sell as-is, and let
4 the new owner build to fit. In this way, the Receiver was to secure and preserve the Property, but
5 would not correct all of the violations on-site. While the Appointment Order does direct the
6 Receiver to correct the violations, the economics and the nature of the Property call for a sale to
7 an able and willing new owner to do the work, and the state court ratified that plan.

8 In December 2017, Debtor hired bankruptcy counsel to represent them in the state court
9 action, and appeared to be brought under the control of a new member of the LLC. Daniel
10 Rafalian had been the purported responsible party, although a Jake Halelouyan (spelled in
11 different ways on different documents) was the actual day-to-day manager. Jake ultimately took
12 over full responsibility for the LLC at some point, and on December 12, 2017, Jake paid the
13 outstanding taxes in the amount of \$42,915.87. This was taken as a sign of good faith, and
14 removed the threat of the tax sale. However, that payment of the defaulted taxes² did not carry
15 over to refinancing the hard money loan funding the Receiver's Certificate, any of the
16 outstanding fees and costs owed to the Receiver or the City, and it did not spur Debtor to pay for
17 proper Property caretakers.

18 Thus, even after the first sale fell through, and the taxes were paid off, the Receiver's
19 recommendation remained to sell the Property because it was/is clear that the nuisance
20 conditions are not going to be abated until a new owner takes possession. Receiver put the new
21 recommended sale offer before the state court in a January 4, 2018 Report, for a January 18
22 status conference. At that status conference, the Court continued the matter to allow for Debtor
23 to complete two separate requirements to prevent the need for sale: (1) to set up a caretaker who
24 would ensure that the Property was being preserved and managed (in place of the Receiver's
25

26 ¹ The Property is also recognized by the City as a historic property.

27 ² The Property was to be sold at tax auction in October 2017, but with the sale offer and the state court order
28 confirming that sale, Receiver negotiated with the County to postpone the tax sale for one year. The County
reviewed the sale order and agreed to put it off.

1 caretakers) and (2) to develop a plan to refinance the Receiver's Certificate and the amounts
2 owed to the Receiver and the City. At that February 15, 2018 continued status conference,
3 Debtor had done neither, and the Court signed the sale confirmation order. Five days after that,
4 the current Petition was filed, and at the last hearing, the Court denied leave to exempt the entire
5 state court proceeding (and therein the sale) and requested that a motion to approve the sale be
6 filed.

7 The nature of the Property is what is causing so much of the confusion. It is a unique and
8 historic Property and will require a unique buyer that can not only abate the nuisance conditions
9 and fire damage, but also put it back into use. Debtors have been arguing that they just need
10 more time to find that buyer, but at the same time the state court already found that they were
11 failing in basic preservation of the Property during that time. And then even after the Receiver's
12 appointment in state court, they again failed in their preservation and management. So, to
13 remedy the problems and the danger the Property presents, a sale has to be completed. And now
14 with two courts overseeing this matter, both Courts are requested to sign off on the arranged sale.

15 Adding to this chaos is the fact that there are four actual lots involved in this Property,
16 three of which lie on the street, and one of which lies behind them. This issue is laid out in depth
17 on pages 6-7 of the September 20, 2017 Ex Parte Application for Order Confirming the Sale of
18 Receivership Property, attached as **Exhibit 3**. The one lot that lies behind appears to be part of
19 the overall package owned by Debtor, but a Linda Kyungrae Lee claims to own it, through a
20 2012 Grant Deed to her parents.³ While the issue of who actually owns that lot remains to be
21 settled, the plan in the state court was to complete the sale, and then claimants to the lot would
22 then make their claim to the sale proceeds, so that those coming disputes would not interfere
23 with the Property getting put back to use. This was to be the most efficient way to deal with the
24 dispute, as the daily interest and security costs of the state court Receiver are not insignificant.
25 The Receiver hereby requests that this Court approve the sale that the state court approved
26 previously on February 15, 2018. This Court set out the matter for review in late May 2018,

27 _____
28 ³ Linda Lee has been participating in the state court action and will be served with this Motion.

1 which is three months after the Petition was filed, in an attempt to see if there is a reason for this
2 Court to be involved, and if there is the potential for a potential plan that would satisfy the
3 necessary requirements. To date, Receiver has seen nothing evidencing that, thus this Motion is
4 filed.

6 III. THE SALE AGREEMENT

7 The state court approved the recommended sale on February 15, 2018, and a copy of that
8 Order is attached as **Exhibit 1**. This was after a previous sale was approved on September 21,
9 2017, and then later fell through. The current sale is to a 100 E. Alvarado St., LLC for
10 \$450,000.00. A copy of the Sale Agreement is attached as **Exhibit 7**. Per the agent and the
11 Receiver's own experience, that is the best offer, or close to the best offer that will be received.
12 There might be a higher offer coming, but whatever hypothetical increase in purchase price is not
13 likely to cover the continued delay, and the ongoing cost of preservation and management. Plus,
14 the market is showing to the Receiver and to the parties here what the value is – if it were any
15 higher, then better offers would have been received during the marketing period.

16 The buyer is “100 E. Alvarado St., LLC,” which is an LLC that is meant to operate this
17 Property after the sale. It was previously called Outdoor Food Court, LLC, but the purchasing
18 party was switched based on the buyer's request. This LLC and its members own properties in
19 Kansas City, MO, and Colton, CA. They presented the Receiver with some properties they own,
20 and in the Receiver's due diligence no significant problems or complaints were discovered in
21 reference to either the LLC, the members, or the properties themselves. While this LLC does not
22 have a long track record, it is willing to drop its due diligence periods, has not pulled its offer
23 even in the face of the extensive delays caused by this matter, and no disqualifying problems
24 appear upon review.

25 In short, these are the exact type of buyers that would be expected. Their business is to
26 rehabilitate distressed properties, and put them back into proper use. They have a history of
27 repairing and operating apartment buildings and commercial stores. They are thus a good faith

1 buyer under §363(m) as they are not connected to anyone involved in this matter or the state
2 court matter, and are bona fide purchasers for value. Zuercher Trust of 1999 v. Kravitz (In re
3 Zuercher Trust of 1999), 2014 WL 7191348 (Mem. Dec.) (9th Cir. BAP Dec. 17, 2014). It was
4 an arms-length negotiation, there was ample opportunity for competitive bidding, and the
5 purchase price is at the market value of the Property. Further, they complied with the state court
6 sale procedures. Moreover, their offer was the highest, and the only one to come from someone
7 with a track record of remedying similar problems. So even if they were not the only serious
8 offer made by anyone with a track record that bodes well, their offer was still the highest.

9
10 **IV. GRANTING THE MOTION IS IN THE BEST INTERESTS OF THE ESTATE**

11 As noted above, the Property was marketed by the Receiver first in July 2017. The
12 Property received an offer of \$450,000.00, and the state court confirmed the sale on September
13 21, 2017. That sale fell through, but by January 4, 2018 the Property had received another offer
14 for \$450,000.00. Although there had been substantial interest, only two formal offers were
15 submitted. On February 15, 2018 the Superior Court issued a Sale Confirmation Order
16 confirming the sale at \$450,000 to 100 E. Alvarado St., LLC (the “Buyer”), affirming that the
17 sale was again the best way to complete the goals of the receivership and begin to wind the
18 matter down.

19 Debtor claims to have an appraisal of the Property that states the value of the Property is
20 \$1.175 Million. This figure, though offered by a licensed appraiser, does not appear to be real,
21 and in fact it was disproven by the last 10 months that the Property has been on the market, and
22 before that for the years when Debtor had it on the market. As was briefed and argued multiple
23 times before Judge Oki, if the value of the Property was more than \$450,000.00, that would
24 benefit everyone involved, and the Receiver would be the first to acknowledge that or even seek
25 that out. But the market has shown what the value is, and there is absolutely no concrete
26 evidence that the value is even half of what the appraisal claims. In fact, there is direct evidence
27 to the contrary.

1 The terms and conditions of the proposed sale, including the price and all contingencies,
2 are in the best interest of the estate for several reasons.⁴ First, the sale price was the highest bid
3 received in six months of marketing. Second, although the Receiver secured the Property, there
4 are still substantial improvements which will be required of the next owner to make the Property
5 usable as a restaurant and comply with all applicable codes. This has affected the market value of
6 the Property, and although there was great interest in the Property, there were only a few offers.
7 A prospective buyer will have to be prepared to commit substantial funds, time, and energy to
8 improve the Property,⁵ and this is likely why the Property has received so few offers. Third,
9 because the estate is responsible for paying Receivership fees (including interests and security
10 costs), which are tied to Receiver's super-priority lien on the Property, the sooner the Property is
11 sold and the lien is paid, the less the estate will have to pay. The determination for this Court has
12 to be where the benefit of further time to explore a plan, or to see if a better buyer can be found
13 outweighs the cost (both financial, but also to the neighbors) of putting off the sale and
14 continuing this matter.

15 The Buyer is aware of the myriad issues with the Property and has agreed to purchase the
16 Property for \$450,000.00. They have been doing their prep work on this sale for some time, and
17 have been patiently waiting since the state court approved the sale three months ago. The Buyers
18 have a track record and history of rehabilitating distressed properties and putting them back into
19 use, and while that track record is relatively short, the lack of any glaring deficiencies or
20 problems is taken to be a good sign of their prospects as a buyer for the Property.

21 In light of the particular issues with the Property and the Receivership, and for the
22 reasons mentioned above, the terms and conditions of the proposed sale, including the price and
23 all contingencies, will yield the highest price and will end Receivership costs, thereby providing
24 the maximum funds possible to the estate. This is in the best interest of the estate.

25 _____
26 ⁴ These terms are laid out in the Agreement attached as **Exhibit 87**.

27 ⁵ This work is going to require undoing much of the work that was done by the homeless "work crew" installed by
28 the Debtor. A new roof was put on during the Debtor's period of possession, but per the City no permits were ever
pulled. So while it may be that the Debtor's crew actually did the work correctly and it just needs to be drawn and
"daylighted," but much more likely is that it has to be pulled out and redone by a licensed contractor.

1 The proposed sale is not subject to overbid, but Receiver has not been contacted by any
2 potential overbidder, and in Receiver's business judgment, there are no viable alternative
3 purchasers. Overbid procedures are a poor fit because the Property was marketed for a long
4 period of time, and only one acceptable, reasonable offer was presented. And most importantly,
5 the state court already ordered the sale of the Property, finding that it was necessary to complete
6 the tasks of the appointment. So if there were to be an overbid procedure, that hypothetical
7 overbid offer would have to go back to the state court for review, all while the Property sits. The
8 cost of cancelling the current sale (again the overbid provision was not part of the original state
9 court sale) and taking an overbid can be reviewed on a case-by-case basis, but the Receiver does
10 not expect that to be necessary. Overbid is a poor fit for this sale.

11
12 **V. IN THE ALTERNATIVE, THE COURT COULD DISMISS THE PETITION**

13 As was noted at the last hearing, there are always complications when two courts are both
14 concurrently overseeing a matter. A receiver appointed under Health & Safety Code is not the
15 same as a standard rents and profits receiver, and there are different interests at play than is
16 usually addressed when a bankruptcy court is tasked with a petition including real property that
17 is currently in receivership. This is borne out in reviewing the 11 U.S.C. 543 turnover issues,
18 where a standard Debtor In Possession would be inappropriate to take back possession of the
19 nuisance property. The fit is even worse when the estate has ample equity, and the purpose of the
20 bankruptcy was not clear at the outset.

21 This Court already denied the request to exempt the entire state court proceeding from the
22 automatic stay and was specific that it needed to review any sale of the Property. And while there
23 are relatively simple ways to ensure that both courts are satisfied in their oversight, at some point
24 it should become clear that the purpose for filing this Petition was to stall the sale that the state
25 court found necessary. And so, while that stall might be appropriate to determine if the Debtor
26 can figure out a potential plan to deal with the matter in the long-term, the Receiver respectfully
27 argues that three+ months post-Petition is more than ample time to develop that. In short, if the

1 Court gets to this hearing and there is no foreseeable way to manage the matter going forward,
2 then this Court should approve the sale, or dismiss the matter entirely.

3
4 **VI. CONCLUSION**

5 For the foregoing reasons, the Receiver requests that the Court grant the Motion and enter
6 an order (a) authorizing the sale of certain real Property to the Buyer, finding that the Buyer is a
7 good faith purchaser per 11 U.S.C. §363(m) and granting such other relief as is just and
8 appropriate.

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10
11
12
13 Dated: May 9, 2018

/s/Andrew F. Adams

Attorney at California Receivership Group, PBC

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9 Court-Appointed Receiver

6 **IN THE UNITED STATES BANKRUPTCY COURT**

7 **CENTRAL DISTRICT OF CALIFORNIA**

8 In re

9 Old Firehouse of Pomona, LLC,

10 Debtor.

Case No.: 2:18-bk-11835-WB

Chapter 11

11 **MARK S. ADAMS DECLARATION IN**
12 **SUPPORT OF MOTION FOR ORDER**
13 **AUTHORIZING SALE UNDER 11 U.S.C. §**
14 **363**

15 Date: May 31, 2018

16 Time: 10:00 a.m.

Courtroom: 1375

Hon. Julia W. Brand

17 I, Mark S. Adams, do declare as follows:

18 1. I am an attorney licensed to practice in California.

19 2. I am the court-appointed Receiver in the matter of *City of Pomona v. Old*

20 *Firehouse of Pomona, LLC*, Case #KS020348 for the real property located at 100 E. Alvarado
21 St., Pomona, CA 91767, APN #8336-006-019 (the "Property") pursuant to a Superior Court
22 Order issued on December 16, 2016, a copy of that Order is attached as **Exhibit 5**. An issue we
23 encountered is that there are four actual lots involved in this Property, this issue is laid out in
24 depth on pages 6-7 of the September 20, 2017 Ex Parte Application for Order Confirming Sale
25 of Receivership Property, attached as **Exhibit 3**.
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10. An additional copy of the notice and form F 6004-2, Notice of Sale of Estate Property was submitted to the court clerk at the time of filing this motion.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 9th day of May, 2018, in Santa Monica, California.

/s/ Mark S. Adams
Mark Adams, State Court-Appointed Receiver

Exhibit 1

1 MARK S. ADAMS, SBN 68300
2 ANDREW F. ADAMS, SBN 275109
3 California Receivership Group, PBC
4 2716 Ocean Park Blvd., Suite 3010
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9 Court-Appointed Receiver

CONFORMED COPY
ORIGINAL FILED
Superior Court of California
County of Los Angeles

FEB 15 2018

Sherril R Carter Executive Officer/Clerk
By G Berni, Deputy

6 SUPERIOR COURT OF THE STATE OF CALIFORNIA
7 FOR THE COUNTY OF LOS ANGELES, EAST JUDICIAL DISTRICT

9 CITY OF POMONA

10 Petitioner,

11 vs.

12 OLD FIREHOUSE OF POMONA, LLC,
13 DANIEL RAFALIAN, an individual, and
14 DOES 1 through 25, inclusive,

15 Respondent.

Case No. KS020348

~~(PROPOSED)~~ ORDER CONFIRMING
SALE OF RECEIVERSHIP REAL
PROPERTY

Date: January 18, 2018
Time: 9:00 a.m.
Dept.: J

17
18 The Court, having considered the Application for Order Confirming Sale of Receivership
19 Property, the reports of the Receiver, and all other oral and documentary evidence presented to
20 the Court in connection with the hearing of the Application and reports, and good cause
21 appearing therefore,

22 **NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED:**

- 23 1. The Fourth, Fifth and Sixth Reports of the Receiver and the actions described
24 therein are hereby approved and ratified.
25 2. The Receiver Mark Adams is hereby authorized to sell the property at 100 and
26 130 East Alvarado Street, Pomona, California 91767 (APN #8336-006-019; #8336-006-022)
27 (“Properties”) and discharge the proceeds in accordance with applicable law and the orders of
28 this Court. The sale of the receivership property is hereby confirmed under Code of Civil
Procedure § 568.5.

1 3. Receiver Mark Adams is authorized to complete the as-is sale of the Properties
2 for \$450,000.00 to 100 E. Alvarado St., LLC and/or assignee ("Buyers") per the terms of the
3 fully-executed purchase agreement.

4 4. The Receiver is authorized to sign any and all documents, including but not
5 limited to a grant deed, to implement this Order and to transfer title to the Property to the buyer.

6 5. The sale of the real properties legally described as:

7 a. Real property in the unincorporated area of the City of Pomona, State of
8 California, described as follows:

9 THAT PORTION OF LOTS 6, 7, AND 8 OF TRACT 985 IN THE CITY OF
10 POMONA COUNTY OF LOS ANGELES STATE OF CALIFORNIA, AS
11 PER MAP RECORDED IN BOOK 18, PAGE 135 OF MAPS, IN THE
12 OFFICE OF THE COUNTY RECORDER OF SAID COUNTY,
13 DESCRIBED AS FOLLOWS:

14 Beginning at the intersection of the City Engineer's Center Engineer's Center
15 line of Garey Avenue, 70 feet wide, as said Avenue is shown on said Map,
16 with the City Engineer's Center Line of Kingsley Avenue, 70 feet wide,
17 shown as an unnamed street on the Maps of Bixby Bishops subdivision,
18 recorded in Book 14, Page 51 of Miscellaneous Records, in the Office of the
19 County Recorder of said County; thence Northerly along said center line of
20 Garey Avenue, 297.18 feet to the beginning of a tangent curve concave
21 Easterly and having a radius of 500 feet, said curve also being tangent at its
22 Northerly terminus with the City Engineer's Center Line of Garey Avenue, 70
23 feet wide, as said Avenue is shown on the Map of the Casa Grande Tract,
24 recorded in Book 15, Page 104 of Maps, records Office of said County, thence
25 Easterly at right angles to said first mentioned center line of Garey Avenue, 45
26 feet to a point, being in a curve concave Easterly having a radius of 455.00
27 feet, and being concentric with said curve having a radius of 500.0 feet said
28 point also being the true point of beginning; thence Northerly along said curve
to the beginning of a compound curve concave Southeasterly, having a radius
of 15.00 feet and being tangent at its Easterly terminus to a line that is parallel
with and distant Southerly 10.00 feet, measured at right angles, from the
Northerly line of said Lot 8; thence Northerly and Easterly along said curve to
said parallel line; thence Easterly along said parallel line to the Easterly line of
said Lot 8; thence Southerly along the Easterly line of said Lots to the
Southeast corner of said Lot 6; thence Westerly along the Southerly line of
said Lot 6 to a line parallel with said first mentioned center line of Garey
Avenue, and which passes through the point of beginning; thence Northerly
along said parallel line to the true point of beginning.

Assessor's Parcel Numbers(s): 8336-006-019.

b. Lot 9 of Tract 985, in the City of Pomona, County of Los Angeles, State of
California, as per Map recorded in Book 18 Page 135 of Maps, in the office of
the County Recorder of said County.

