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Trask Developers, LLC

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA, SANTA ANA DIVISION

In re
Paul Chieu Nguyen,
Reorganized Debtor.

In re
Trask Developers, LLC, a California limited
liability company
Reorganized Debtor.

Tax I.D. No. 27-3331592

- ☐ Affects Paul Chieu Nguyen only
☐ Affects Trask Developers, LLC only
☒ Affects both Debtors

CASE NO. 8:16-bk-11619-SC

Chapter 11

(Jointly Administered with Case
No. 8:16-bk-11621-SC)

**MOTION OF PAUL CHIEU NGUYEN
FOR ORDER: (1) AUTHORIZING
SALE OF REAL PROPERTY
COMMONLY KNOWN AS 10532 A & B
TRASK AVENUE, GARDEN GROVE,
CALIFORNIA 92843, FREE AND
CLEAR OF LIENS, CLAIMS, AND
INTERESTS; (2) APPROVING
PROPOSED OVERBID PROCEDURES;
(3) DETERMINING THAT BUYER IS
GOOD FAITH PURCHASER; (4)
AUTHORIZING PAYMENT OF COSTS
OF SALE AND BROKERS'
COMMISSION FROM ESCROW; AND
(5) WAIVING THE FOURTEEN DAY
STAY PRESCRIBED BY RULE 6004(h)
OF THE FEDERAL RULES OF
BANKRUPTCY PROCEDURE;
MEMORANDUM OF POINTS AND
AUTHORITIES; DECLARATIONS OF
PAUL CHIEU NGUYEN, RANDY
WIND AND SELCUK DEMIRCI IN
SUPPORT THEREOF**

[11 U.S.C. §§ 363(b)(1), 365, 541; Fed. R.
Bankr. P. 6004 & 6006]

Date: April 20, 2017
Time: 11:00 a.m.
Place: Courtroom 5C
411 West Fourth Street
Santa Ana, California 92701

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	<u>Page</u>
<u>TABLE OF CONTENTS</u>	
MOTION	1
PROPOSED OVERBID PROCEDURES	2
MEMORANDUM OF POINTS AND AUTHORITIES	7
I. PREFATORY STATEMENT	7
II. BACKGROUND	8
A. Case History	8
B. Prior Sales and Current Marketing Efforts	8
C. PAMI Equipment	9
D. Sale of the Property	9
III. THE SALE IS IN THE BEST INTEREST OF THE ESTATE	11
A. Sound Business Purpose	11
B. Reasonable Price	12
C. The Sale and Distribution of Proceeds	12
D. Notice	13
E. Sale Made In Good Faith	13
IV. THE SALE SHOULD BE APPROVED FREE AND CLEAR OF LIENS, CLAIMS AND INTERESTS PURSUANT TO 11 U.S.C. § 363(f)	14
V. THE PROPOSED BIDDING PROCEDURES ARE REASONABLE UNDER THE CIRCUMSTANCES	15
VI. THE SALE IS PROPOSED IN GOOD FAITH	17
VII. THE COURT SHOULD WAIVE THE FOURTEEN DAY STAY PRESCRIBED BY RULE 6004(h) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE	18
VIII. CONCLUSION	18
DECLARATION OF PAUL CHIEU NGUYEN	19
DECLARATION OF RANDY WIND	23
DECLARATION OF SELCUK DEMIRCI	25