EXCEPT therefrom the Southerly 21.46 feet of said land.

Assessor's Parcel Numbers(s): 8336-006-022

1 (the "Property") to the Buyers for \$450,000.00 where is/as is, without any warranties or
2 representations, with all faults known and unknown, free and clear of all liens and
3 encumbrances, and with the payment of a 6% sale commission to Danny Holznecht of Allied
4 Commercial Real Estate as agent for the Seller as well as the Buyer;

5 6. The Receiver is authorized, upon satisfaction of the terms and conditions of the
6 sale of the Property, to execute and deliver a quitclaim or grant deed conveying title to the
7 Property free and clear of all liens and encumbrances to the Buyers, and to execute any and all
8 other documents that may be necessary to conclude this sale;

9 7. Any licensed title insurer and the Buyers may rely on this Court Order as
10 authorizing the Receiver to transfer legal title to the Property free and clear of all liens and
11 encumbrances;

12 8. All lien holders on the Property shall respond to requests for payoff amounts with
13 specific figures and per diem computations within 10 days of the transmittal of the request for
14 payoff amounts. Transmittal shall be deemed to be accomplished at the earlier of personal
15 service of the request upon the authorized agent of the lien holder or the lien holder itself, or in
16 the case of an abstract of judgment or other judicial filing delivery to the offices of counsel for
17 the lien holder. If any lien holder fails to respond within the specified time, escrow may close
18 without further Order of the Court and the lien of any non-responding lien holder shall attach to
19 the sale proceeds subject to disbursement in accordance with this Court's Orders. Any title
20 insurance company insuring such sale may rely upon the provisions of this Order regarding such
21 liens in insuring the buyer's title or any lender's security;

22 9. The liens described below, but not limited to those described below, are to be paid
23 through escrow:

24 a. General and Special taxes for the fiscal year 2016-2017, including any
25 assessments collected with current taxes.

26 Total amount \$5,428.74

27 1st installment \$2,714.37, delinquent

28 Penalty \$271.43 (after 12/12/2016)

2nd installment \$2,714.37, delinquent

Penalty \$281.43 (after 4/10/2017)

Code area 13304-City of Pomona-57

Parcel No. 8336-006-019

Exemption \$not shown

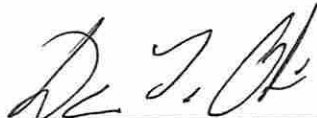
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b. NOTE: DEFAULTED TAX shown below:
Delinquent Tax Year: 2012-2015
Installment: Both
Amount: \$33,241.71
Amount to redeem by: July 2017

11. Except as noted above in Paragraph 9, the Receiver is to hold all remaining funds after the sale of the Property and the payment of receivership fees and costs in the receivership account until such time as the Court determines whether those liens must be paid from the sale proceeds. All potential claimants, and those listed in Paragraph 10, are directed to submit their claim for funds within 30 days of this Order.

IT IS SO ORDERED.

DATED: FEB, 15, 2018



Judge of the Superior Court
DAN T. OKI

Exhibit 2

CONFORMED COPY
ORIGINAL FILED
Superior Court of California
County of Los Angeles

AUG 07 2017

Sherri R. Carter, Executive Officer/Clerk
By Jacqueline Gonzalez, Deputy

1 MARK S. ADAMS, SBN #68300
ANDREW F. ADAMS, SBN #275109
2 California Receivership Group
2716 Ocean Park Blvd., Suite 3010
3 Santa Monica, California 90405
Tel. (310) 471-8181
4 Fax (310) 471-8180
madams@calreceivers.com
5 Court-Appointed Receiver

6
7 SUPERIOR COURT OF THE STATE OF CALIFORNIA
8 FOR THE COUNTY OF LOS ANGELES, EAST JUDICIAL DISTRICT

9
10 CITY OF POMONA,

Petitioner,

11
12 vs.

13 OLD FIREHOUSE OF POMONA, LLC,
DANIEL RAFALIAN, an individual, and
14 Does 1 through 25, inclusive,

15 Respondent.
16
17

Case No. KS020348

FOURTH REPORT OF RECEIVER

Date: August 24, 2017
Time: 8:30 a.m.
Dept.: J

COPY

18
19 This Fourth Report of Receiver updates the Court on the status of the receivership
20 property, and outlines the Receiver's recommendation for how to proceed in addressing the
21 property's condition. The Court requested this Report and recommendation at the last hearing on
22 June 21, 2017, and requested it be filed in advance of the August 24, 2017 status conference. In
23 short, the recommendation is to continue to pursue the sale option as that is the most efficient
24 way to address the nuisance conditions.

25 As a brief summary of this matter to date, on December 16, 2016 this Court appointed
26 Mark Adams ("Receiver") as Receiver for the property at 100 East Alvarado Street, Pomona, CA
27 91767 ("Property") under Code of Civil Procedure §564 and Health and Safety Code
28 §17980.7(c). The Property is owned by Respondent Old Firehouse of Pomona LLC, and Daniel

1 Rafalian (collectively “Respondent”), who had refused to bring the Property into compliance, or
2 take timely steps in that direction. After the Receiver was appointed, he allowed the Respondent
3 to retain possession and control based on Respondent’s representations that he was willing and
4 able to remediate the dangerous conditions by himself, with limited receivership involvement.

5 However, by March of 2017, it became clear that Respondent had failed to live up to
6 those representations, instead exacerbating the Property’s descent into disrepair by hiring
7 transients to work on the property. It appears that this work was paid for by allowing them to
8 illegally occupy the Property – which was a commercial structure and not at all proper for
9 habitation and residential use. As detailed in the Second and Third Reports, repeated complaints
10 about the condition of the Property, as well as reports from CRG staff monitoring, led to the
11 Receiver changing course to take a more active role on April 27, 2017. On that date, the
12 Receiver seized the Property and ejected all the vagrants onsite, re-secured the Property, and
13 installed security.

14 From May 15-17, Respondent’s foreman was allowed access, under receivership
15 supervision, in order to remove trash and construction debris in advance of a supposed buyer
16 inspection on May 18, which ultimately never occurred. On June 13, the Receiver’s office
17 received reports from security that the portable toilet installed on the Property for their use had
18 inexplicably gone missing, with no trace of tampering with the fence, gate, or locks installed on
19 the Property. Even stranger, based on onsite security’s schedule, the theft had to have occurred
20 in broad daylight. After investigating the matter with the rental company, neighbors, and onsite
21 security, the Receiver’s staff was unable to determine who took the item and when, what their
22 motives might be, or what methods were used to transport the thing over a cinderblock wall
23 without any evidence of spillage.

24 If nothing else, this episode illustrates the cost of the inevitable problems caused by
25 allowing a property at such a location to sit vacant for an extended period of time, even with
26 nighttime security. Otherwise, with notable exception of the theft of the portable commode,
27 there has been relatively little activity on the Property, and due to the receivership’s security
28

1 measures there has been no further occurrence of transient activity. The Property has sat
2 secured, and ready for the next step in this process.

3
4 **RECOMMENDATION**

5 Having reviewed all possible options, the Receiver has determined that the best, and
6 perhaps only, way forward is an as-is sale to a buyer who will bring the Property back up to code
7 in a manner appropriate with its intended usage. A Receiver-directed rehabilitation would be
8 infeasible – the contractor sent to inspect the Property was unable to develop a relevant scope of
9 work by virtue of the difficulty of designing a rehabilitation plan without knowing the purpose
10 for which such a unique Property would be used. There are a variety of options as to the way to
11 correct the violations and put the Property back to use, but to choose one without the end-user in
12 place is likely to mean a lot of unnecessary and only temporary work.

13 Already, the history of this Property has seen it used as a firehouse and a restaurant – two
14 very different purposes with consequently different construction needs and requirements. It
15 would be a poor use of Receivership resources, and therefore a poor encumbrance of the
16 Property’s value, to embark on a rehabilitation plan for one purpose that would limit resale
17 prospects to a narrow section of the potential market. However, because Respondent (or his
18 caretaker) has shown an abject inability to comply or to preserve a vacant Property, then
19 possession cannot be returned to them while the course is set. And as Respondent is not seeking
20 to own it for much longer, rehabilitating it for Respondent’s use would be a perhaps even poorer
21 expenditure of time and resources. It is for these reasons that the Receiver recommends an as-is
22 sale.

23 In pursuit of this endeavor, the Receiver listed the property for sale on the open market
24 with Allied Commercial Real Estate on July 10, 2017 (see Exhibit 1). There is no offer to
25 recommend at this juncture, but the Receiver will apprise the Court of any developments in that
26 regard should they arise. Respondent has a listing agent already as well, and is apparently
27 seeking to arrange his own sale. Obviously that would require this Court’s approval, but if a
28

1 legitimate and fair offer is presented by Respondent's agent, then that offer will be submitted to
2 this Court. To date, the Receiver has been cooperating with the agent and trying to enable any
3 offers that they might attract.

4 There is, however, an issue with the lot lines for the subject Property and its adjoining
5 parking lot which may complicate the sale process. The parking lot area of the Property is in fact
6 a separate parcel with a unique Assessor's Parcel Number and address from that of the structure
7 itself: the parking lot is 130 E Alvarado St, APN 8336-006-022, while the building sits on 100 E
8 Alvarado St, APN 8336-006-019. An extensive title search yielded a rather odd result – the Quit
9 Claim Deed which transferred the subject Property's title to Respondent Old Firehouse of
10 Pomona LLC, recorded October 3, 2008, contained a legal description which included both APN
11 8336-006-022 and APN 8336-006-019 (see Exhibit 2). Four years later, on September 5, 2012, a
12 Grant Deed was recorded which transferred title of APN 8336-006-022 (the parking lot) from
13 John Kil Ung Chon and Yon Cha Shim Chon, Joint Tenants, to Linda Kyungrae Lee (see Exhibit
14 3). There is no obvious evidence that either buyer or seller were affiliated with Respondent, and
15 yet this transaction closed and title was presumably insured; furthermore, at no time has
16 Respondent behaved in a manner which might indicate that the parking lot is not a part of the
17 subject Property.

18 However, the lot itself has been a part of the Property since before the appointment, and
19 both lots have been fenced and treated as the same property by the Respondents and now the
20 Receiver. In effect, all parties are acting as if the lot were part of the receivership, and so this
21 creates a situation in which, in both appearance and any conceivable usage, the parking lot parcel
22 and the structure parcel are functionally one lot. Indeed, the Receiver's selling agent is quite
23 adamant that in order for the Property to sell, the parking lot must be included in the sale – and
24 yet through the abovementioned 2012 title transfer, the parking lot is owned by a likely-unrelated
25 individual. The Receiver has asked the City Attorney's office to add Ms. Lee as party to the case
26 in an effort to remedy this complication, and to hopefully reach an equitable result which will
27 allow for the parking lot's inclusion in the sale of the subject Property. Receiver requests that
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Ms. Lee appear at the status conference (this Report will be served on her), at which she can explain these issues, or at least to contact me at my office.

The Receiver will continue to market the Property until an acceptable offer is received (from either the Respondents' listing agent, or the chosen listing agent). The offer will then be presented to this Court for approval and confirmation under Code of Civil Procedure §568.5. Once the sale closes, the Receiver will monitor the new owner until the Property is brought back into compliance with the health and safety requirements of the City of Pomona, or at the very least well on its way.

The Receiver requests another status conference in 90 days to report to the Court on an acceptable offer, if any, or will apply on an *ex parte* basis for approval of such an offer.

Dated: August 3, 2017



Andrew Adams
California Receivership Group, PBC

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Exhibit 1



CALIFORNIA
ASSOCIATION
OF REALTORS™

COMMERCIAL AND RESIDENTIAL INCOME
LISTING AGREEMENT
(C.A.R. Form CLA, Revised 6/17)

Date Prepared: July 6, 2017

1. EXCLUSIVE AUTHORIZATION: Mark Adams, Receiver ("Owner")
herely employs and grants Allied Commercial Real Estate ("Broker")
beginning (date) July 10, 2017 and ending at 11:59 P.M. on (date) June 30, 2018 ("Listing Period")
the exclusive and irrevocable right to: SELL, LEASE, EXCHANGE, OPTION, or OTHER
the real property in the City of Pomona, County of Los Angeles,
California, Assessor's Parcel No.: 8336-006-019 & 022, described as: 100 and 130 E. Alvarado St.
("Property").

2. ITEMS EXCLUDED AND INCLUDED: Unless otherwise specified in an agreement between Owner and transferee, all fixtures and fittings that are attached to the Property are included, and personal property items are excluded from the price.

ADDITIONAL ITEMS EXCLUDED: _____

ADDITIONAL ITEMS INCLUDED: _____

Owner intends that the above items be excluded or included in listing the Property, but understands that: (i) the Agreement between owner and transferee supersedes any intention expressed above and will ultimately determine which items are excluded and included in the transaction; and (ii) Broker is not responsible for and does not guarantee that the above exclusions and/or inclusions will be in the Agreement between Owner and transferee.

3. LISTING PRICE AND TERMS:

A. The listing price shall be Six Hundred Thousand Dollars (\$ 600,000.00).

B. Additional Terms: Sale subject to Court approval, Receivership sale.

4. COMPENSATION TO BROKER:

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

A. Owner agrees to pay to Broker as compensation for services irrespective of agency relationship(s): 6.000 percent of the listing price (or if an agreement is entered into, of the contract price), \$ _____, OR in accordance with Broker's attached schedule of compensation; as follows:

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

(2) If within 180 calendar days after the end of the Listing Period or any extension, Owner enters into a contract to sell, lease, exchange, option, convey or otherwise transfer the Property to anyone ("Prospective Transferee") or that person's related entity: (i) who physically entered and was shown the Property during the Listing Period, or any extension by Broker or a cooperating broker; or (ii) for whom Broker or any cooperating broker submitted to Owner a signed, written offer to acquire, lease, exchange or obtain an option on the Property. Owner, however, shall have no obligation to Broker under this paragraph 4A(2) unless, not later than the end of the Listing Period or any extension or cancellation, Broker has given Owner a written notice of the names of such Prospective Transferees.

(3) If, without Broker's prior written consent, the Property is withdrawn from sale, lease, exchange, option or other, as specified in paragraph 1, or is sold, conveyed, leased, rented, exchanged, optioned or otherwise transferred, or made unmarketable by a voluntary act of Owner during the Listing Period, or any extension thereof.

B. If completion of the transaction is prevented by a party to the transaction other than Owner, then compensation due under paragraph 4A shall be payable only if and when Owner collects damages by suit, arbitration, settlement, or otherwise, and then in an amount equal to the lesser of one-half of the damages recovered or the above compensation, after first deducting title and escrow expenses and the expenses of collection, if any.

C. In addition, Owner agrees to pay Broker: na

D. (1) Broker is authorized to cooperate and compensate brokers participating through the multiple listing service(s) ("MLS"): (i) by offering MLS brokers either: 2.500 percent of the purchase price, or \$ _____; OR (ii) (if checked) as per Broker's policy.

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

E. Owner hereby irrevocably assigns to Broker the above compensation from Owner's funds and proceeds in escrow. Broker may submit this Listing Agreement, as instructions to compensate Broker pursuant to paragraph 4A, to any escrow regarding the Property involving Owner and a buyer, transferee or Prospective Transferee.

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

(2) Owner warrants that Owner has no obligation to pay compensation to any other broker regarding the Property unless the Property is transferred to any of the following Prospective Transferees: _____

(3) If the Property is transferred to anyone listed above during the time Owner is obligated to compensate another broker: (i) Broker is not entitled to compensation under this Listing Agreement; and (ii) Broker is not obligated to represent Owner in such transaction.

Owner's Initials (MA) (_____)



Property Address: 100 and 130 E. Alvarado St., Pomona,

Date: July 6, 2017

5. MULTIPLE LISTING SERVICE:

A. Broker is a participant/subscriber to CRMLS, AIR, CoStar, Loopnet Multiple Listing Service (MLS) and possibly others. Unless otherwise instructed in writing the Property will be listed with the MLS(s) specified above. That MLS is (or if checked is not) the primary MLS for the geographic area of the Property. All terms of the transaction, including sales price and financing, if applicable, (i) will be provided to the MLS in which the property is listed for publication, dissemination and use by persons and entities on terms approved by the MLS and (ii) may be provided to the MLS even if the Property is not listed with the MLS.

BENEFITS OF USING THE MLS; IMPACT OF OPTING OUT OF THE MLS; PRESENTING ALL OFFERS

WHAT IS AN MLS? The MLS is a database of properties for sale that is available and disseminated to and accessible by all other real estate agents who are participants or subscribers to the MLS. Property information submitted to the MLS describes the price, terms and conditions under which the Seller's property is offered for sale (including but not limited to the listing broker's offer of compensation to other brokers). It is likely that a significant number of real estate practitioners in any given area are participants or subscribers to the MLS. The MLS may also be part of a reciprocal agreement to which other multiple listing services belong. Real estate agents belonging to other multiple listing services that have reciprocal agreements with the MLS also have access to the information submitted to the MLS. The MLS may further transmit the MLS database to Internet sites that post property listings online.

EXPOSURE TO BUYERS THROUGH MLS: Listing property with an MLS exposes a seller's property to all real estate agents and brokers (and their potential buyer clients) who are participants or subscribers to the MLS or a reciprocating MLS.

CLOSED/PRIVATE LISTING CLUBS OR GROUPS: Closed or private listing clubs or groups are not the same as the MLS. The MLS referred to above is accessible to all eligible real estate licensees and provides broad exposure for a listed property. Private or closed listing clubs or groups of licensees may have been formed outside the MLS. Private or closed listing clubs or groups are accessible to a more limited number of licensees and generally offer less exposure for listed property. Whether listing property through a closed, private network - and excluding it from the MLS - is advantageous or disadvantageous to a seller, and why, should be discussed with the agent taking the Seller's listing.

NOT LISTING PROPERTY IN A LOCAL MLS: If the Property is listed in an MLS which does not cover the geographic area where the Property is located then real estate agents and brokers working that territory, and Buyers they represent looking for property in the neighborhood, may not be aware the Property is for sale.

OPTING OUT OF MLS: If Seller elects to exclude the Property from the MLS, Seller understands and acknowledges that: (a) real estate agents and brokers from other real estate offices, and their buyer clients, who have access to that MLS may not be aware that Seller's Property is offered for sale; (b) Information about Seller's Property will not be transmitted to various real estate Internet sites that are used by the public to search for property listings; (c) real estate agents, brokers and members of the public may be unaware of the terms and conditions under which Seller is marketing the Property.

REDUCTION IN EXPOSURE: Any reduction in exposure of the Property may lower the number of offers and negatively impact the sales price.

PRESENTING ALL OFFERS: Seller understands that Broker must present all offers received for Seller's Property unless Seller gives Broker written instructions to the contrary.

Owner's Initials MA / _____

Broker's/Agent's Initials _____ / _____

B. MLS rules generally provide that residential real property and vacant lot listings be submitted to the MLS within 2 days or some other period of time after all necessary signatures have been obtained on the listing agreement. Broker will not have to submit this listing to the MLS if, within that time, Broker submits to the MLS a form signed by Seller (C.A.R. Form SELM or the local equivalent form).

C. MLS rules allow MLS data to be made available by the MLS to additional Internet sites unless Broker gives the MLS instructions to the contrary. Seller acknowledges that for any of the below opt-out instructions to be effective, Seller must make them on a separate instruction to Broker signed by Seller (C.A.R. Form SELI or the local equivalent form). Specific information that can be excluded from the Internet as permitted by (or in accordance with) the MLS is as follows:

- (1) **Property Availability:** Seller can instruct Broker to have the MLS not display the Property on the Internet.
- (2) **Property Address:** Seller can instruct Broker to have the MLS not display the Property address on the Internet. Seller understands that the above opt-outs would mean consumers searching for listings on the Internet may not see the Property or Property's address in response to their search.
- (3) **Feature Opt-Outs:** Seller can instruct Broker to advise the MLS that Seller does not want visitors to MLS Participant or Subscriber Websites or Electronic Displays that display the Property listing to have the features below. Seller understands (i) that these opt-outs apply only to Websites or Electronic Displays of MLS Participants and Subscribers who are real estate broker and agent members of the MLS; (ii) that other Internet sites may or may not have the features set forth herein; and (iii) that neither Broker nor the MLS may have the ability to control or block such features on other Internet sites.
 - (a) **Comment And Reviews:** The ability to write comments or reviews about the Property on those sites; or the ability to link to another site containing such comments or reviews if the link is in immediate conjunction with the Property.
 - (b) **Automated Estimate Of Value:** The ability to link to another site containing such automated estimate of value if the link is in immediate conjunction with the Property.

Owner's Initials (MA) ()



Property Address: 100 and 130 E. Alvarado St., Pomona,

Date: July 6, 2017

- 6. **OWNER REPRESENTATIONS:** Owner represents that, unless otherwise specified in writing, Owner is unaware of: (i) any Notice of Default recorded against the Property; (ii) any delinquent amounts due under any loan secured by, or other obligation affecting, the Property; (iii) any bankruptcy, insolvency or similar proceeding affecting the Property; (iv) any litigation, arbitration, administrative action, government investigation, or other pending or threatened action that affects or may affect the Property or Owner's ability to transfer it; and (v) any current, pending or proposed special assessments affecting the Property. Owner shall promptly notify Broker in writing if Owner becomes aware of any of these items during the Listing Period or any extension thereof.
- 7. **BROKER'S AND OWNER'S DUTIES:** Broker agrees to exercise reasonable effort and due diligence to achieve the purposes of this Listing Agreement. Unless Owner gives Broker written instructions to the contrary, Broker is authorized to order reports and disclosures as appropriate or necessary, and advertise and market the Property in any method and medium, including the Internet, selected by Broker, and, to the extent permitted by these media, including MLS, control the dissemination of the information submitted to any medium. Owner agrees to consider offers presented by Broker, and to act in good faith toward accomplishing the transfer of the Property by, among other things, making the Property available for showing at reasonable times and referring to Broker all inquiries of any party interested in the Property. Owner agrees to provide Broker and transferee(s) all written disclosures, as required by law. Owner further agrees to immediately disclose in writing any condition known to Owner that affects the Property, including, but not limited to, any past or current generation, storage, release, threatened release, disposal, and presence and location of asbestos, PCB transformers, petroleum products, flammable explosives, underground storage tanks and other hazardous, toxic or contaminated substances or conditions in, on, or about the Property. Owner shall maintain public liability and property damage insurance on the Property during the Listing Period or any extension. Owner waives all subrogation rights under any insurance against Broker, cooperating brokers or employees. Owner is responsible for determining at what price to list and transfer the Property. Owner further agrees to indemnify, defend and hold Broker harmless from all claims, disputes, litigation, judgments and attorney's fees arising from any incorrect information supplied by Owner, or from any material facts that Owner knows but fails to disclose including dangerous or hidden conditions on the Property. (If checked) The attached property disclosure is part of this Listing Agreement and may be provided to Prospective Transferees.
- 8. **DEPOSIT:** Broker is authorized to accept and hold on Owner's behalf any deposits to be applied toward the contract price.
- 9. **AGENCY RELATIONSHIPS:**
 - A. **Disclosure:** Owner acknowledges receipt of (C.A.R. Form AD) "Disclosure Regarding Real Estate Agency Relationship" form which is required to be provided to Owner prior to entering into this Listing Agreement.
 - B. **Owner Representation:** Broker shall represent Owner in any resulting transaction, except as specified in paragraph 4F.
 - C. **Possible Dual Agency With Buyer:** Depending upon the circumstances, it may be necessary or appropriate for Broker to act as an agent for both Owner and buyer, exchange party, or one or more additional parties ("Buyer"). Broker shall, as soon as practicable, disclose to Owner any election to act as a dual agent representing both Owner and Buyer. If a Buyer is procured directly by Broker or an associate licensee in Broker's firm, Owner hereby consents to Broker acting as a dual agent for Owner and such Buyer. In the event of an exchange, Owner hereby consents to Broker collecting compensation from additional parties for services rendered, provided there is disclosure to all parties of such agency and compensation. Owner understands and agrees that: (i) Broker, without the prior written consent of Owner, will not disclose to Buyer that Owner is willing to transfer the Property at a price less than the listing price; (ii) Broker, without the prior written consent of Buyer, will not disclose to Owner that Buyer is willing to pay a price greater than the offered price; and (iii) except for (i) and (ii) above, a dual agent is obligated to disclose known facts materially affecting the value or desirability of the Property to both parties.
 - D. **Other Owners:** Owner understands that Broker may have or obtain listings on other properties, and that potential buyers may consider, make offers on, or acquire through Broker, property the same as or similar to Owner's Property. Owner consents to Broker's representation of owners and buyers of other properties before, during, and after the end of this Listing Agreement.
 - E. **Confirmation:** Broker shall confirm the agency relationship described above, or as modified, in writing, prior to or concurrent with Owner's execution of an agreement to sell.
- 10. **SECURITY AND INSURANCE:** Broker is not responsible for loss of or damage to personal or real property or person, whether attributable to use of a key safe/lockbox, a showing of the Property, or otherwise. Third parties, including but not limited to, appraisers, inspectors, brokers and prospective buyers, may have access to, and take videos and photographs of the interior of the Property. Owner agrees: (i) to take reasonable precautions to safeguard and protect valuables that might be accessible during showings of the Property; and (ii) to obtain insurance to protect against these risks. Broker does not maintain insurance to protect Owner.
- 11. **KEYSAFE/LOCKBOX:** A key safe/lockbox is designed to hold a key to the Property to permit access to the Property by Broker, cooperating brokers, MLS participants, their authorized licensees and representatives, authorized inspectors and accompanying prospective buyers. Broker, cooperating brokers, MLS and Associations/Boards of REALTORS® are not insurers against injury, theft, loss, vandalism, or damage attributed to the use of a key safe/lockbox. Owner does (or if checked does not) authorize Broker to install a key safe/lockbox. If Owner does not occupy the Property, Owner shall be responsible for obtaining occupant(s)' written permission for use of a key safe/lockbox.
- 12. **SIGN:** Owner authorizes Broker to install a FOR SALE/SOLD/LEASE sign on the Property unless otherwise indicated in writing.
- 13. **EQUAL HOUSING OPPORTUNITY:** The Property is offered in compliance with federal, state, and local anti-discrimination laws.
- 14. **ATTORNEY'S FEES:** In any action, proceeding, or arbitration between Owner and Broker regarding the obligation to pay compensation under this Listing Agreement, the prevailing Owner or Broker shall be entitled to reasonable attorney's fees and costs, except as provided in paragraph 18A.
- 15. **ADDITIONAL TERMS:** REOL SSIA _____

Owner's Initials (MA) (_____)



Property Address. 100 and 130 E. Alvarado St., Pomona,

Date: July 6, 2017

16. **MANAGEMENT APPROVAL:** If an associate-licensee in Broker's office (salesperson or broker-associate) enters into this Listing Agreement on Broker's behalf, and Broker or Manager does not approve of its terms, Broker or Manager has the right to cancel this Listing Agreement, in writing, within 5 days after its execution.
17. **SUCCESSORS AND ASSIGNS:** This Listing Agreement shall be binding upon Owner and Owner's successors and assigns.
18. **DISPUTE RESOLUTION:**
- A. **MEDIATION:** Owner and Broker agree to mediate any dispute or claim arising between them regarding the obligation to pay compensation under this Agreement, before resorting to arbitration or court action. Mediation fees, if any, shall be divided equally among the parties involved. If, for any dispute or claim to which this paragraph applies, any party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. **Exclusions from this mediation agreement are specified in paragraph 18B.**
 - B. **ADDITIONAL MEDIATION TERMS:** The following matters shall be excluded from mediation: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; (iii) the filing or enforcement of a mechanic's lien; and (iv) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver or violation of the mediation provisions.
 - C. **ADVISORY:** If Owner and Broker desire to resolve disputes arising between them through arbitration rather than court, they can document their agreement by attaching and signing an Arbitration Agreement (C.A.R. Form ARB)
19. **ENTIRE CONTRACT:** All prior discussions, negotiations, and agreements between the parties concerning the subject matter of this Listing Agreement are superseded by this Listing Agreement, which constitutes the entire contract and a complete and exclusive expression of their agreement, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. This Listing Agreement and any supplement, addendum, or modification, including any photocopy or facsimile, may be executed in counterparts.
20. **OWNERSHIP, TITLE AND AUTHORITY:** Owner warrants that: (i) Owner is the owner of the Property; (ii) no other persons or entities have title to the Property, and (iii) Owner has the authority to both execute this Listing Agreement and transfer the Property. Exceptions to ownership, title and authority are as follows: Receivership for health and safety violations.

By signing below, Owner acknowledges that Owner has read, understands, received a copy of and agrees to the terms of this Listing Agreement and any attached schedule of compensation.

Date 07/11/2017 at _____
 Owner Mark Adams, Receiver
 By [Signature] Title President
 Address 2716 Ocean Park Blvd. Suite 3010 City Santa Monica State CA Zip 90405
 Telephone 310-471-8181 Fax _____ E-mail madams@calreceivers.com

Date _____ at _____
 Owner _____
 By _____ Title _____
 Address _____ City _____ State _____ Zip _____
 Telephone _____ Fax _____ E-mail _____

Date _____ at _____
 Owner _____
 By _____ Title _____
 Address _____ City _____ State _____ Zip _____
 Telephone _____ Fax _____ E-mail _____

Date _____ at _____
 Owner _____
 By _____ Title _____
 Address _____ City _____ State _____ Zip _____
 Telephone _____ Fax _____ E-mail _____

Real Estate Broker (Firm) Allied Commercial Real Estate CalBRE Lic. # 01519318
 By (Agent) Danny Holznecht CalBRE Lic. # 00635371 Date 07/06/2017
 Address 3100 E. Cedar St., Suite 7 City Ontario State CA Zip 91761
 Telephone (909)437-2107 Fax (909)786-4301 E-mail danny@alliedcre.com

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 525 South Virgil Avenue, Los Angeles, California 90020

Reviewed by _____ Date _____



CLA REVISED 6/17 (PAGE 4 OF 4)
COMMERCIAL AND RESIDENTIAL INCOME LISTING AGREEMENT (CLA PAGE 4 OF 4)

Exhibit 2

This page is part of your document - DO NOT DISCARD



20081779359

Pages 0004



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

Fees	\$18 00
Taxes	\$0 00
Other	\$0 00
Paid	\$18 00

10/03/08 AT 09.46AM

0002347763

200810030610015

Counter

TITLE(S) : DEED



LEAD SHEET

Assessor's Identification Number (AIN)

To be completed by Examiner OR Title Company in black ink.

Number of AIN's Shown

--	--	--	--	--	--	--	--	--	--	--	--

--	--	--	--

EX-1161

THIS FORM IS NOT TO BE DUPLICATED

RECORDING REQUESTED BY:
OLD FIREHOUSE OF POMONA, LLC

AND WHEN RECORDED MAIL THIS DEED AND, UNLESS:
OTHERWISE SHOWN BELOW, MAIL TAX STATEMENTS TO
OLD FIREHOUSE OF POMONA, LLC
5985 WEST WASHINGTON BLVD.
CULVER CITY, CA 90232



Order No.:
Escrow No:

A.P.N.:8338-008-019

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE

QUITCLAIM DEED

This Document Provided by Commonwealth Land Title Company
THE UNDERSIGNED GRANTOR(S) DECLARE(S) This conveyance changes the manner, in which title is held.

DOCUMENTARY TRANSFER TAX IS \$ NONE CITY TAX \$ NONE *** R&T 11911
[] COMPUTED ON FULL VALUE OF PROPERTY CONVEYED, OR
[] computed on full value less value of liens or encumbrances remaining at time of sale.
[] unincorporated area [] city of AND

FOR A VALUABLE CONSIDERATION receipt of which is hereby acknowledged, SAID FOROUZANRAD , a MARRIED MAN AS HIS SOLE AND SEPARATE PROPERTY hereby remises, releases and forever quitclaims to OLD FIREHOUSE OF POMONA, LLC, a California limited liability company all of his right, title and interest in the following described real property in the City of Pomona, County of Los Angeles, State of California:

SEE EXHIBIT "A", WHICH IS ATTACHED HERETO AND MADE A PART HEREOF.

Dated: September ^{19th}, 2008

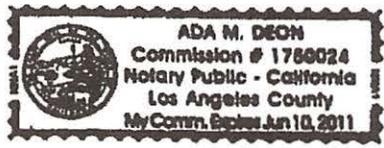
Said Forouzanrad
SAID FOROUZANRAD

STATE OF CALIFORNIA
COUNTY OF Los Angeles) SS.

On September 19, 2008 before me, ADA M. DEON, a notary public, personally appeared SAID FOROUZANRAD personally known to me (or proved to me on the basis of satisfactory evidence) to the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.
Ada M. Deon



3

State of California }
County of Los Angeles }

On September 19, 2008 before me, Ada M. Dean Notary Public personally
(Insert Name of Notary Public and Title)
appeared SAILI FOROUZANRAD

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

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

WITNESS my hand and official seal.

Signature Ada M. Dean (Seal)



4

EXHIBIT "A"

PARCEL 1

THAT PORTION OF LOTS 6 7 AND 8 OF TRACT 985, IN THE CITY OF POMONA COUNTY OF LOS ANGELES, STATES OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 18 PAGE 135 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY

BEGINNING AT THE INTERSECTION OF THE CITY ENGINEER'S CENTER LINE OF GAREY AVENUE, 70 FEET WIDE, AS SAID AVENUE IS SHOWN ON SAID MAP, WITH THE CITY ENGINEER'S CENTER LINE OF KINGSLEY AVENUE, 70 FEET WIDE, SHOWN AS AN UNNAMED STREET ON THE MAPS OF BIXBY BISHOPS SUBDIVISION, RECORDED IN BOOK 14 PAGE 51 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, THENCE NORTHERLY ALONG SAID CENTER LINE OF GAREY AVENUE, 297 18 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE EASTERLY AND HAVING A RADIUS OF 500 FEET, SAID CURVE ALSO BEING TANGENT AT ITS NORTHERLY TERMINUS WITH THE CITY ENGINEER'S CENTER LINE OF GAREY AVENUE, 70 FEET WIDE, AS SAID AVENUE IS SHOWN ON THE MAP OF THE CAS A GRANDE TRACT, RECORDED IN BOOK 15 PAGE 104 OF MAPS, RECORDS OFFICE OF SAID COUNTY, THENCE EASTERLY AT RIGHT ANGLES TO SAID FIRST MENTIONED CENTER LINE OF GAREY AVENUE, 45 FEET TO A POINT, BEING IN A CURVE CONCAVE EASTERLY HAVING A RADIUS OF 455.00 FEET, AND BEING CONCENTRIC WITH SAID CURVE HAVING A RADIUS OF 500.00 FEET SAID POINT ALSO BEING THE TRUE POINT OF BEGINNING, THENCE NORTHERLY ALONG SAID CURVE TO THE BEGINNING OF A COMPOUND CURVE CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 15.00 FEET AND BEING TANGENT AT ITS EASTERLY TERMINUS TO A LINE THAT IS PARALLEL WITH AND DISTANT SOUTHERLY 10.00 FEET, MEASURED AT RIGHT ANGLES, FROM THE NORTHERLY LINE OF SAID LOT 8: THENCE NORTHERLY AND EASTERLY ALONG SAID CURVE TO SAID PARALLEL LINE, THENCE EASTERLY ALONG SAID PARALLEL LINE TO THE EASTERLY LINE OF SAID LOT 8, THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID LOTS TO THE SOUTHEAST CORNER OF SAID LOT 6, THENCE WESTERLY ALONG THE SOUTHERLY LINE OF SAID LOT 6 TO A LINE PARALLEL WITH SAID FIRST MENTIONED CENTER LINE OF GAREY AVENUE, AND WHICH PASSES THROUGH THE POINT OF BEGINNING, THENCE NORTHERLY ALONG SAID PARALLEL LINE TO THE TRUE POINT OF BEGINNING

PARCEL 2:

LOT 9 OF TRACT 985, IN THE CITY OF POMONA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 18 PAGE 135 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE SOUTHERLY 21.46 FEET OF SAID LAND.

A P.N. 8336-006-019

Exhibit 3

This page is part of your document - DO NOT DISCARD



20121330149



Pages:
0002

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

09/05/12 AT 04:31PM

FEES:	19.00
TAXES:	0.00
OTHER:	0.00
PAID:	19.00



LEADSHEET



201209050080136

00006387823



004256394

SEQ:
01

DAR - Counter (Upfront Scan)



THIS FORM IS NOT TO BE DUPLICATED

Recording Requested By:
John Kil Ung Chon and Yon Cha Shim Chon

When recorded mail document
and Tax Statements to:
Linda Kyungrae Lee
1826 Calle Madrid
Rowland Heights, CA 91748

GRANT DEED

Assessor's Parcel No. **8336-006-022**

SPACE ABOVE THIS LINE FOR RECORDER'S USE

THE UNDERSIGNED GRANTOR(S) DECLARE(S)

DOCUMENTARY TRANSFER TAX IS COUNTY \$ 0 CITY \$ 0

- computed on the full value of the property conveyed; OR IS
- computed on the full value less value of liens or encumbrances remaining at the time of sale
- Unincorporated Area City of Pomona

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

John Kil Ung Chon and Yon Cha Shim Chon, Husband and Wife as Joint Tenants
hereby GRANT(S) to:

Linda Kyungrae Lee, a married woman as her sole and separate property

the following real property located in the City of Pomona
County of Los Angeles, State of California, and more particularly described as follows:

Lot 9 of Tract 985, in the City of Pomona, County of Los Angeles, State of California, as per Map recorded
in Book 18 Page 135 of Maps, in the office of the County Recorder of said County.