TABLE OF AUTHORITIES

Page

CASES

<u>Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)</u>	11
722 F.2d 1063 (2d Cir. 1983).....	
<u>In re Abbotts Dairies of Pennsylvania, Inc.</u>	17
788 F.2d 143 (3rd Cir. 1986).....	
<u>In re Alves</u>	16
52 B.R. 353 (Bankr. D. R.I. 1985)	
<u>In re Atlanta Packaging Products, Inc.</u>	16
99 B.R. 124 (Bankr. N.D. Ga. 1988).....	
<u>In re Continental Air Lines, Inc.</u>	11
780 F.2d 1223 (5th Cir. 1986).....	
<u>In re Elliot</u>	15
94 B.R. 343 (Bankr. E.D. Pa. 1988).....	
<u>In re Ewell</u>	17
958 F.2d 276 (9th Cir. 1992).....	
<u>In re Gerwer</u>	14
898 F.2d 730 (9th Cir. 1990).....	
<u>In re Indus. Valley Refrigeration & Air Conditioning Supplies, Inc.</u>	14, 17
77 B.R. 15 (Bankr. E.D. Pa. 1987).....	
<u>In re Lahijani</u>	11
325 B.R. 282 (B.A.P. 9th Cir. 2005).....	
<u>In re Lionel Corp.</u>	11
722 F.2d 1063 (2nd Cir. 1983).....	
<u>In re M Capital Corp.</u>	17
290 B.R. 743 (B.A.P. 9th Cir. 2003).....	
<u>In re Onouli Kona Land Co.</u>	16
846 F.2d 1170 (9th Cir. 1988).....	
<u>In re Shary</u>	15
152 B.R. 724 (Bankr. N.D. Ohio 1993)	
<u>In re Slates</u>	11
2012 WL 5359489 (B.A.P. 9th Cir. Oct. 31, 2012)	
<u>In re Suchy</u>	17
786 F.2d 900 (9th Cir. 1985).....	

1	<u>In re Tabor, Inc.</u>	
2	175 B.R. 855 (Bankr. D. N.J. 1994).....	15
3	<u>In re Walter</u>	
4	83 B.R. 14 (B.A.P. 9th Cir. 1988).....	11
5	<u>In re Waupun Trading Co., Inc.</u>	
6	41 B.R. 812 (Bankr. D. Hawaii 1984).....	16
7	<u>In re WCI Cable, Inc.</u>	
8	282 B.R. 457 (Bankr. D. Or. 2002).....	16
9	<u>In re Wilde Horse Enterprises, Inc.</u>	
10	136 B.R. 830 (Bankr. C.D. Cal. 1991).....	11, 13
11	<u>In re Wintex, Inc.</u>	
12	158 B.R. 540 (D. Mass. 1992).....	16
13	<u>Veltman v. Whetzel</u>	
14	93 F.3d 517 (8th Cir. 1996).....	15

STATUTES

15	11 U.S.C. § 102(1)	11
16	11 U.S.C. § 363	11, 15
17	11 U.S.C. § 363(b)	15, 17
18	11 U.S.C. § 363(f)	14
19	11 U.S.C. § 363(f)(1)-(5)	14, 15
20	11 U.S.C. § 363(m)	2, 6, 7, 17
21	11 U.S.C. § 363(b)(1).....	5, 11, 13
22	11 U.S.C. § 365	5

RULES

23	Fed. R. Bank. P. Rules 6004(h).....	2, 6, 7, 18
24	Fed. R. Bankr. P. Rules 6004	5
25	Fed. R. Bankr. P. Rules 6006	5

**TO THE HONORABLE SCOTT CLARKSON, UNITED STATES BANKRUPTCY
JUDGE; THE OFFICE OF THE UNITED STATES TRUSTEE; SECURED CREDITORS
AND ALL OTHER INTERESTED PARTIES:**