EXCEPT therefrom the Southerly 21.46 feet of said land.

Property Commonly Known As: 130 E. Alvarado Street, Pomona, CA 91767

"This is a bonafide gift and the grantor received nothing in return, R & T 11911."

Dated: September 5, 2012

John Kil Ung Chon

Yon Cha Shim Chon

STATE OF CALIFORNIA }SS.
COUNTY OF LOS ANGELES

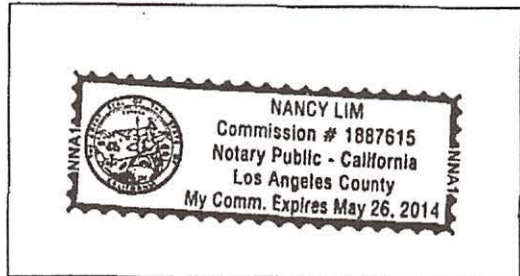


On September 5, 2012 Before me, Nancy Lim, Notary Public,
personally appeared JOHN KIL UNG CHON AND YON CHA SHIM CHON
who proved to me on the basis of satisfactory evidence to be the person(s) whose
name(s) is/are subscribed to the within instrument and acknowledged to me
that he/she/they executed the same in his/her/their authorized capacity(ies),
and that by his/her/their signature(s) on the instrument the person(s), or the
entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal

NOTARY SEAL OR STAMP BELOW



PROOF OF SERVICE

F.R.C.P. 5 / C.C.P. 1013a (3)/ Rules of Court, Rule 2060

I am a resident of, or employed in the County of Los Angeles, State of California. I am over the age of 18 years old and not a party to the within action. My business address is 2716 Ocean Park Blvd., Suite 3010, Santa Monica, California 90405.

On **August 4, 2017** I served the following listed document(s), by method indicated below, on the parties in this action: **Fourth Report of Receiver**

*****SEE ATTACHED SERVICE LIST*****

BY U.S. MAIL

By placing the original / a true copy thereof enclosed in a sealed envelope(s), with postage prepaid, addressed as per the attached service list, for collection and mailings at Santa Monica, California following ordinary business practices. I am readily familiar with the firm's practice for collection and processing of the document for mailing. Under that practice, the document is deposited with the United States Postal Service on the same day in the ordinary course of business. I am aware that upon motion of any party served, service is presumed invalid if the postal cancellation date or postage meter date on the envelope is more than one day after date of deposit for mailing contained in this affidavit.

**BY ELECTONIC SERVICE
(via electronic filing service provider)**

By electronically transmitting the document(s) listed above to LexisNexis File and Serve, an electronic filing service provider, at www.fileandserve.lexisnexis.com pursuant to the Court's _____ Order mandating electronic service. See Cal.R.Ct.R. 2053, 2055, 2060. The transmission was reported as complete and without error.

BY OVERNIGHT DELIVERY

By delivering the document(s) listed above in a sealed envelope(s) or package(s) designated by the express service carrier, with delivery fees paid or provided for, addressed as per the attached service list, to a facility regularly maintained by the express service carrier or to an authorized courier or driver authorized by the express service carrier to received documents.

**BY ELECTRONIC SERVICE
(to individual person)**

By electronically transmitting the document(s) listed above to the email address(es) of the person(s) set forth on the attached service list. The transmission was reported as complete and without error. See Rules of Court, rule 2060.

BY PERSONAL SERVICE

By personally delivering the document(s) listed above to the offices at the addressee(s) as shown on the attached service list.

By placing the document(s) listed above in a sealed envelope(s) and instructing a registered process server to personally deliver the envelope(s) to the offices at the address(es) set forth on the attached service list. The signed proof of service by the registered process server is attached.

BY FACSIMILE

By transmitting the document(s) listed above from Mark Adams, Esq., facsimile (310) 471-8181 to the facsimile machine telephone number(s) set forth on the attached service list. Service by facsimile transmission was made pursuant to agreement of the parties, confirmed in writing.

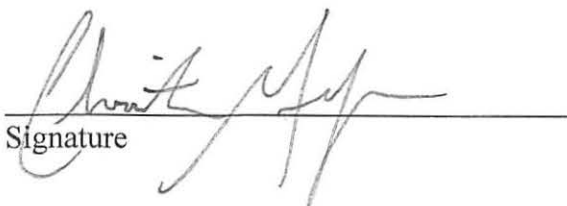
STATE

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

FEDERAL

I declare under penalty of perjury under the laws of the United States that I am employed in the office of a member of the bar of this court at whose direction the service is made.

Christmas Myers
Type or Print Name


Signature

1
2
3
4 **SERVICE LIST**

5 *City of Pomona v. Old Firehouse of Pomona, LLC, et al.; Case No. KS020348*

6
7
8
9 **Counsel for Petitioner, City of Pomona**

Richard Lam, Esq.
ALVAREZ-GLASMAN & COLVIN
13181 Crossroads Parkway North, Suite 400
City of Industry, CA 91746
Tel: (562) 699-5500
Fax: (562) 692-2244
rlam@agclawfirm.com
lslaughter@agclawfirm.com

10 **Counsel for Respondents**

11 Thomas P. Aplin, Esq.
LAW OFFICES OF THOMAS P. APLIN
12 28202 Cabot Road, Suite 300
Laguna Niguel, CA 92677
13 Tel: (949) 365-5633
14 Fax: (949) 365-5634
aplinlaw@aol.com

Exhibit 3

1 MARK S. ADAMS, SBN 68300
2 ANDREW F. ADAMS, SBN 275109
3 California Receivership Group, PBC
4 2716 Ocean Park Blvd., Suite 3010
5 Santa Monica, CA 90405
6 Tel. (310) 471-8181
7 Fax (310) 471-8180
8 madams@calreceivers.com
9 Court-Appointed Receiver

CONFORMED COPY
ORIGINAL FILED
Superior Court of California
County of Los Angeles

SEP 21 2017

Sherril R. Carter Executive Officer/Clerk
By G. Berni, Deputy

6 SUPERIOR COURT OF THE STATE OF CALIFORNIA
7 FOR THE COUNTY OF LOS ANGELES, EAST JUDICIAL DISTRICT

9 CITY OF POMONA

10 Petitioner,

11 vs.

12 OLD FIREHOUSE OF POMONA, LLC,
13 DANIEL RAFALIAN, an individual, and
14 DOES 1 through 25, inclusive,

15 Respondent.

Case No. KS020348

**EX PARTE APPLICATION FOR
ORDER CONFIRMING SALE OF
RECEIVERSHIP PROPERTY;
MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT
THEREOF; FIFTH REPORT OF
RECEIVER AND DECLARATION OF
ANDREW ADAMS; DECLARATION
OF CHRISTMAS MYERS RE:
NOTICE; (PROPOSED) ORDER**

Date: September 21, 2017
Time: 9:00 a.m.
Dept.: J

16
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20 NOTICE IS HEREBY GIVEN that on September 21, 2017 at 9:00 a.m. or as soon
21 thereafter as the Court may be able to hear the matter, Mark Adams, the court-appointed
22 Receiver for 100 East Alvarado Street, Pomona, CA 91767 ("Property") in the above captioned
23 matter will be appearing in Department J of the Pomona Courthouse located at 400 Civic Center
24 Drive, Pomona, California 91766 to seek an order confirming the sale of the Property, and
25 stripping the potential liens from the Property to the sale proceeds, so that the sale can be
26 completed and the Property can be put back into productive use.

27 This request for sale confirmation is brought via *ex parte* application because of the
28 pending potential tax sale, and to take advantage of the best offer received in listing the Property.

1 This *ex parte* procedure for seeking confirmation was discussed at the status conference on
2 September 14, 2017, and the Court invited this Application. The sale price was obtained after
3 substantial work by all parties, thus, it is in all parties' interest to take advantage of the offer and
4 ensure that the sale gets closed. Title insurance will not be issued and the sale will not close
5 without this Court's Order. So, to take advantage of the favorable offer received, it is requested
6 that this Court confirm the sale, and that it do so based upon this Application. This *ex parte*
7 application is based on the attached Memorandum of Points and Authorities, the Fifth Report of
8 Receiver and Declaration of Andrew Adams, reports or records filed in this proceeding, and such
9 other oral and documentary evidence and argument as may be presented to the Court at the time
10 of the hearing.

11
12
13 Date: September 20, 2017

14 
15 _____
16 Mark Adams, Court-Appointed Receiver

17 ///
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28 ///

MEMORANDUM OF POINTS AND AUTHORITIES

1
2 Below is a brief synopsis of this Court’s authority to confirm the sale recommended in
3 the Fifth Report, detailed in this Application, and discussed previously in this matter. This Court
4 is fully authorized to sell receivership Property, and the confirmation order requested by this
5 Application is necessary per Code of Civil Procedure §568.5. The recommended sale offer is the
6 highest and the best offer received, and it is the recommended course of action for this matter for
7 the reasons laid out below. But equally as persuasive as to the reason for confirming the sale is
8 the lack of any better offer, or feedback that the Respondent Property owner has gotten in the
9 10+ months that the Property has been listed. So, the offer was the best received in the
10 approximately two months the Receiver listed it, but Respondent has not presented any offer or
11 valuation from their agent, who has had the listing since before the Appointment, that leads to
12 believe that more time on the market might be advantageous.

13 The recommended sale is for the three lots constituting the receivership property as well
14 as the lot adjoining the receivership property to the east. This is because there is an outstanding
15 question as to the ownership of 130 East Alvarado (APN #8336-006-022). Respondent Daniel
16 Rafalian claims to own that lot, as does newly-added Respondent Linda Lee, but it is not entirely
17 clear whose claim is correct. The adjoining lot is a parking lot attached to the structure on the
18 receivership property, and it was included in the area fenced off and originally controlled by
19 Rafalian. So, the recommended solution as detailed below is to sell all four conjoined lots
20 together, and then to deposit the remaining sale proceeds with the Court so that the parties can
21 make a claim on them. This is the most efficient and fair way to settle the dispute, while still
22 ensuring that the Property is put back into use and the nuisance conditions abated.

23 So for all these reasons, coupled with the fact that no better option has been presented by
24 the Respondents despite their listing of the Property for over ten month leads to the
25 recommendation that the Court confirm the sale. Not only does the sale option appear to be the
26 best option, it is possibly the only reasonable option available.

27
28

I. INTRODUCTION

This Court appointed California Receivership Group through President Mark Adams as Receiver under Health and Safety Code §17980.7(c) for the property at 100 East Alvarado Street, Pomona, California 91767 (APN #8336-006-019) on December 16, 2016. At the time of appointment, the neighboring lot at 130 East Alvarado (APN #8336-006-022) was fenced off with the receivership lots, and both parcels (collectively four lots, hereafter “Property”) was being used as one connected Property. It was fenced off as a whole, and the lots had parked cars and dumpster roll-offs on them. After the Receiver was appointed, the Respondent requested and was allowed to retain possession and control based on Respondent’s representations that he was willing and able to remediate the dangerous conditions of the Property by himself, with limited receivership involvement.

In March 2017, it became clear that Respondent had exacerbated the Property’s descent into disrepair by hiring, and allowing the illegal habitation of, transients to work on the property. The Property is a commercial structure and not at all proper for habitation and residential use. Because of this, repeated complaints about the conditions of the Property, and the reports from CRG staff monitoring, the Receiver changed course to take a more active role on the Property. On April 27, 2017, the Receiver seized the Property and ejected all the vagrants onsite, re-secured the Property, and installed security. Respondent’s foreman was allowed access between May 15-17 to remove trash and construction debris in advance of an attested buyer inspection which ultimately never occurred.

On June 21, 2017, the Court signed the Order approving the Second and Third Reports of the Receiver authorizing a total Receivership Certificate of an amount not to exceed \$70,000 super-priority Certificate to complete the preservation and rehabilitation work. The Order also authorized the Receiver to sign any receivership certificate and accompanying deed of trust with the power of sale that the Receiver deemed compliant with the terms of the Order. The Certificate and Deed of Trust was given priority over all liens or encumbrances. The Court also requested a recommendation by the Receiver in the form of a Report to all parties by August 15, 2017, prior to a status conference on August 24, 2017.

1 To comply with that schedule, in the August 7, 2017 Fourth Report, it was reported that
2 the only viable and efficient option was for the Receiver to sell the entire Property to a buyer that
3 could remedy the violations. The August 24 status conference was continued to September 14.
4 The Receiver received an offer shortly before that date for \$450,000 from Main & Main
5 Development LLC (“Buyer”), but the details were still being finalized and therefore the sale was
6 not yet ready for full recommendation to the Court. So, at the September 14, 2017 status
7 conference, the potential sale was discussed, and instructions were requested from the Court on
8 getting approval for the sale. The alternating claims on the Property were presented for the
9 Court’s review, and Respondent Linda Lee attended the hearing – although she did not arrive
10 until after the matter was called.

11 At that hearing, the requirement that a sale be confirmed by this Court under Code of
12 Civil Procedure §568.5 was raised, and the Court continued the hearing to January 18, 2018 but
13 directed that if an acceptable offer was ready for approval before then, that the Receiver could
14 request confirmation via ex parte application. Thus, this Application is presented and will be
15 served on the parties with as much advance notice as possible.

16 The Court should confirm the sale because it is the highest offer obtained, and it is from a
17 buyer with a track record of both rehabilitating and operating compliant commercial properties.
18 While the sale offer is not so high as to *require* the acceptance, it does appear to be the best that
19 will come in from a reputable buyer – in part because it was the only serious offer obtained in the
20 two + months of listing, but also because Rafalian has had the Property listed for a very long
21 time, and to the Receiver’s knowledge no better offers were obtained.¹ It is an option to continue
22 marketing the Property, but the Receiver believes that more time is not likely to yield a better
23 offer, and in fact it will only increase the maintenance costs. Similarly, the inclusion of the 130
24

25 _____
26 ¹ Per Respondents’ counsel, their valuation of the Properties (all four lots) is approximately \$750,000, although this
27 does not appear to be based on any offers received or any market feedback. Certainly, no offers have come in at
28 even 2/3 of that amount. This is similar to the estimate of value provided by Ms. Lee on her lot – which she
reportedly believes is worth approximately \$82,000. Not to disparage either Respondent, and both of those amounts
may actually be negotiating positions and not estimates of value. But in my experience, owners overvalue their
properties, and the only truly accurate estimates of value come when a Property is properly listed and marketed for
sale.

1 lot in the sale contract is necessary, first because of the conflicting claims, and second because
2 without it, the three parcels of 100 Alvarado are worth substantially less. So, in the interests of
3 fairness and in maximizing the proceeds for whoever the owner turns out to be, the sale should
4 include the entire Property.
5

6 **II. THIS COURT HAS AUTHORITY TO**
7 **AUTHORIZE ITS RECEIVER TO SELL THE PROPERTY**

8 This Court can and should confirm the recommended sale for \$450,000. A receiver is
9 authorized to sell any property under his control with court approval. *People v. Riverside*
10 *University* (1973) 35 Cal.App.3d 572, 582-83. This approval can be conferred in the appointment
11 order, can be applied prospectively upon request of the receiver, or applied retroactively to
12 confirm a receiver's sale. *Rochat v. Gee* (1902) 137 Cal. 497, 500; *Cal-American Income*
13 *Property Fund VII v. Brown Development Corp.* (1982) 138 Cal.App.3d 268, 274. Courts are
14 afforded "considerable deference" in ordering the sale of receivership property. *City of Riverside*
15 *v. Horspool* (2014) 223 Cal.App.4th 670, 684; *City of Santa Monica v. Gonzalez* (2008) 43
16 Cal.4th 905, 931 (citing *Lesser & Son v. Seymour* (1950) 35 Cal.2d 494, 503). If necessary, "A
17 court of equity has the power to order the sale of property free and clear of liens and
18 encumbrances." *Horspool, supra*, 223 Cal.App.4th at 684 (citations omitted). This deference is
19 part of the powers granted to courts in overseeing equity receiverships, and that discretion is
20 often necessary for courts to carry out the directives in the governing statutes.

21 The factors that a receiver considers in making the sale are case-dependent, and often
22 include others beyond simply finding the highest price, as "other considerations may outweigh
23 the need to maximize the sales price to the receivership."² *People v. Stark* (2005) 131
24 Cal.App.4th 184, 206-07. The manner in which the sale is conducted, as well as the price and
25

26 _____
27 ² "The receiver is not an agent of either party to the action. The receiver represents all persons interested in the
28 property. In other words, a receiver acts as a fiduciary on behalf of both parties as a representative and officer of the
court." *Security Pacific National Bank v. Geernaert* (1988) 199 Cal.App.3d 1425, 1432, *opinion modified on denial*
of reh'g (May 4, 1988) citing *Maggiore v. Palo Alto Inn, Inc.* (1967) 249 Cal.App.2d 706, 712. Thus, any sale
recommendation should be made with all party's best interests in mind.

1 value of the property under the receiver's control are to be left to the discretion of the receiver.
2 *City of Riverside v. Horspool* (2014) 223 Cal.App.4th at 684; *People v. Riverside University*
3 (1973) 35 Cal.App.3d 572, 583. This power to direct the sale process is in accordance with the
4 reasons for the receivership remedy generally, as the problems a receiver is appointed to remedy
5 often require a specially-crafted complex solution. *City of Santa Monica v. Gonzalez* (2008) 43
6 Cal.4th 905, 931. A receiver is an agent of the Court, but has a duty to obtain a sale that is in
7 his/her opinion the best result for all parties involved; "In other words, a receiver acts as a
8 fiduciary on behalf of both parties as a representative and officer of the court." *Security Pacific*
9 *National Bank v. Geernaert* (1988) 199 Cal.App.3d 1425, 1432.

10 This duty to all parties is combined with the discretion of the receiver and the court, so
11 that a prospective sale can be evaluated holistically, and with regard to the impact on all those
12 with an interest in the receivership. The Court can review the sale, or deny the Receiver's
13 recommendation, however this is only necessary in instances of ". . . fraud, unfairness or
14 oppression in the sale . . ." *Id.* at 582. The sale of receivership property is complicated, and the
15 review of that sale recommended for confirmation might even be more in depth than the review
16 of the final accounting. *Kinoshita v. Horio* (1986) 186 Cal.App.3d 959, 966. It is standard
17 practice to seek preemptive court review of a sale when possible, thus, this Report seeks that
18 approval of the sale described herein. For the reasons described below, when reviewed as a
19 whole, the sale offer is the best that exists now and is worthy of confirmation. It is the most
20 efficient solution currently available in this matter.