MOTION

By the “Motion of Paul Chieu Nguyen For Order: (1) Authorizing Sale of Real Property Commonly Known As 10532 A & B Trask Avenue, Garden Grove, California 92843, Free and Clear of Liens, Claims, And Interests; (2) Approving Proposed Overbid Procedures; (3) Determining that Buyer Is Good Faith Purchaser; (4) Authorizing Payment of Costs of Sale From Escrow; and (5) Waiving the Fourteen Day Stay Prescribed by Rule 6004(h) of the Federal Rules Of Bankruptcy Procedure; Memorandum Of Points And Authorities; Declarations of Paul Chieu Nguyen, Randy Wind, and Selcuk Demirci in Support Thereof” (the “Motion”), Paul Chieu Nguyen, the reorganized debtor in the above-captioned jointly-administered cases (“Paul” or the “Debtor”), hereby seeks an order authorizing the sale (the “Sale”) of Paul’s estate’s (the “Estate”) right, title and interest in industrial real property located at 10532 A Trask Avenue, Garden Grove, California 92843 [APN 930-62-456] and 10532 B Trask Avenue, Garden Grove, California 92843 [APN 930-62-457] (together, the “Property”), on the terms and conditions stated in the written “Seller Counter Offer No. 1” (the “Seller Counter-Offer”), dated March 13, 2017, the “Addendum to Commercial Purchase Agreement and Joint Escrow Instructions - Dated 3-8-17 Re: 10532 A & B Trask Avenue, Garden Grove, CA 92843” (the “Seller Addendum”), dated March 14, 2017, and the “Commercial Property Purchase Agreement and Joint Escrow Instructions,” dated March 8, 2017, (the “Offer,” and collectively with the Seller Counter-Offer and Seller Addendum, the “Purchase Agreement”), which is attached as Exhibit 1 to the Declaration of Paul Nguyen (the “Nguyen Declaration”), to Selcuk Demirci (the “Buyer”), for \$1,851,696 (the “Purchase Price”),¹, cash, or to any person or entity who appears at the hearing on the Motion and submits a higher acceptable bid in accordance with Paul’s proposed overbid procedures. Except as otherwise set

¹ Which represents approximately \$168.00 per square foot.

1 forth in the Purchase Agreement, the Buyer has waived all contingencies.²

2 As part of the Motion, Paul seeks an order approving the Sale free and clear of liens,
3 claims, and interests, with said liens, claims and interests to attach to the sales proceeds in the
4 same manner and priority as under applicable law. The Property is being sold on an “as is, where
5 is” basis, with no warranties, recourse, contingencies or representations of any kind. Paul also
6 seeks an order: (i) approving the proposed overbid procedures; (ii) authorizing him to execute and
7 deliver all necessary documents to effectuate the Sale; (iii) finding the Buyer to be a bona fide
8 good faith purchaser under 11 U.S.C. § 363(m); (iv) waiving the fourteen-day stay prescribed by
9 Federal Rule of Bankruptcy Procedure 6004(h); and (v) authorizing Paul to otherwise perform in
10 accordance with the terms and provisions of the Purchase Agreement.

11 **PROPOSED OVERBID PROCEDURES**

12 The proposed Sale to the Buyer is subject to approval of the United States Bankruptcy
13 Court, the consent of American Plus Bank (the “Bank”), and to qualified overbids.

14 The Buyer has offered to purchase the Property for \$1,851,696, cash, and has already
15 deposited \$25,000.00 into escrow. Upon the removal of Buyer’s contingencies, Buyer shall
16 deposit another \$20,000 into escrow. The Buyer shall have three (3) business days following the
17 entry of the Court’s order approving the Motion to deposit the remainder of the Purchase Price
18 into escrow. As noted above, however, the sale of the Property is subject to overbid pursuant to
19 the following proposed overbid procedures (the “Overbid Procedures”):

20 **1. Intent to Bid and Overbid Amount**

21 Any party wishing to bid on the Property (“Overbidder”) shall advise Paul’s bankruptcy
22 counsel: Jessica L. Vogel, **SulmeyerKupetz**, a professional corporation, 333 South Hope Street,
23 Thirty-Fifth Floor, Los Angeles, California, 90071; jvogel@sulmeyerkupetz.com; phone: (213)
24 617-5284; facsimile: (213) 629-4520, of their intent to bid on the Property and the amount of their
25 overbid (which must be at least \$50,000.00 more than the current selling price of \$1,851,696) (the

26 _____
27 ² Under the Purchase Agreement, Buyer has until: (i) 4/6/17 to conduct an appraisal and complete due
28 diligence; and (ii) 4/10/17 to obtain loan approval. Accordingly, it is anticipated that all contingencies will
be waived prior to the hearing on the Motion.