21 22 **III. THIS COURT'S DISCRETION ON THE MANNER OF SALE**

23 Sales of receivership property are authorized and governed by Code of Civil Procedure §
24 568.5: "A receiver may, pursuant to an order of the court, sell real or personal property in the
25 receiver's possession upon the notice and in the manner prescribed by Article 6 (commencing
26 with Section 701.510) of Chapter 3 of Division 2 of Title 9. The sale is not final until confirmed
27 by the court." While the statute provides that all receivership sales can be handled by a levying
28 agent (through §701.510 *et seq.*), this is not mandatory, nor is it usually the most efficient or

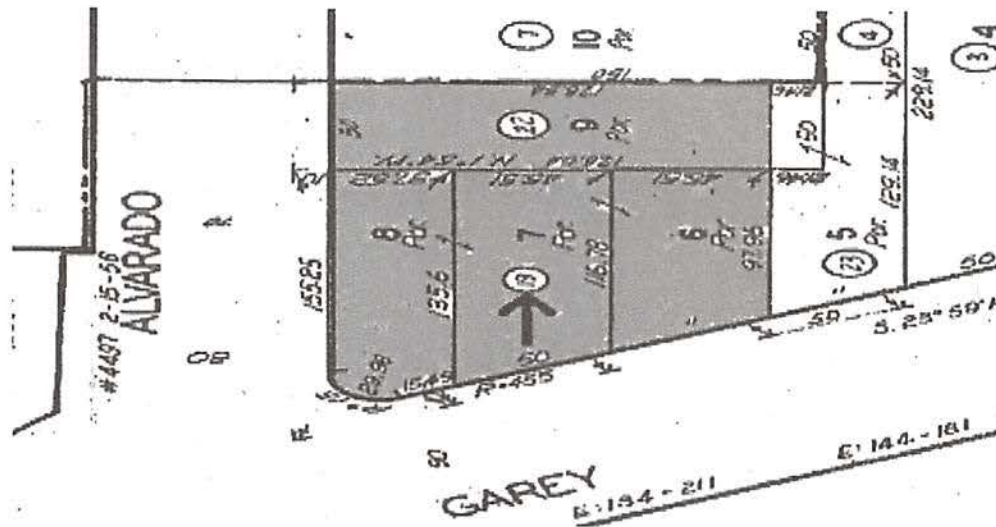
1 proper way to complete the sale. In most cases, as is the situation here, a market sale is best. And
2 case law makes it clear that this Court has full discretion to order a market sale.

3 On the question of whether or not this Court can authorize a market sale, *People v.*
4 *Riverside University* (1973) 35 Cal.App.3d 572 is directly on point. There, the receiver for a
5 university had sold goods on the open market to pay expenses, without the Court's previous
6 approval. *Id.* at 582-83. The Court found that such a sale could be ratified later at discharge. *Id.*
7 at 583. More germane to this matter, the Court there investigated whether it could order a
8 standard market sale, or whether § 568.5 required that it direct its receiver to sell the property
9 (the statute previously referenced § 692, now § 710.510). "From the analysis which follows, it is
10 our conclusion that a court may prescribe or ratify unconditionally a different mode of sale than
11 that provided for execution sales." *Id.* at 583. Thus, this Court is well within its discretion to
12 direct and approve a market sale, despite the language of §568.5 that might lead to an assumption
13 that levying officer sale is required.

14 Were it that the statute stood alone with the direction to utilize the levying officer, then
15 such a process might be the only option. But other courts have already made it clear that market
16 sales can be utilized under this Court's discretion. So, strict adherence to the sale process that
17 will take longer, result in an unknown buyer, result in a lower sale price, and cost more in
18 receivership fees is not necessary. The Property is not producing income, is costing substantial
19 preservation and management costs, and is scheduled for a tax sale in a month. This Court can
20 confirm a market sale, and by this Application and Report, I am requesting the Court's approval
21 of the sale for \$450,000.00 to Main & Main Development LLC.

22 23 **IV. 130 ALVARADO**

24 Another issue presented to this Court is how to handle the fact that there are competing
25 claims to one of the four lots at issue – 130 Alvarado (APN 8336-006-022). This is the long thin
26 parcel running perpendicular to the three lots in the receivership property. 100 Alvarado is three
27 lots (parcels #6-8) that run on Garey Ave. as well. Below is a section of the Assessor's map for
28 the Court to review, with the three parcels in 100 Alvarado in blue, and the one for 130 in red:



11 The above map is a crude representation, but it does show the lots and how they are laid
 12 out. Right now, it is undisputed and clear that Rafalian and the LLC own lots 6-8, which
 13 comprises 8336-006-019. But ownership of 8336-006-022, or lot #9 is not entirely clear. I can
 14 leave that history up to the parties for when they make their claim to the sale proceeds. It appears
 15 that the 2008 quit claim deed that transferred ownership to Old Firehouse of Pomona, LLC
 16 referenced all four lots, but then in September of 2012, a grant deed was recorded transferring
 17 only the 130 lot to Linda Lee. Again, it is unclear exactly which is correct, or how that issue will
 18 be settled, but that can be resolved after the sale of the Property is completed and it is on its way
 19 back to being put into use.

21 **V. THIS MATTER IS PROPER FOR AN EX PARTE APPLICATION**

22 When matters arise that require the appointing Court's review on a shortened time, a
 23 receiver should proceed by *ex parte* Application. "By virtue of its jurisdiction over the parties,
 24 and the previous appointment of the receiver, the court had jurisdiction to give the direction to
 25 the receiver upon his *ex parte* application therefor, and without notice to the parties to the action
 26 (see Beach, Rec. Section 272)...." *Free Gold Mining Co. v Spiers et al.*, 136 Cal. 484, 486
 27 (1902). See also, *Weygandt v. Larson* 130 Cal. App. 304, 310 (1933). See *California*
 28 *Jurisprudence* 3d Receivers § 59: "[t]he Court may give directions to the receiver on the latter's

1 ex parte application, without notice to the parties" (citing the *Free Gold Mining* 136 Cal. 484).

2 Indeed, this rule is considered a common law principle applicable to all types of
3 receivers, see Fletcher on Corporations, Chapter 64 Receivers, § 7825 "Powers and Duties of
4 receivers- instructions, advice and assistance of appointing court": "[a]s an officer of the
5 appointing court, a receiver is entitled to seek assistance and instruction of the court in the
6 administration of the receivership. The advice of the Court may be requested without the
7 issuance of process to the creditors and shareholders."


8 It is entirely proper and within this Court's power to confirm the sale of the Property via
9 *ex parte* Application, and because of the nature of the Property and the sale offer, confirming the
10 sale via *ex parte* application is required. For an issue as important and necessary as the sale of
11 the Property, this Court must weigh in and review the recommendation, and because of the
12 timing constraints that has to be done via *ex parte* Application. Right now, there is a tax
13 foreclosure sale scheduled for late October 2017, and the sale should be completed as soon as is
14 possible. It may very well be that the buyer would stick around for a noticed motion, or it may be
15 that the Property falls off the tax sale list. But to rely on those could have disastrous impacts, and
16 so the Court was correct to allow the sale confirmation to be presented by *ex parte* application at
17 the last hearing.

18
19 **VI. CONCLUSION**

20 For the reasons stated above and in the attached Report and Declaration, this Court
21 should confirm the sale of the receivership property.

22
23 Dated: September 20, 2017

24 Respectfully Submitted,

25 
26 _____
27 Mark Adams, Court-Appointed Receiver
28

1 MARK S. ADAMS, SBN 68300
2 ANDREW F. ADAMS, SBN 275109
3 California Receivership Group, PBC
4 2716 Ocean Park Blvd., Suite 3010
5 Santa Monica, CA 90405
6 Tel. (310) 471-8181
7 Fax (310) 471-8180
8 madams@calreceivers.com
9 Court-Appointed Receiver

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA
11 FOR THE COUNTY OF LOS ANGELES, EAST JUDICIAL DISTRICT

12 CITY OF POMONA

13 Petitioner,

14 vs.

15 OLD FIREHOUSE OF POMONA, LLC,
16 DANIEL RAFALIAN, an individual, and
17 DOES 1 through 25, inclusive,

18 Respondent.

Case No. KS020348

**FIFTH REPORT OF RECEIVER AND
DECLARATION OF ANDREW
ADAMS**

Date: September 21, 2017
Time: 9:00 a.m.
Dept.: J

**(Filed concurrently with the Ex Parte
Application)**

19 1. Mark S. Adams was appointed as Receiver for the receivership property under
20 Code of Civil Procedure §564 and Health and Safety Code §17980.7(c) per the Order Granting
21 Motion For Appointment Of Receiver Motion signed by this Court on December 16, 2016. That
22 Order addressed the parcel of real property located at 100 East Alvarado Street, Pomona, CA
23 91767 ("Property"), but since the appointment it became clear that the lot located at 130 E.
24 Alvarado St. (APN 8336-006-022) was also part of the Property. The entire set of four lots was
25 fenced in by the same fence (later updated and strengthened), and it was clear that all four lots
26 were controlled as one unit.

27 2. It was not made clear until much later that the lots were possibly owned by
28 separate parties. And it is not yet clear who owns 130 Alvarado. Because that dispute is likely to

1 be contentious and lengthy, I ask that the Court settle that after the Property is sold, so that the
2 dispute does not cost the receivership estate.

3 3. Linda Kyungrae Lee has been added as a Respondent because she is the purported
4 owner of the 130 lot.

5 4. In anticipation of the potential need to sell the Property, I listed all four lots with
6 Danny Holznecht of Allied Commercial Real Estate (BRE Lic #01519318). He came highly
7 recommended, and his retention was addressed in previous reports, all of which are hereby
8 incorporated by referenced.

9 5. The Property has been listed for over two months now, and I am informed that the
10 owner has had it listed for some time as well. When I was appointed, there was an agent's sign
11 on the Property, and it was clear that it had already been on-site for some time. So, the Property
12 has been exposed to the market, and I do not believe that another two or even ten more months
13 on the open market will result in serious offers that are substantially better.

14 6. Of course, it is always a judgment call as to how long to list a Property, but based
15 on the operation and security costs, along with the results from the marketing to this point, I do
16 not believe that the market will result in much higher offers, at least not enough to offset the
17 increased costs.

18 7. I am informed that at the September 14, 2017 status conference the Court did set
19 out the next status conference for January 18, 2018, with the invitation that a sale could be
20 presented via ex parte application before then if need be. That is the reason for this Application,
21 in addition to the following factors:

22 a. It is unclear how long the current offer will remain open. The buyer is a
23 company that has properties throughout the state, and capital to purchase new lots and
24 development sites is not often available indefinitely. So, there is a value to being able to
25 close the sale quickly, and bring the matter to a close sooner.

26 b. There are substantial preservation and management costs for the Receiver
27 and the Court to oversee the Property. Not only security costs, but also costs related to
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monthly accountings and management. So, the sooner those are ended, the better, and it appears that a sale is the only way to do so.

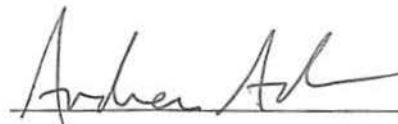
c. While it is expected that at least one of the Respondents will oppose the sale, I believe that the sale is the only way this matter is going to be resolved. There are multiple claims to one of the four lots, and the other three are owned by an absentee landlord that previously held the Property out for squatters and for transients. It is only a matter of time before the Property is damaged or burned down, because short of 24/7 on-site security, there is no way to guarantee that squatters do not return. So the longer the Property sits vacant, the greater the threat of it being damaged.

8. All of the above lead me to recommend the current sale, but most importantly is that there does not appear to be any other option. It does not make financial sense for me to oversee the work to make the structure a restaurant again, because it will just be re-done by the tenant that would be later found. And it does not make sense for me to rent it out as-is, because it is unusable in its current state.

9. The Property has to be sold, and the sooner the better. The sale price is not way above market, but I believe it is all that is available now. So, it is my recommendation that the Court approve the sale sooner rather than later.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 20th day of September 2017, in Santa Monica, California.



Andrew Adams

1 MARK S. ADAMS, SBN 68300
ANDREW F. ADAMS, SBN 275109
2 California Receivership Group, PBC
2716 Ocean Park Blvd., Suite 3010
3 Santa Monica, CA 90405
Tel. (310) 471-8181
4 Fax (310) 471-8180
madams@calreceivers.com
5 Court-Appointed Receiver

6 SUPERIOR COURT OF THE STATE OF CALIFORNIA
7 FOR THE COUNTY OF LOS ANGELES, EAST JUDICIAL DISTRICT
8

9 CITY OF POMONA

10 Petitioner,

11 vs.

12 OLD FIREHOUSE OF POMONA, LLC,
13 DANIEL RAFALIAN, an individual, and
DOES 1 through 25, inclusive,

14 Respondent.
15
16

Case No. KS020348

DECLARATION OF CHRISTMAS MYERS RE: NOTICE

Date: September 21, 2017
Time: 9:00 a.m.
Dept.: J

(Filed concurrently with the Ex Parte Application)

17
18 I, Christmas Myers, declare as follows:

19 1. I am employed by the Court-appointed Receiver in this matter. If called as a
20 witness, I could and would competently testify to the matters stated herein of my own personal
21 knowledge.

22 2. I gave notice of this *ex parte* Application and the relief sought as per Rules of
23 Court, rules 3.1200-07, to the following parties on September 19, 2017.

- 24 • Richard Lam, counsel for Petitioner City of Pomona, by email to
25 rlam@agclawfirm.com at 1:33 p.m.
- 26 • Thomas Aplin, counsel for Respondent, by email to aplinlaw@aol.com at 1:33
27 p.m.
- 28 • Linda Lee, Respondent, by email to linda509@yahoo.com at 1:33 p.m.

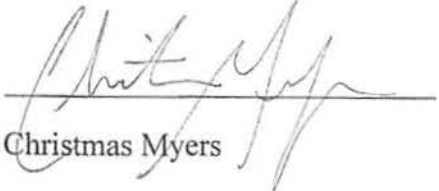
1 3. All parties listed above were informed that the purpose of this Application is to
2 seek an order confirming sale of Receivership Property. Mr. Aplin responded to my email at 2:43
3 p.m. stating that his client intends to oppose the Application. No other parties have replied to my
4 email as of the signing of this declaration.

5 4. All parties will be sent a copy of this Application via email and U.S. mail so that
6 they can make arrangements to appear or file an objection.

7 I declare under penalty of perjury under the laws of the State of California that the
8 foregoing is true and correct.

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Executed this 20th of September, 2017, at Santa Monica, California.



Christmas Myers

PROOF OF SERVICE
F.R.C.P. 5 / C.C.P. 1013a (3)/ Rules of Court, Rule 2060

I am a resident of, or employed in the County of Los Angeles, State of California. I am over the age of 18 years old and not a party to the within action. My business address is 2716 Ocean Park Blvd., Suite 3010, Santa Monica, California 90405.

On **September 20, 2017** I served the following listed document(s), by method indicated below, on the parties in this action: **Ex Parte Application for Order Confirming Sale of Receivership Property; Memorandum of Points and Authorities in Support Thereof; Fifth Report of Receiver and Declaration of Andrew Adams; Declaration of Christmas Myers Re: Notice; (Proposed) Order**

SEE ATTACHED SERVICE LIST

BY U.S. MAIL

By placing the original / a true copy thereof enclosed in a sealed envelope(s), with postage prepaid, addressed as per the attached service list, for collection and mailings at Santa Monica, California following ordinary business practices. I am readily familiar with the firm's practice for collection and processing of the document for mailing. Under that practice, the document is deposited with the United States Postal Service on the same day in the ordinary course of business. I am aware that upon motion of any party served, service is presumed invalid if the postal cancellation date or postage meter date on the envelope is more than one day after date of deposit for mailing contained in this affidavit.

**BY ELECTONIC SERVICE
(via electronic filing service provider)**

By electronically transmitting the document(s) listed above to LexisNexis File and Serve, an electronic filing service provider, at www.fileandserve.lexisnexis.com pursuant to the Court's _____ Order mandating electronic service. See Cal.R.Ct.R. 2053, 2055, 2060. The transmission was reported as complete and without error.

BY OVERNIGHT DELIVERY

By delivering the document(s) listed above in a sealed envelope(s) or package(s) designated by the express service carrier, with delivery fees paid or provided for, addressed as per the attached service list, to a facility regularly maintained by the express service carrier or to an authorized courier or driver authorized by the express service carrier to received documents.

**BY ELECTRONIC SERVICE
(to individual person)**

By electronically transmitting the document(s) listed above to the email address(es) of the person(s) set forth on the attached service list. The transmission was reported as complete and without error. See Rules of Court, rule 2060.

BY PERSONAL SERVICE

By personally delivering the document(s) listed above to the offices at the addressee(s) as shown on the attached service list.

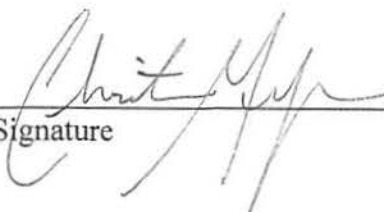
By placing the document(s) listed above in a sealed envelope(s) and instructing a registered process server to personally deliver the envelope(s) to the offices at the address(es) set forth on the attached service list. The signed proof of service by the registered process server is attached.

BY FACSIMILE

By transmitting the document(s) listed above from Mark Adams, Esq., facsimile (310) 471-8181 to the facsimile machine telephone number(s) set forth on the attached service list. Service by facsimile transmission was made pursuant to agreement of the parties, confirmed in writing.

STATE I declare under penalty of perjury under the laws of the State of California that the above is true and correct.
 FEDERAL I declare under penalty of perjury under the laws of the United States that I am employed in the office of a member of the bar of this court at whose direction the service is made.

Christmas Myers
Type or Print Name


Signature

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2
3
4 **SERVICE LIST**

5 *City of Pomona v. Old Firehouse of Pomona, LLC, et al.; Case No. KS020348*

6 **Counsel for Petitioner, City of Pomona**

7 Richard Lam, Esq.
8 ALVAREZ-GLASMAN & COLVIN
9 13181 Crossroads Parkway North, Suite 400
10 City of Industry, CA 91746
11 Tel: (562) 699-5500
12 Fax: (562) 692-2244
13 rlam@agclawfirm.com
14 lslaughter@agclawfirm.com

15 **Counsel for Respondents**

16 Thomas P. Aplin, Esq.
17 LAW OFFICES OF THOMAS P. APLIN
18 28202 Cabot Road, Suite 300
19 Laguna Niguel, CA 92677
20 Tel: (949) 365-5633
21 Fax: (949) 365-5634
22 apmlinlaw@aol.com

23 **Respondent**

24 Linda Lee
25 1826 Calle Madrid
26 Rowland Heights, CA 91748.
27 linda509@yahoo.com
28

Exhibit 4

1 MARK S. ADAMS, SBN #68300
2 ANDREW F. ADAMS, SBN #275109
3 California Receivership Group
4 2716 Ocean Park Blvd., Suite 3010
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6 Tel. (310) 471-8181
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8 madams@calreceivers.com
9 Court-Appointed Receiver

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ORIGINAL FILED
Superior Court of California
County of Los Angeles

JAN 05 2018

Sherri R. Carter, Executive Officer/Clerk
By Jacqueline Gonzalez, Deputy

6 SUPERIOR COURT OF THE STATE OF CALIFORNIA
7 FOR THE COUNTY OF LOS ANGELES, EAST JUDICIAL DISTRICT

COPY



9 CITY OF POMONA,
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11 Petitioner,
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13 vs.
14 OLD FIREHOUSE OF POMONA, LLC,
15 DANIEL RAFALIAN, an individual, and
16 Does 1 through 25, inclusive,
17
18 Respondent.

Case No. KS020348

SIXTH REPORT OF RECEIVER

Date: January 18, 2018
Time: 8:30 a.m.
Dept.: J

18 This Sixth Report of Receiver updates the Court on the status of the receivership
19 property, and requests confirmation of the newly-arranged sale. This Court previously approved
20 a sale, and that ultimately fell through. So the new buyer and price are described here. It is
21 expected that Respondent will oppose the sale, and will submit their own suggested process –
22 and all parties will be prepared to discuss at the coming status conference.

23 This Court appointed Mark Adams and California Receivership Group (“Receiver”)
24 under the Health and Safety Code §17980.7(c) and Code of Civil Procedure §568 on December
25 16, 2016. The Property was a nuisance and had been used as a squat for transients for some time.
26 After the appointment, the Respondent was allowed to retain control of the Property based on
27 assertions that the Property would be made safe while the long-term plan for abatement was
28 made. That process failed as the same nuisance conditions were allowed to remain, and

1 ultimately the Receiver retook possession on April 27, 2017.

2 Since that time, the Property has been secured and listed for sale again. Respondent had
3 previously listed the Property prior to the appointment, although no sufficient offers were
4 received. Receiver's listing agent had received a few offers, the best coming from a Main &
5 Main for \$450,000 with plans to rehabilitate the Property as a functioning restaurant. The Court
6 approved that sale on September 21, 2017, but on November 1, 2017 that specific buyer had
7 pulled out during due diligence. There was a question as to whether an assignee would take over
8 the sale, but that fell through as well. The agent re-listed the Property, and now the
9 recommended sale offer is from 100 E. Alvarado St., LLC¹ for \$450,000.

10 That offer is not the assignee from Main and Main, but this new LLC owns properties in
11 Kansas City, MO and Colton. They presented some other properties they own, and I have not
12 seen any problems or complaints. They are ready to drop their due diligence periods and close
13 the sale immediately, and I think they have shown an ability to run/manage properties without
14 serious problems. Also, having listed the Property for six months, and the Respondent listing it
15 for months before that, I believe this will be the best offer the receivership gets. This was
16 essentially the same sale price as approved before, and while this company does not have the
17 long track record, they are willing to close soon and drop their due diligence periods, and no
18 disqualifying problems appear upon review.

19
20 In late November 2017, Respondent hired bankruptcy counsel who has been handling the
21 discussions since. The LLC Respondent has since updated and activated their registration with
22 the Secretary of State, and paid approximately \$43,000 in property taxes that were scheduled for
23 tax action in October 2018 (after being removed from the October 2017 list only because of the
24 Receiver's promise of the coming sale to the Tax Collector). Respondent was threatening to file
25 a bankruptcy petition to stall or halt the sale, and they may still do that. This proceeding is
26 exempt from the automatic stay of a bankruptcy under 11 U.S.C. 362(b)(4) because it is an
27 expression of the City's police powers. However, a bankruptcy court might require that such a

28 _____
¹ This was previously "Outdoor Food Court, LLC" but the purchasing party was switched based on the buyer's direction.

1 showing be made, or may want to weigh in on the receivership if a petition is filed. I believe that
2 if a bankruptcy is filed in this matter, it will just waste receivership resources and cause delays,
3 but of course that is the Respondent's decision to make.

4 Respondents' counsel will surely make their own argument at the hearing, but I believe
5 that their argument is that the LLC and Jake Halelouyan (aka Jake Halel) should be given
6 another opportunity to operate the Property and find their own sale. They believe that the value
7 of the Property is over \$1 million, despite all available market feedback saying that it is less than
8 half. This was briefed and opposed in the preparation for the December 18, 2017 Respondent ex
9 parte Application, and those pleadings are incorporated by reference. The Court denied the
10 request to enjoin the sale, and I do not believe there is call to do otherwise now.

11
12 The authority for this Court to approve the sale was laid out in the September 20, 2017
13 Application and Fifth Receiver's Report. The Court approved that in its Order Confirming the
14 Sale, so those are not copied again here, and the Points and Authorities are incorporated by
15 reference. The same authority is binding here, and should lead to the conclusion that the new sale
16 offer should be confirmed. It is the same sale price, and a buyer equally as qualified.
17 Respondents will file their own opposition, but those exact issues were put to the Court
18 previously on the request to enjoin the sale, and nothing has changed since then.

19 The sale is not ideal, but because of the nature of the Property as a unique, historic
20 building, it does not make sense for the Receiver to do the work and then sell it. It is not a single-
21 family home where standard abatement and nuisance-remediation work can be done no matter
22 who owns it. This Property will have to be brought up to code and made safe by its ultimate
23 owner/user (or the work done with the specifications of the new user in mind), and selling the
24 Property and having the new owner do the work is the only way to proceed. Respondent has
25 shown an inability to control or preserve the Property, and while the property taxes payment and
26 getting the LLC licensed again are good steps, they are insufficient in the Receiver's opinion.
27 For all these reasons, and the reasons laid out in the previous five reports², this Court should

28 _____
² And Opposition to the recent ex parte Application. That laid out the argument against enjoining the sale, and the reasons that Jake Halel was not being given possession and control over the Property.

1 confirm the new sale and begin the process of winding this matter down.

2

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4 The Receiver requests another status conference in 60 days to report on the closing of the
5 sale. If the sale does close by then, then the receivership can enter into a monitoring role only.

6

7 Dated: January 4, 2018

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Andrew Adams
California Receivership Group, PBC

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PROOF OF SERVICE

F.R.C.P. 5 / C.C.P. 1013a (3)/ Rules of Court, Rule 2060

I am a resident of, or employed in the County of Los Angeles, State of California. I am over the age of 18 years old and not a party to the within action. My business address is 2716 Ocean Park Blvd., Suite 3010, Santa Monica, California 90405.

On **January 4, 2018** I served the following listed document(s), by method indicated below, on the parties in this action: **Sixth Report of Receiver**

*****SEE ATTACHED SERVICE LIST*****

BY U.S. MAIL

By placing the original / a true copy thereof enclosed in a sealed envelope(s), with postage prepaid, addressed as per the attached service list, for collection and mailings at Santa Monica, California following ordinary business practices. I am readily familiar with the firm's practice for collection and processing of the document for mailing. Under that practice, the document is deposited with the United States Postal Service on the same day in the ordinary course of business. I am aware that upon motion of any party served, service is presumed invalid if the postal cancellation date or postage meter date on the envelope is more than one day after date of deposit for mailing contained in this affidavit.

**BY ELECTONIC SERVICE
(via electronic filing service provider)**

By electronically transmitting the document(s) listed above to LexisNexis File and Serve, an electronic filing service provider, at www.fileandserve.lexisnexis.com pursuant to the Court's _____ Order mandating electronic service. See Cal.R.Ct.R. 2053, 2055, 2060. The transmission was reported as complete and without error.

BY OVERNIGHT DELIVERY

By delivering the document(s) listed above in a sealed envelope(s) or package(s) designated by the express service carrier, with delivery fees paid or provided for, addressed as per the attached service list, to a facility regularly maintained by the express service carrier or to an authorized courier or driver authorized by the express service carrier to received documents.

**BY ELECTRONIC SERVICE
(to individual person)**

By electronically transmitting the document(s) listed above to the email address(es) of the person(s) set forth on the attached service list. The transmission was reported as complete and without error. See Rules of Court, rule 2060.

BY PERSONAL SERVICE

By personally delivering the document(s) listed above to the offices at the addressee(s) as shown on the attached service list.

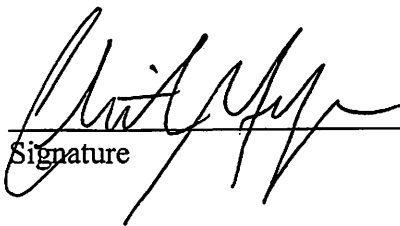
By placing the document(s) listed above in a sealed envelope(s) and instructing a registered process server to personally deliver the envelope(s) to the offices at the address(es) set forth on the attached service list. The signed proof of service by the registered process server is attached.

BY FACSIMILE

By transmitting the document(s) listed above from Mark Adams, Esq., facsimile (310) 471-8181 to the facsimile machine telephone number(s) set forth on the attached service list. Service by facsimile transmission was made pursuant to agreement of the parties, confirmed in writing.

STATE I declare under penalty of perjury under the laws of the State of California that the above is true and correct.
 FEDERAL I declare under penalty of perjury under the laws of the United States that I am employed in the office of a member of the bar of this court at whose direction the service is made.

Christmas Myers
Type or Print Name



Signature

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2
3
4 **SERVICE LIST**

5 *City of Pomona v. Old Firehouse of Pomona, LLC, et al.; Case No. KS020348*

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7
8
9 **Counsel for Petitioner, City of Pomona**

Richard Lam, Esq.
ALVAREZ-GLASMAN & COLVIN
13181 Crossroads Parkway North, Suite 400
City of Industry, CA 91746
Tel: (562) 699-5500
Fax: (562) 692-2244
rlam@agclawfirm.com
lslaughter@agclawfirm.com

10 **Counsel for Respondent, Old Firehouse of Pomona, LLC**

11 Benjamin Nachimson
12 WOOLFE & NACHIMSON, LLP
13 15300 Ventura Blvd., Suite 214
14 Sherman Oaks, CA 91403
15 Tel: (310) 474-8776
16 Fax: (310) 919-3037
17 ben.nachimson@wnlawyers.com

18 **Respondent**

19 Linda Lee
20 1826 Calle Madrid
21 Rowland Heights, CA 91748
22 linda509@yahoo.com
23
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Exhibit 5

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CONFORMED COPY
ORIGINAL FILED
Superior Court of California
County of Los Angeles

DEC 16 2016

Sherril R. Carter Executive Officer/Clerk
By G. Berni, Deputy

RECEIVED
NOV 14 2016
EAST DISTRICT

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES, EAST JUDICIAL DISTRICT

CITY OF POMONA

Petitioner,

vs.

OLD FIREHOUSE OF POMONA, LLC,
DANIEL RAFALIAN, an individual, and
DOES 1 through 25, inclusive,

Respondent.

Case No: KS020348

*Assigned for all purposes to Honorable Judge
Dan Oki, Dept. J*

**[PROPOSED] ORDER GRANTING
MOTION FOR APPOINTMENT OF
RECEIVER AND OTHER RELIEF**

Date: December 8, 2016

Time: 8:30 a.m.

Dept.: J

Petitioner City of Pomona ("City") files the Motion with this Court for the appointment of a receiver and other relief to rehabilitate the property owned by Respondent Old Firehouse of Pomona, LLC ("Old Firehouse"), located at 100 East Alvarado Street, Pomona, California 91767, APN 8336-006-016 (the "Property"), ~~or in the alternative, an order shortening time and for an expedited hearing on the appointment of a receiver.~~

The Court, having jurisdiction over the subject matter and having considered the evidence and the Memorandum of Points and Authorities submitted, **HEREBY FINDS:**

1. That the Property is substandard and a public nuisance, and has been and is now maintained in a manner that violates the Health & Safety ("H&S") Code and Pomona City Code.

- 1 2. That the Property is substandard within the meaning of H&S Code § 17920.3.
- 2 3. That the Property is a public nuisance as defined in Civil Code §§ 3479 and
- 3 3480.
- 4 4. That the Property is a dangerous building as defined by City Code § 74-171.
- 5 5. That the Property is a public nuisance as declared by City Code § 74-175.
- 6 6. That the violations are so extensive and of such a nature that the health and
- 7 safety of neighboring residents and the general public are substantially endangered.
- 8 7. That the City, as a local enforcement agency, properly issued notices to repair.
- 9 8. That Respondents have failed to comply with such notice to repair within a
- 10 reasonable time after its issuance, and have been afforded a reasonable opportunity to correct
- 11 the conditions.
- 12 9. That the substandard conditions will persist unless the Court appoints a receiver
- 13 to take possession of the Property and undertake responsibility for its rehabilitation.
- 14 10. That pursuant to H&S Code § 17980.7(c), CCP § 568 and by virtue of the
- 15 inherent power of equity courts, this Court has the authority to appoint a receiver to take
- 16 possession of the Property and undertake rehabilitation of the substandard property.
- 17 11. That Respondents were properly served and noticed prior to the filing of this
- 18 Motion.
- 19 12. That CCP § 568 and H&S Code § 17980.7(c)(4)(H), empower the appointed
- 20 receiver generally to do such acts respecting the Property as this Court may authorize.
- 21 **NOW THEREFORE, IT IS HEREBY ORDERED:**
- 22 1. That Mark Adams (hereinafter referred to as the "Receiver") is appointed
- 23 Receiver of the Property, with full powers granted receivers under CCP § 568 and H&S Code §
- 24 17980.7(c), subject to this Order and further orders of the Court. The Receiver shall be entitled
- 25 to bill at a rate of \$350 per hour.
- 26 2. That Respondents and their agents shall immediately relinquish and turn over
- 27 possession of the Property to the Receiver.
- 28

1 3. That Respondents and their agents are enjoined from interfering with the
2 Receiver in the operation and rehabilitation of the Property, and encumbering or transferring all
3 or any portion of the Property during the receivership period;

4 4. That the Receiver is authorized to issue receiver's certificates as first liens on the
5 Property to finance the costs of rehabilitation, receivership and enforcement; and

6 5. That the City is entitled to all reasonable and actual costs, including but not
7 limited to inspection costs, investigation costs, enforcement costs, attorney fees or costs, and all
8 costs of prosecution.

9
10 Dated: DEC. 16, 2016



JUDGE OF THE SUPERIOR COURT

DAN T. OKI

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PROOF OF SERVICE
STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action; my business address is 13181 Crossroads Parkway North, Suite 400, City of Industry, CA 91746.

On November 14, 2016, I served the foregoing documents described as: **[PROPOSED] ORDER GRANTING MOTION FOR APPOINTMENT OF RECEIVER AND OTHER RELIEF** on the interested parties in this action by placing true copies thereof as follows:

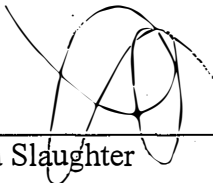
Thomas P. Aplin, Esq.
Law Offices of Thomas P. Aplin
28202 Cabot Road, Suite 300
Laguna Beach, California 92677
Telephone (949) 365-5633
Facsimile (949) 365-5634

■ **By Mail (C.C.P. 1013(a))**: I am readily familiar with the firm's practice of collection and processing correspondence for mailing with the U.S. Postal Service. Under that practice, it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid at City of Industry, California in the ordinary course of business. The envelope was sealed and placed for collection and mailing on that date following ordinary business practices.

Executed on November 14, 2016, at City of Industry, California.

■ **(State)** I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

□ **(Federal)** I declare that I am employed in the office of a member of the bar of this court at whose direction the Service was made.



Liza Slaughter

4848-6898-1052, v. 2

Exhibit 6

This page is part of your document - DO NOT DISCARD



20170742200



Pages:
0005

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

07/05/17 AT 08:52AM

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



LEADSHEET



201707050920002

00013933790



008436205

SEQ:
02

DAR - Counter (Upfront Scan)



THIS FORM IS NOT TO BE DUPLICATED

RECORDING REQUESTED BY
AND WHEN RECORDED
MAIL TO:

Mark S. Adams, Esq. SBN:68300
California Receivership Group, PBC
2716 Ocean Park Blvd., Suite 3010
Santa Monica, CA 90405



RECEIVER’S CERTIFICATE

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES, EAST JUDICIAL DISTRICT

<p>CITY OF POMONA</p> <p>Petitioner,</p> <p>vs.</p> <p>OLD FIREHOUSE OF POMONA, LLC, DANIEL RAFALIAN, an individual, and DOES 1 through 25, inclusive,</p> <p>Respondent.</p>	<p>Case No. KS020348</p> <p>RECEIVER’S CERTIFICATE NO. 1</p> <p>APN: 8336-006-019</p> <p>100 E. Alvarado Street, Pomona, California 91767</p> <p>Exempt from Filing Fees (Govt. Code Section 6103) Deemed Verifiable (Code Civ. Proc. Section 446)</p>

1. For good and valuable consideration, receipt of which is hereby acknowledged, Mark Adams, solely in his capacity as Receiver herein, hereby issues this Receiver’s Certificate of Indebtedness (the “Certificate”) in the amount of \$70,000 (the “Funds”) to Receivership Lending, LLC (“Lender”). This certificate is issued for covering all costs needed to manage and rehabilitate the Receivership property located at 100 E. Alvarado Street, in the County of Los Angeles, including management and

maintenance costs, hard and soft construction costs, miscellaneous costs, State and County tax liens, City abatement and garbage liens, legal and Receiver fees. Legal description attached as Exhibit A and incorporated herein by this reference.

2. This certificate is issued under the authority of the Superior Court of the State of California in and for the County of Los Angeles, and its Order appointing Receiver dated December 16, 2016, and recorded on January 4, 2017 as Instrument No. 20170011856 in the Official Records, Los Angeles County, state of California, authorizing issuance of the Certificate; and further unrecorded Order dated June 21, 2017, authorizing this funding of the Certificate.

3. The Certificate shall have priority over all private liens, mortgages, and encumbrances against the Property, including all liens, mortgages, and encumbrances existing prior to the date of this Certificate, pursuant to the authority of the Court issuing the above order.

4. The Certificate shall bear interest at 15% per annum from the date of funding. Interest shall be payable at maturity and the Certificate may be paid off at any time without prepayment penalty.

5. The sums due under the Certificate shall all be due and payable on September 30, 2017. The Certificate shall be secured by a Deed of Trust which includes a power of sale.

Dated: June 30, 2017


Mark Adams, Court-Appointed Receiver for
100 E. Alvarado Street, Pomona, California 91767

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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

State of California)

County of Los Angeles)

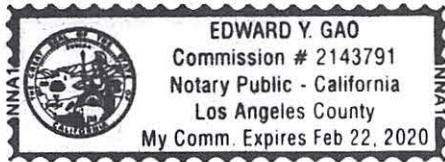
On June 30, 2017 before me, Edward Y. Gao, Notary Public,
Date Here Insert Name and Title of the Officer

personally appeared Mark Adams
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.