1 “Initial Overbid”), and submit evidence of the financial wherewithal to timely close the
2 contemplated sale, by no later than 12:00 p.m., (PST) on April 18, 2017 (the “Overbid Deadline”).
3 Any overbids subsequent to the \$1,901,696 Initial Overbid will be in additional increments of not
4 less than \$15,000.00 (each, an “Overbid”), commencing with an Overbid amount of \$1,916,696.
5 All Overbids must be on the same terms and conditions as the Purchase Agreement. All Overbids
6 shall be unconditional and not subject to any buyer contingencies. All due diligence is to be
7 completed prior to the hearing, as the Sale is on an “as is, where is” basis with no warranties,
8 representations, recourse, or contingencies of any kind.

9 **2. Payment of Deposit**

10 Any Overbidder shall submit a wire transfer in the amount of \$45,000.00 (the “Bid
11 Deposit”), to Paul’s bankruptcy counsel’s client trust account. The Bid Deposit must be delivered
12 so that it is received by Paul’s bankruptcy counsel by no later than the Overbid Deadline.

13 In the event of an Overbid, any party that is not deemed the “Winning Bidder,” as that
14 phrase is defined below, shall have their deposit refunded to them, except in the event such deposit
15 is forfeited pursuant to the terms set forth below relating to “Back-Up Bidders” (as defined
16 below).

17 **3. Evidence of Financial Ability To Perform**

18 Any Overbidder must provide Paul’s bankruptcy counsel with evidence of the proposed
19 Overbidder’s financial ability to pay the full amount of the Overbid so that such evidence is
20 received by Paul’s bankruptcy counsel no later than the Overbid Deadline.

21 **4. Auction**

22 If Paul timely receives a higher and better offer (as determined by Paul in his sole
23 discretion) than the offer submitted by the Buyer, an auction will be conducted at the hearing set
24 for the Motion, either in the courtroom or elsewhere, as ordered by the Court. All parties who
25 have submitted timely bids and otherwise satisfied the foregoing requirements (“Qualified
26 Bidders”) will be able to participate in the auction to be conducted at the hearing on the Motion as
27 is necessary in order to increase their bid. As stated previously, the Initial Overbid will be in the
28 amount of \$1,901,696 and any subsequent Overbids will be in increments of \$15,000.00.

Paul will request authority to sell the Property to the bidder with the highest Overbid (the “Winning Bidder”), and for authority to sell the Property to the next highest bidder if the Winning Bidder fails to perform.

5. Tender of Balance of Purchase Price

The Winning Bidder’s deposit shall be applied toward the total purchase price. The Winning Bidder must tender the balance of the total purchase price by wire transfer to Paul’s bankruptcy counsel’s client trust account within three (3) business days following entry of the Court’s order approving the Motion. In the event that the Winning Bidder does not tender the balance of the purchase price by such date and/or close the sale in accordance with the terms of the Purchase Agreement, (i) the sale to such buyer shall be deemed terminated and cancelled without further order of the court, at Paul’s election, (ii) the deposit and any subsequent deposits shall be forfeited to the bankruptcy estate, and (iii) Paul shall be authorized to accept the offer made by the next highest Overbidder (the “Back-Up Bidder”) and close the sale of the Property to such Back-Up Bidder. Paul reserves the right to reject any and all overbids that, in its business judgment, are insufficient.

6. Agreement To Terms and Overbid Procedures

Any Overbidder’s tender of the Bid Deposit to Paul’s bankruptcy counsel shall serve as that Overbidder’s agreement with these proposed overbid procedures and the terms of sale of the Property discussed herein.