Signature [Handwritten Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

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

Description of Attached Document

Title or Type of Document: Receiver's Certificate No. 1 Document Date: June 30, 2017
Number of Pages: 3 Signer(s) Other Than Named Above: None

Capacity(ies) Claimed by Signer(s)

Signer's Name: Mark Adams
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: Court-Appointed Receiver
Signer Is Representing: _____

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

Exhibit A

Legal Description

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

That portion of Lots 6, 7 and 8 of Tract 985, in the City of Pomona, County of Los Angeles, State of California, as per Map recorded in Book 18, Page 135 of Maps, in the Office of the County Recorder of said County, described as follows:

Beginning at the intersection of the City Engineer's Center Engineer's Center line of Garey Avenue, 70 feet wide, as said Avenue is shown on said Map, with the City Engineer's Center Line of Kingsley Avenue, 70 feet wide, shown as an unnamed street on the Maps of Bixby Bishops subdivision, recorded in Book 14, Page 51 of Miscellaneous Records, in the Office of the County Recorder of said County; thence Northerly along said center line of Garey Avenue, 297.18 feet to the beginning of a tangent curve concave Easterly and having a radius of 500 feet, said curve also being tangent at its Northerly terminus with the City Engineer's Center Line of Garey Avenue, 70 feet wide, as said Avenue is shown on the Map of the Casa Grande Tract, recorded in Book 15, Page 104 of Maps, records Office of said County, thence Easterly at right angles to said first mentioned center line of Garey Avenue, 45 feet to a point, being in a curve concave Easterly having a radius of 455.00 feet, and being concentric with said curve having a radius of 500.0 feet said point also being the true point of beginning; thence Northerly along said curve to the beginning of a compound curve concave Southeasterly, having a radius of 15.00 feet and being tangent at its Easterly terminus to a line that is parallel with and distant Southerly 10.00 feet, measured at right angles, from the Northerly line of said Lot 8; thence Northerly and Easterly along said curve to said parallel line; thence Easterly along said parallel line to the Easterly line of said Lot 8; thence Southerly along the Easterly line of said Lots to the Southeast corner of said Lot 6; thence Westerly along the Southerly line of said Lot 6 to a line parallel with said first mentioned center line of Garey Avenue, and which passes through the point of beginning; thence Northerly along said parallel line to the true point of beginning.

Assessor's Parcel Number(s): 8336-006-019

Exhibit 7



**DISCLOSURE REGARDING
REAL ESTATE AGENCY RELATIONSHIP**

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

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

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

SELLER'S AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

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

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties. An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

BUYER'S AGENT

A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

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

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

AGENT REPRESENTING BOTH SELLER AND BUYER

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

- (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
- (b) Other duties to the Seller and the Buyer as stated above in their respective sections.

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

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

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

Buyer Seller Landlord Tenant _____ Date 10/16/2017
Outdoor Food Court, LLC and or assignee

Buyer Seller Landlord Tenant _____ Date _____

Agent Allied Commercial Real Estate BRE Lic. # 01519318
Real Estate Broker (Firm)

By _____ BRE Lic. # 00635371 Date 10/16/2017
(Salesperson or Broker-Associate) Danny Holznecht

Agency Disclosure Compliance (Civil Code §2079.14):

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

[Signature] _____ Date 11/1/17
Seller/Landlord _____ Date _____
Mark Adams, Receiver

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Reviewed by _____ Date _____



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

CIVIL CODE SECTIONS 2079.24 (2079.16 APPEARS ON THE FRONT)

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

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

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

2079.16 Reproduced on Page 1 of this AD form.

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

(c) The confirmation required by subdivisions (a) and (b) shall be in the following form.
(DO NOT COMPLETE. SAMPLE ONLY) _____ is the agent of (check one): the seller exclusively; or both the buyer and seller.

(Name of Listing Agent)
(DO NOT COMPLETE. SAMPLE ONLY) _____ is the agent of (check one): the buyer exclusively; or the seller exclusively; or
(Name of Selling Agent if not the same as the Listing Agent) _____ both the buyer and seller.

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

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

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

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

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

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

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

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

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Reviewed by _____ Date _____



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



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

Date Prepared: 10/17/2017

1. OFFER:

- A. THIS IS AN OFFER FROM Outdoor Food Court, LLC and or assignee ("Buyer").
B. THE REAL PROPERTY to be acquired is 100 and 130 E. Alvarado St.
C. THE PURCHASE PRICE offered is Four Hundred Seventy-Five Thousand Dollars \$ 475,000.00
D. CLOSE OF ESCROW shall occur on (date) (or) 50 Days After Acceptance.

2. AGENCY:

- A. DISCLOSURE: The Parties each acknowledge receipt of a "Disclosure Regarding Real Estate Agency Relationships" (C.A.R. Form AD)
B. CONFIRMATION: The following agency relationships are hereby confirmed for this transaction:
C. POTENTIALLY COMPETING BUYERS AND SELLERS: The Parties each acknowledge receipt of a "Possible Representation of More than One Buyer or Seller - Disclosure and Consent" (C.A.R. Form PRBS).

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

- A. INITIAL DEPOSIT: Deposit shall be in the amount of \$ 14,250.00
(1) Buyer Direct Deposit: Buyer shall deliver deposit directly to Escrow Holder by electronic funds transfer, cashier's check, personal check, other within 3 business days after Acceptance (or)
OR (2) Buyer Deposit with Agent: Buyer has given the deposit by personal check (or) to the agent submitting the offer (or to), made payable to with Escrow Holder within 3 business days after Acceptance (or)
Deposit checks given to agent shall be an original signed check and not a copy.

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

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

D. LOAN(S):

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

E. ADDITIONAL FINANCING TERMS:

F. BALANCE OF DOWN PAYMENT OR PURCHASE PRICE in the amount of \$ 460,750.00 to be deposited with Escrow Holder pursuant to Escrow Holder instructions.

G. PURCHASE PRICE (TOTAL): \$ 475,000.00

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

Buyer's Initials () ()

Seller's Initials () ()

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COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 1 OF 11)

Property Address: 100 and 130 E. Alvarado St., Pomona, 91767 Date: October 17, 2017

- I. APPRAISAL CONTINGENCY AND REMOVAL:** This Agreement is (or is NOT) contingent upon a written appraisal of the Property by a licensed or certified appraiser at no less than the purchase price. Buyer shall, as specified in paragraph 18B(3), in writing, remove the appraisal contingency or cancel this Agreement within **17 (or _____) Days After Acceptance.**
- J. LOAN TERMS:**
- (1) **LOAN APPLICATIONS:** Within **3 (or _____) Days After Acceptance**, Buyer shall Deliver to Seller a letter from Buyer's lender or loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any NEW loan specified in paragraph 3D. If any loan specified in paragraph 3D is an adjustable rate loan, the prequalification or preapproval letter shall be based on the qualifying rate, not the initial loan rate. (Letter attached.)
- (2) **LOAN CONTINGENCY:** Buyer shall act diligently and in good faith to obtain the designated loan(s). Buyer's qualification for the loan(s) specified above **is a contingency** of this Agreement unless otherwise agreed in writing. If there is no appraisal contingency or the appraisal contingency has been waived or removed, then failure of the Property to appraise at the purchase price does not entitle Buyer to exercise the cancellation right pursuant to the loan contingency if Buyer is otherwise qualified for the specified loan. Buyer's contractual obligations regarding deposit, balance of down payment and closing costs **are not contingencies** of this Agreement.
- (3) **LOAN CONTINGENCY REMOVAL:**
Within **21 (or _____) Days After Acceptance**, Buyer shall, as specified in paragraph 18, in writing, remove the loan contingency or cancel this Agreement. If there is an appraisal contingency, removal of the loan contingency shall not be deemed removal of the appraisal contingency.
- (4) **NO LOAN CONTINGENCY:** Obtaining any loan specified above is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result Buyer does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.
- (5) **LENDER LIMITS ON BUYER CREDITS:** Any credit to Buyer, from any source, for closing or other costs that is agreed to by the Parties ("Contractual Credit") shall be disclosed to Buyer's lender. If the total credit allowed by Buyer's lender ("Lender Allowable Credit") is less than the Contractual Credit, then (i) the Contractual Credit shall be reduced to the Lender Allowable Credit, and (ii) in the absence of a separate written agreement between the Parties, there shall be no automatic adjustment to the purchase price to make up for the difference between the Contractual Credit and the Lender Allowable Credit.
- K. BUYER STATED FINANCING:** Seller is relying on Buyer's representation of the type of financing specified (including but not limited to, as applicable, all cash, amount of down payment, or contingent or non-contingent loan). Seller has agreed to a specific closing date, purchase price and to sell to Buyer in reliance on Buyer's covenant concerning financing. Buyer shall pursue the financing specified in this Agreement. Seller has no obligation to cooperate with Buyer's efforts to obtain any financing other than that specified in the Agreement and the availability of any such alternate financing does not excuse Buyer from the obligation to purchase the Property and close escrow as specified in this Agreement.
- 4. SALE OF BUYER'S PROPERTY:**
- A.** This Agreement and Buyer's ability to obtain financing are NOT contingent upon the sale of any property owned by Buyer.
- OR B.** This Agreement and Buyer's ability to obtain financing are contingent upon the sale of property owned by Buyer as specified in the attached addendum (C.A.R. Form COP).
- 5. ADDENDA AND ADVISORIES:**
- A. ADDENDA:**
- | | |
|---|--|
| <input type="checkbox"/> Addendum # _____ (C.A.R. Form ADM) | <input type="checkbox"/> Addendum # _____ (C.A.R. Form ADM) |
| <input type="checkbox"/> Back Up Offer Addendum (C.A.R. Form BUO) | <input type="checkbox"/> Court Confirmation Addendum (C.A.R. Form CCA) |
| <input type="checkbox"/> Septic, Well and Property Monument Addendum (C.A.R. Form SWPI) | <input type="checkbox"/> _____ |
| <input type="checkbox"/> Short Sale Addendum (C.A.R. Form SSA) | <input type="checkbox"/> Other _____ |
- B. BUYER AND SELLER ADVISORIES:**
- | | |
|---|---|
| <input checked="" type="checkbox"/> Buyer's Inspection Advisory (C.A.R. Form BIA) | <input type="checkbox"/> _____ |
| <input type="checkbox"/> Probate Advisory (C.A.R. Form PA) | <input type="checkbox"/> Statewide Buyer and Seller Advisory (C.A.R. Form SBSA) |
| <input type="checkbox"/> Trust Advisory (C.A.R. Form TA) | <input type="checkbox"/> REO Advisory (C.A.R. Form REO) |
| <input type="checkbox"/> Short Sale Information and Advisory (C.A.R. Form SSIA) | <input type="checkbox"/> Other _____ |
- 6. OTHER TERMS:** 1. Sale is subject to court approval. Property is being sold under Court-approved Receivership. 2. Property to be sold as-is, with any and all faults. 3. This sale is for parcel numbers 8336-006-019 and 8336-006-022 in Los Angeles County. 4. Escrow period and contingency period begin upon court approval.
- 7. ALLOCATION OF COSTS**
- A. INSPECTIONS, REPORTS AND CERTIFICATES:** Unless otherwise agreed, in writing, this paragraph only determines who is to pay for the inspection, test, certificate or service ("Report") mentioned; it **does not determine who is to pay for any work recommended or identified in the Report.**
- (1) Buyer Seller shall pay for a natural hazard zone disclosure report, including tax environmental Other: _____ prepared by Buyers choice
- (2) Buyer Seller shall pay for the following Report _____ prepared by _____
- (3) Buyer Seller shall pay for the following Report _____ prepared by _____
- B. GOVERNMENT REQUIREMENTS AND RETROFIT:**
- (1) Buyer Seller shall pay for smoke alarm and carbon monoxide device installation and water heater bracing, if required by Law. Prior to Close Of Escrow ("COE"), Seller shall provide Buyer written statement(s) of compliance in accordance with state and local Law, unless Seller is exempt.

Buyer's Initials (_____) (_____)

Seller's Initials (MA) (_____)

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COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 2 OF 11)

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100 & 130 E.



Property Address: 100 and 130 E. Alvarado St., Pomona, 91767 Date: October 17, 2017

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

C. ESCROW AND TITLE:

- (1) (a) Buyer Seller shall pay escrow fee On a 50-50 Basis.
- (b) Escrow Holder shall be Orange Coast Title/Escrow
- (c) The Parties shall, within 5 (or ___) Days After receipt, sign and return Escrow Holder's general provisions.
- (2) (a) Buyer Seller shall pay for **owner's** title insurance policy specified in paragraph 17E _____.
- (b) Owner's title policy to be issued by Orange Coast Title
- (Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)

D. OTHER COSTS:

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

8. ITEMS INCLUDED IN AND EXCLUDED FROM SALE:

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

B. ITEMS INCLUDED IN SALE:

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

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

D. OTHER ITEMS:

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

9. CLOSING AND POSSESSION:

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

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



Property Address: 100 and 130 E. Alvarado St., Pomona, 91767

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

Buyer's Initials (_____) (_____)

Seller's Initials (MA) (_____)

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COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 4 OF 11)

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Property Address: 100 and 130 E. Alvarado St., Pomona, 91767 Date: October 17, 2017

- 12. ENVIRONMENTAL SURVEY (If checked): Within 30 Days After Acceptance, Buyer shall be provided a phase one environmental survey report paid for and obtained by Buyer Seller. Buyer shall then, as specified in paragraph 18, remove this contingency or cancel this Agreement.
- 13. **SUBSEQUENT DISCLOSURES:** In the event Seller, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer of which Buyer is otherwise unaware, Seller shall promptly Deliver a subsequent or amended disclosure or notice in writing, covering those items. **However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies disclosed in reports ordered and paid for by Buyer.**
- 14. **CHANGES DURING ESCROW:**
 - A. Prior to Close Of Escrow, Seller may only engage in the following acts, ("Proposed Changes"), subject to Buyer's rights in paragraph 14B: (i) rent or lease any vacant unit or other part of the premises; (ii) alter, modify, or extend any existing rental or lease agreement; (iii) enter into, alter, modify or extend any service contract(s); or (iv) change the status of the condition of the Property.
 - B. (1) 7 (or) Days prior to any Proposed Changes, Seller shall Deliver written notice to Buyer of any Proposed Changes.
(2) Within 5 (or) Days After receipt of such notice, Buyer, in writing, may give Seller notice of Buyer's objection to the Proposed Changes in which case Seller shall not make the Proposed Changes.
- 15. **CONDITION OF PROPERTY:** Unless otherwise agreed in writing: (i) the Property is sold (a) "AS-IS" in its PRESENT physical condition as of the date of Acceptance and (b) subject to Buyer's Investigation rights; (ii) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and (iii) all debris and personal property not included in the sale shall be removed by Close Of Escrow.
 - A. Seller shall, within the time specified in paragraph 18A, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, and make any and all other disclosures required by law.
 - B. Buyer has the right to conduct Buyer Investigations of the property and, as specified in paragraph 18B, based upon information discovered in those investigations: (i) cancel this Agreement; or (ii) request that Seller make Repairs or take other action.
 - C. **Buyer is strongly advised to conduct investigations of the entire Property in order to determine its present condition. Seller may not be aware of all defects affecting the Property or other factors that Buyer considers important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.**
- 16. **BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:**
 - A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 18B. Within the time specified in paragraph 18B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to: (i) inspect for lead-based paint and other lead-based paint hazards; (ii) inspect for wood destroying pests and organisms. Any inspection for wood destroying pests and organisms shall be prepared by a registered Structural Pest Control company; shall cover the main building and attached structures; may cover detached structures; shall NOT include water tests of shower pans on upper level units unless the owners of property below the shower consent; shall NOT include roof coverings; and, if the Property is a unit in a condominium or other common interest subdivision, the inspection shall include only the separate interest and any exclusive-use areas being transferred, and shall NOT include common areas; and shall include a report ("Pest Control Report") showing the findings of the company which shall be separated into sections for evident infestation or infections (Section 1) and for conditions likely to lead to infestation or infection (Section 2); (iii) review the registered sex offender database; (iv) confirm the insurability of Buyer and the Property including the availability and cost of flood and fire insurance; (v) review and seek approval of leases that may need to be assumed by Buyer; and (vi) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA). Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer Investigations except for minimally invasive testing required to prepare a Pest Control Report; or (ii) inspections by any governmental building or zoning inspector or government employee, unless required by Law.
 - B. Seller shall make the Property available for all Buyer Investigations. Buyer shall (i) as specified in paragraph 18B, complete Buyer Investigations and either remove the contingency or cancel this Agreement, and (ii) give Seller, at no cost, complete Copies of all such Investigation reports obtained by Buyer, which obligation shall survive the termination of this Agreement.
 - C. Seller shall have water, gas, electricity and all operable pilot lights on for Buyer's Investigations and through the date possession is made available to Buyer.
 - D. **Buyer indemnity and seller protection for entry upon property:** Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer Investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-Responsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination of this Agreement.
- 17. **TITLE AND VESTING:**
 - A. Within the time specified in paragraph 18, Buyer shall be provided a current preliminary title report ("Preliminary Report"). The Preliminary Report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the Preliminary Report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 18B. The company providing the Preliminary Report shall, prior to issuing a Preliminary Report, conduct a search of the General Index for all Sellers except banks or other institutional lenders selling properties they acquired through foreclosure (REOs), corporations, and government entities. Seller shall within 7 Days After Acceptance, give Escrow Holder a completed Statement of Information.
 - B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except for: (i) monetary liens of record (which Seller is obligated to pay off) unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.
 - C. Within the time specified in paragraph 18A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.