7. Back-Up Bidder

Should the Buyer or an Overbidder submit an overbid that is ultimately not deemed to be the successful final overbid for the Property, any such party may agree that its last overbid may be deemed a back-up bid (“Back-Up Bid”) in case the Winning Bidder should fail to timely close escrow. If such party so agrees, it shall be deemed a “Back-Up Bidder” and the following additional provisions shall apply:

a. The deposit of the Back-Up Bidder (the “Back-Up Deposit”) shall be retained by Paul pending closing of the sale to the Winning Bidder. Should the sale to the Winning Bidder close, the Back-Up Deposit will be returned promptly.

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b. Should the sale to the Winning Bidder fail to close, the Back-Up Bidder will be notified in writing by Paul, after which notification the Back-Up Bidder will “step into the shoes” of the Winning Bidder, subject to the price offered by the Back-Up Bidder at the hearing as approved by the Court.

c. Should the Back-Up Bidder fail to tender the balance of the Purchase Price to Paul’s bankruptcy counsel’s client trust account within ten business days of written notification by Paul of the Winning Bidder’s failure to close, (i) the sale to such Back-Up Bidder shall, at Paul’s election, be deemed terminated and cancelled without further order of the court, and (ii) Paul shall retain, for the benefit of the Estate, as liquidated damages for the Back-Up Bidder’s failure to close, the Back-Up Deposit tendered to Paul in connection with the Back-Up Bid and any additional monies paid towards the purchase price, which shall be retained free and clear of any claims and interests.

This Motion is made pursuant to 11 U.S.C. §§ 363(b)(1) and 365, and Rules 6004 and 6006 of the Federal Rules of Bankruptcy Procedure, on the grounds that, based on Paul’s sound business justification, the sale of the Property as set forth herein is in the best interests of the Estate. After solicitation of offers for the Property, the current offer from the Buyer is the best overall offer received to date. Moreover, the Overbid Procedures provide a process by which Paul could secure a higher price for the Property.

This Motion is based on the accompanying Memorandum of Points and Authorities, the Declarations of Paul Chieu Nguyen, Randy Wind, and Selcuk Demirci, the concurrently-filed Local Rule Form 6004-2, the record in this case, all facts and documents that are judicially noticeable and any other or further evidence or argument presented to the Court prior to or at the hearing on the Motion.

WHEREFORE, Paul respectfully requests that the Court enter an order:

1. Granting the Motion;
2. Approving the sale of the Property to the Buyer or to the highest bidder appearing at the hearing;
3. Authorizing and directing Paul to execute and deliver all documents necessary in

1 order to effectuate the Sale;

2 4. Ordering that such Sale shall be free and clear of existing liens, claims and
3 interests, with said liens, claims and interests to attach to the sales proceeds in the same manner
4 and priority as under applicable law;

5 5. Approving the proposed overbid procedures;

6 6. Authorizing and directing the payment of applicable Broker's commission, real
7 property taxes, any association fees, and the fees and costs of the Sale chargeable to the Estate
8 from the Sale proceeds;

9 7. Authorizing and directing the withholding and remittance of estimated state income
10 taxes arising from the Sale;

11 8. Authorizing and directing payment of the secured amounts owing to the Orange
12 County Tax Collector, Internal Revenue Service, and American Plus Bank with any net sales
13 proceeds to be paid to **SulmeyerKupetz**, in partial satisfaction of its outstanding administrative
14 claim;

15 9. Finding the Purchaser to be a bona fide good faith purchaser under 11 U.S.C. §
16 363(m);

17 10. Waiving the fourteen-day stay prescribed by Federal Rule of Bankruptcy Procedure
18 6004(h);

19 11. Authorizing Paul to take any and all actions necessary to otherwise perform in
20 accordance with the terms and provisions of the Purchase Agreement; and

21 12. Granting such other relief as the Court deems just and proper.

22 DATED: March 30, 2017

SulmeyerKupetz
A Professional Corporation

23
24 By: /s/ Jessica L. Vogel

25 David S. Kupetz
26 Jessica L. Vogel
27 Bankruptcy Counsel for Paul Chieu Nguyen,
28 Reorganized Debtor

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MEMORANDUM OF POINTS AND AUTHORITIES³

I.