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

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- D. At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.
- E. Buyer shall receive a standard coverage owners CLTA policy of title insurance. An ALTA policy or the addition of endorsements may provide greater coverage for Buyer. A title company, at Buyer's request, can provide information about the availability, desirability, coverage, and cost of various title insurance coverages and endorsements. If Buyer desires title coverage other than that required by this paragraph, Buyer shall instruct Escrow Holder in writing and shall pay any increase in cost.
- 18. **TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS:** The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph by either Buyer or Seller must be exercised in good faith and in writing (C.A.R. Form CR or CC).
 - A. **SELLER HAS: 7 (or ___) Days** After Acceptance to Deliver to Buyer all Reports, disclosures and information for which Seller is responsible under paragraphs 5A, 6, 7, 8B(7), 11A, B, C, D and E, 12, 15A and 17A. Buyer after first Delivering to Seller a Notice to Seller to Perform (C.A.R. Form NSP) may cancel this Agreement if Seller has not Delivered the items within the time specified.
 - B. (1) **BUYER HAS: 17 (or 45) Days** After Acceptance, unless otherwise agreed in writing, to:
 - (i) complete all Buyer Investigations; review all disclosures, reports, lease documents to be assumed by Buyer pursuant to paragraph 8B(7) and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property.
 - (2) Within the time specified in paragraph 18B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to (C.A.R. Form RRRR) Buyer's requests.
 - (3) By the end of the time specified in paragraph 18B(1) (or as otherwise specified in this Agreement), Buyer shall Deliver to Seller a removal of the applicable contingency or cancellation (C.A.R. Form CR or CC) of this Agreement. However, if any report, disclosure or information for which Seller is responsible is not Delivered within the time specified in paragraph 18A, then Buyer has **5 (or ___) Days** After Delivery of any such items, or the time specified in paragraph 18B(1), whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement.
 - (4) **Continuation of Contingency:** Even after the end of the time specified in paragraph 18B(1) and before Seller cancels, if at all, pursuant to paragraph 18C, Buyer retains the right, in writing, to either (i) remove remaining contingencies, or (ii) cancel this Agreement based on a remaining contingency. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to paragraph 18C(1).
 - C. **SELLER RIGHT TO CANCEL:**
 - (1) **Seller right to Cancel; Buyer Contingencies:** If, by the time specified in this Agreement, Buyer does not Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement, then Seller, after first Delivering to Buyer a Notice to Buyer to Perform (C.A.R. Form NBP), may cancel this Agreement. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.
 - (2) **Seller right to Cancel; Buyer Contract Obligations:** Seller, after first delivering to Buyer a NBP, may cancel this Agreement if, by the time specified in this Agreement, Buyer does not take the following action(s): (i) Deposit funds as required by paragraph 3A or 3B or if the funds deposited pursuant to paragraph 3A or 3B are not good when deposited; (ii) Deliver a letter as required by paragraph 3J(1); (iii) Deliver verification as required by paragraph 3C or 3H or if Seller reasonably disapproves of the verification provided by paragraph 3C or 3H; or (iv) In writing assume or accept leases or liens specified in 8B(7); (v) Sign or initial a separate liquidated damages form for an increased deposit as required by paragraphs 3B and 25B; or (vi) Provide evidence of authority to sign in a representative capacity as specified in paragraph 23. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.
 - D. **NOTICE TO BUYER OR SELLER TO PERFORM:** The NBP or NSP shall: (i) be in writing; (ii) be signed by the applicable Buyer or Seller; and (iii) give the other Party at least **2 (or ___) Days** After Delivery (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A NBP or NSP may not be Delivered any earlier than **2 Days** Prior to the expiration of the applicable time for the other Party to remove a contingency or cancel this Agreement or meet an obligation specified in paragraph 18.
 - E. **EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES:** If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in writing, Buyer shall conclusively be deemed to have: (i) completed all Buyer Investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections pertaining to that contingency or cancellation right, or for the inability to obtain financing.
 - F. **CLOSE OF ESCROW:** Before Buyer or Seller may cancel this Agreement for failure of the other Party to close escrow pursuant to this Agreement, Buyer or Seller must first Deliver to the other Party a demand to close escrow (C.A.R. Form DCE). The DCE shall: (i) be signed by the applicable Buyer or Seller; and (ii) give the other Party at least **3 (or ___) Days** After Delivery to close escrow. A DCE may not be Delivered any earlier than **3 Days** Prior to the scheduled close of escrow.
 - G. **EFFECT OF CANCELLATION ON DEPOSITS:** If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, the Parties agree to Sign mutual instructions to cancel the sale and escrow and release deposits, if any, to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Except as specified below, **release of funds will require mutual Signed release instructions from the Parties, judicial decision or arbitration award.** If either Party fails to execute mutual instructions to cancel escrow, one Party may make a written demand to Escrow Holder for the deposit (C.A.R. Form BDRD or SDRD). Escrow Holder, upon receipt, shall promptly deliver notice of the demand to the other Party. If, within **10 Days** After Escrow Holder's notice, the other Party does not object to the demand, Escrow Holder shall disburse the deposit to the Party making the demand. If Escrow Holder complies with the preceding process, each Party shall be deemed to have released Escrow Holder from any and all claims or liability related to the disbursement of the deposit. Escrow Holder, at its discretion, may nonetheless require mutual cancellation instructions. **A Party may be subject to a civil penalty of up to \$1,000 for refusal to sign cancellation instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).**

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



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

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

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

22. BROKERS:

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

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

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

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

24. JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:

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

Buyer's Initials (_____) (_____)

Seller's Initials (MA) (_____)

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COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 7 OF 11)

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100 & 130 E.



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Date: October 17, 2017

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

25. REMEDIES FOR BUYER'S BREACH OF CONTRACT:

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

Buyer's Initials _____ / _____

Seller's Initials MA / _____

26. DISPUTE RESOLUTION:

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

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

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

Buyer's Initials _____ / _____

Seller's Initials MA / _____

Buyer's Initials (_____) (_____)

Seller's Initials (MA) (_____)

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C. ADDITIONAL MEDIATION AND ARBITRATION TERMS:

- (1) **EXCLUSIONS:** The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; and (iii) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court.
- (2) **PRESERVATION OF ACTIONS:** The following shall not constitute a waiver nor violation of the mediation and arbitration provisions: (i) the filing of a court action to preserve a statute of limitations; (ii) the filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies; or (iii) the filing of a mechanic's lien.
- (3) **BROKERS:** Brokers shall not be obligated nor compelled to mediate or arbitrate unless they agree to do so in writing. Any Broker(s) participating in mediation or arbitration shall not be deemed a party to the Agreement.

27. SELECTION OF SERVICE PROVIDERS: Brokers do not guarantee the performance of any vendors, service or product providers ("Providers"), whether referred by Broker or selected by Buyer, Seller or other person. Buyer and Seller may select ANY Providers of their own choosing.

28. MULTIPLE LISTING SERVICE/PROPERTY DATA SYSTEM: If Broker is a participant of a Multiple Listing Service ("MLS") or Property Data System ("PDS"), Broker is authorized to report to the MLS or PDS a pending sale and, upon Close Of Escrow, the terms of this transaction to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS or PDS.

29. ATTORNEY FEES: In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorneys fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 26A.

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

31. SUCCESSORS AND ASSIGNS: This Agreement shall be binding upon, and inure to the benefit of, Buyer and Seller and their respective successors and assigns, except as otherwise provided herein.

32. ENVIRONMENTAL HAZARD CONSULTATION: Buyer and Seller acknowledge: (i) Federal, state, and local legislation impose liability upon existing and former owners and users of real property, in applicable situations, for certain legislatively defined, environmentally hazardous substances; (ii) Broker(s) has/have made no representation concerning the applicability of any such Law to this transaction or to Buyer or to Seller, except as otherwise indicated in this Agreement; (iii) Broker(s) has/have made no representation concerning the existence, testing, discovery, location and evaluation of/for, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property; and (iv) Buyer and Seller are each advised to consult with technical and legal experts concerning the existence, testing, discovery, location and evaluation of/for, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property.

33. AMERICANS WITH DISABILITIES ACT: The Americans With Disabilities Act ("ADA") prohibits discrimination against individuals with disabilities. The ADA affects almost all commercial facilities and public accommodations. The ADA can require, among other things, that buildings be made readily accessible to the disabled. Different requirements apply to new construction, alterations to existing buildings, and removal of barriers in existing buildings. Compliance with the ADA may require significant costs. Monetary and injunctive remedies may be incurred if the Property is not in compliance. A real estate broker does not have the technical expertise to determine whether a building is in compliance with ADA requirements, or to advise a principal on those requirements. Buyer and Seller are advised to contact an attorney, contractor, architect, engineer or other qualified professional of Buyer's or Seller's own choosing to determine to what degree, if any, the ADA impacts that principal or this transaction.

34. COPIES: Seller and Buyer each represent that Copies of all reports, documents, certificates, approvals and other documents that are furnished to the other are true, correct and unaltered Copies of the original documents, if the originals are in the possession of the furnishing party.

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

36. GOVERNING LAW: This Agreement shall be governed by the Laws of the state of California.

37. TERMS AND CONDITIONS OF OFFER: This is an offer to purchase the Property on the above terms and conditions. The liquidated damages paragraph or the arbitration of disputes paragraph is incorporated in this Agreement if initialed by all Parties or if incorporated by mutual agreement in a counter offer or addendum. If at least one but not all Parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. Buyer has read and acknowledges receipt of a Copy of the offer and agrees to the confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing.

38. TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES: Time is of the essence. All understandings between the Parties are incorporated in this Agreement. Its terms are intended by the Parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Except as otherwise specified, this Agreement shall be interpreted and disputes shall be resolved in accordance with the Laws of the State of California. **Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.**

39. DEFINITIONS: As used in this Agreement:

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

Buyer's Initials (_____) (_____)

Seller's Initials (MA) (_____)

CPA REVISED 12/15 (PAGE 9 OF 11)

COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 9 OF 11)

Property Address: 100 and 130 E. Alvarado St., Pomona, 91767

Date: October 17, 2017

- C. "C.A.R. Form" means the most current version of the specific form referenced or another comparable form agreed to by the parties.
 - D. "Close Of Escrow" or "COE" means the date the grant deed, or other evidence of transfer of title, is recorded.
 - E. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
 - F. "Days" means calendar days. However, after Acceptance, the last Day for performance of any act required by this Agreement (including Close Of Escrow) shall not include any Saturday, Sunday, or legal holiday and shall instead be the next Day.
 - G. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59 PM on the final day.
 - H. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
 - I. "Deliver", "Delivered" or "Delivery", unless otherwise specified in writing, means and shall be effective upon: personal receipt by Buyer or Seller or the individual Real Estate Licensee for that principal as specified in the section titled Real Estate Brokers on page 11, regardless of the method used (i.e., messenger, mail, email, fax, other).
 - J. "Electronic Copy" or "Electronic Signature" means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either Party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other Party.
 - K. "Law" means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
 - L. "Repairs" means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
 - M. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.
40. **AUTHORITY:** Any person or persons signing this Agreement represent(s) that such person has full power and authority to bind that person's principal, and that the designated Buyer and Seller has full authority to enter into and perform this Agreement. Entering into this Agreement, and the completion of the obligations pursuant to this contract, does not violate any Articles of Incorporation, Articles of Organization, By Laws, Operating Agreement, Partnership Agreement or other document governing the activity of either Buyer or Seller.
41. **EXPIRATION OF OFFER:** This offer shall be deemed revoked and the deposit, if any, shall be returned to Buyer unless the offer is Signed by Seller and a Copy of the Signed offer is personally received by Buyer, or by Danny Holznecht, Broker, who is authorized to receive it, by 5:00 PM on the third Day after this offer is signed by Buyer (or by AM/ PM, on _____ (date)).

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

Date _____ BUYER _____

(Print name) Outdoor Food Court, LLC and or assignee

Date _____ BUYER _____

(Print name) _____

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

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

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

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

Date 11/1/17 SELLER 

(Print name) Mark Adams, Receiver

Date _____ SELLER _____

(Print name) _____

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

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

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

Property Address: 100 and 130 E. Alvarado St., Pomona, 91767

Date: October 17, 2017

REAL ESTATE BROKERS:

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

Real Estate Broker (Selling Firm) <u>Allied Commercial Real Estate</u>		CalBRE Lic. # <u>01519318</u>
By <u>Danny Holznecht</u>	CalBRE Lic. # <u>00635371</u>	Date <u>10/17/2017</u>
By _____	CalBRE Lic. # _____	Date _____
Address <u>3100 E. Cedar St., Suite 7</u>	City <u>Ontario</u>	State <u>CA</u> Zip <u>91761</u>
Telephone <u>(909)437-2107</u>	Fax <u>(909)786-4301</u>	E-mail <u>danny@alliedcre.com</u>
Real Estate Broker (Listing Firm) <u>Allied Commercial Real Estate</u>		CalBRE Lic. # <u>01519318</u>
By <u>Danny Holznecht</u>	CalBRE Lic. # <u>00635371</u>	Date <u>10/17/2017</u>
By _____	CalBRE Lic. # _____	Date _____
Address <u>3100 E. Cedar St., Suite 7</u>	City <u>Ontario</u>	State <u>CA</u> Zip <u>91761</u>
Telephone <u>(909)437-2107</u>	Fax <u>(909)786-4301</u>	E-mail <u>danny@alliedcre.com</u>

ESCROW HOLDER ACKNOWLEDGMENT:

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

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

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

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

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

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

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 525 South Virgil Avenue, Los Angeles, California 90020

Reviewed by
 Broker or Designee _____





BUYER'S INSPECTION ADVISORY

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

Property Address: 100 and 130 E. Alvarado St., Pomona, 91767 ("Property").

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

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

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

A. GENERAL CONDITION OF THE PROPERTY, ITS SYSTEMS AND COMPONENTS: Foundation, roof (condition, age, leaks, useful life), plumbing, heating, air conditioning, electrical, mechanical, security, pool/spa (cracks, leaks, operation), other structural and nonstructural systems and components, fixtures, built-in appliances, any personal property included in the sale, and energy efficiency of the Property.

B. SQUARE FOOTAGE, AGE, BOUNDARIES: Square footage, room dimensions, lot size, age of improvements and boundaries. Any numerical statements regarding these items are APPROXIMATIONS ONLY and have not been verified by Seller and cannot be verified by Brokers. Fences, hedges, walls, retaining walls and other barriers or markers do not necessarily identify true Property boundaries.

C. WOOD DESTROYING PESTS: Presence of, or conditions likely to lead to the presence of wood destroying pests and organisms.

D. SOIL STABILITY: Existence of fill or compacted soil, expansive or contracting soil, susceptibility to slippage, settling or movement, and the adequacy of drainage.

E. WATER AND UTILITIES; WELL SYSTEMS AND COMPONENTS; WASTE DISPOSAL: Water and utility availability, use restrictions and costs. Water quality, adequacy, condition, and performance of well systems and components. The type, size, adequacy, capacity and condition of sewer and septic systems and components, connection to sewer, and applicable fees.

F. ENVIRONMENTAL HAZARDS: Potential environmental hazards, including, but not limited to, asbestos, lead-based paint and other lead contamination, radon, methane, other gases, fuel oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, and other substances, materials, products, or conditions (including mold (airborne, toxic or otherwise), fungus or similar contaminants).

G. EARTHQUAKES AND FLOODING: Susceptibility of the Property to earthquake/seismic hazards and propensity of the Property to flood.

H. FIRE, HAZARD AND OTHER INSURANCE: The availability and cost of necessary or desired insurance may vary. The location of the Property in a seismic, flood or fire hazard zone, and other conditions, such as the age of the Property and the claims history of the Property and Buyer, may affect the availability and need for certain types of insurance. Buyer should explore insurance options early as this information may affect other decisions, including the removal of loan and inspection contingencies.

I. BUILDING PERMITS, ZONING AND GOVERNMENTAL REQUIREMENTS: Permits, inspections, certificates, zoning, other governmental limitations, restrictions, and requirements affecting the current or future use of the Property, its development or size.

J. RENTAL PROPERTY RESTRICTIONS: Some cities and counties impose restrictions that limit the amount of rent that can be charged, the maximum number of occupants, and the right of a landlord to terminate a tenancy. Deadbolt or other locks and security systems for doors and windows, including window bars, should be examined to determine whether they satisfy legal requirements.

K. SECURITY AND SAFETY: State and local Law may require the installation of barriers, access alarms, self-latching mechanisms and/or other measures to decrease the risk to children and other persons of existing swimming pools and hot tubs, as well as various fire safety and other measures concerning other features of the Property.

L. NEIGHBORHOOD, AREA, SUBDIVISION CONDITIONS; PERSONAL FACTORS: Neighborhood or area conditions, including schools, law enforcement, crime statistics, registered felons or offenders, fire protection, other government services, availability, adequacy and cost of internet connections or other technology services and installations, commercial, industrial or agricultural activities, existing and proposed transportation, construction and development that may affect noise, view, or traffic, airport noise, noise or odor from any source, wild and domestic animals, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally protected sites or improvements, cemeteries, facilities and condition of common areas of common interest subdivisions, and possible lack of compliance with any governing documents or Homeowners' Association requirements, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer.

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

Buyer _____
Outdoor Food Court, LLC and or assignee

Buyer _____

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Reviewed by _____ Date _____

BIA REVISED 11/14 (PAGE 1 OF 1)

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





CALIFORNIA ASSOCIATION OF REALTORS®

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

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

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

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

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

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

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

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

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

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

Seller Mark Adams, Receiver Date 11/11/17
 Seller _____ Date _____

Buyer Outdoor Food Court, LLC and or assignee Date _____
 Buyer _____ Date _____

Real Estate Broker (Firm) Allied Commercial Real Estate CalBRE Lic # 01519318 Date _____
 By Danny Holznecht CalBRE Lic # 00635371 Date 10/17/2017

Real Estate Broker (Firm) Allied Commercial Real Estate CalBRE Lic # 01519318 Date _____
 By Danny Holznecht CalBRE Lic # 00635371 Date 10/17/2017

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Reviewed by _____ Date _____



CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing **NOTICE OF MOTION AND MARK S. ADAMS AND CALIFORNIA RECEIVERSHIP GROUP'S MOTION FOR ORDER AUTHORIZING SALE UNDER 11 U.S.C. § 363; DECLARATION OF MARK ADAMS** was served on May 9, 2018. Service was accomplished by the method and to the following as

indicated:

UNITED STATES TRUSTEE

(via electronic mail)

United States Trustee (LA)
915 Wilshire Blvd, Suite 1850
Los Angeles, CA 90017
ustpreion16.la.ecf@usdoj.gov

COUNSEL FOR UNITED STATES TRUSTEE

(via electronic mail)

Alvin Mar
915 Wilshire Boulevard, Ste 1850
Los Angeles, CA 90017
213-894-4219
213-894-2603 (fax)
alvin.mar@usdoj.gov

COUNSEL FOR DEBTOR

(via electronic mail)

Benjamin Nachimson
Woolf & Nachimson, LLP
15300 Ventura Blvd. Suite 214
Sherman Oaks, CA 91403
ben.nachimson@wnlawyers.com

CREDITOR

(via electronic mail)

City of Pomona c/o Alvarez Glasman & Colvin
13181 Crossroads Pkwy N. #400
City of Industry, CA 917463467
rlam@agclawfirm.com
lslaughter@agclawfirm.com

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CREDITOR

(via electronic mail)

Thomas P. Aplin
28202 Cabot Rd #300
Laguna Nigel, CA 92677-1249
aplinlaw@aol.com

STATE COURT RESPONDENT

(via electronic mail)

Linda Lee
1826 Calle Madrid
Rowland Heights, CA 91748
linda509@yahoo.com

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

Dated: May 9, 2018

/s/ Leah Jaques _____

LEAH JAQUES