PREFATORY STATEMENT

By this Motion, Paul seeks an order approving the sale of the Estate's right, title, and interest in the Property. The Property consists of industrial real property located 10532 A Trask Avenue, Garden Grove, California 92843 [APN 930-62-456] and 10532 B Trask Avenue, Garden Grove, California 92843 [APN 930-62-457] (together, the "Property"). Paul has retained Randy Wind of The Wind Group Commercial Real Estate Advisors (the "Broker") to market and sell the Property.⁴ The Broker's efforts resulted in a number of inquiries relating to the Property. After due consideration, Paul accepted, subject to Court approval, the offer (the "Purchase Agreement") from Selcuk Demirci (the "Buyer"), a true and correct copy of which is attached as Exhibit 1 to the Nguyen Declaration. Pursuant to the Purchase Agreement, Paul has agreed to sell the Property to the Buyer for the sum of \$1,851,696 cash, subject to qualified overbid.

As part of the Motion, Paul seeks an order approving the Sale free and clear of existing liens, claims and interests, with said liens, claims and interests to attach to the sales proceeds in the same manner and priority as under applicable law. Paul also seeks an order: (i) authorizing him to execute and deliver all necessary documents to effectuate the Sale; (ii) approving overbid procedures; (iii) finding the Buyer to be a bona fide good faith purchaser under 11 U.S.C. § 363(m); (iv) waiving the fourteen-day stay prescribed by Federal Rule of Bankruptcy Procedure 6004(h); and (v) to otherwise perform in accordance with the terms and provisions of the Purchase Agreement.

The Property is being sold on an "as is, where is" basis, with no warranties, recourse, contingencies, or representations of any kind, except as otherwise stated in the Purchase Agreement. Paul believes all prerequisites for approval of the Sale under applicable provisions of

³ Capitalized terms not defined herein shall have the meanings ascribed to them in the Motion to which this Memorandum of Points and Authorities is attached.

⁴ Pursuant to the Confirmed Joint Plan, Paul is not required to seek Court approval for payment of professionals following the effective date. Nevertheless, Paul submits that the commissions to be paid through the Sale are reasonable.

the Bankruptcy Code have been satisfied and therefore urges the Court to grant the Motion.

II.

BACKGROUND

A. Case History

On April 15, 2016 (the “Petition Date”), Paul filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). No creditors committee has been appointed and Paul continues to manage his affairs as a reorganized debtor. The Property is one of Paul’s primary assets and is a proposed source of funding for Paul’s chapter 11 reorganization.

On May 23, 2016, the Court entered an Order authorizing the joint administration of Paul’s case with the related case of *In re Trask Developers, LLC* (“Trask”), bearing case no. 8:16-bk-11621-SC. Paul’s case has been designated as the lead case (the “Lead Case”).

On May 23, 2016, the Court also entered an Order authorizing Paul’s employment of Voit Real Estate Services (“Voit”) to serve as his broker for the purpose of marketing the Property for sale.

On December 1, 2016, the Court confirmed Paul and Trask’s (the “Debtors”) First Amended Joint Chapter 11 Plan of Reorganization (as Modified on November 4, 2016) (the “Joint Plan”). The Joint Plan provides for payment in full of all Allowed Claims of the Debtors’ Estates, generated from the sale and/or refinance of some or all of the Debtors’ industrial real property.

B. Prior Sales and Current Marketing Efforts

On December 16, 2016, Trask obtained an Order of this Court approving its Motion to Approve the Sale of the 10592 Property [Dkt. No. 134]. Escrow closed in early January, 2017, and Trask used the net proceeds to pay down the secured claims of the Orange County Tax Collector (“OC Tax”) and American Plus Bank (the “Bank”). On January 25, 2017, Paul obtained an Order of this Court approving his Motion to Approve the Sale of the 10552 Property [Dkt. No. 151]. Escrow is anticipated to close shortly and will generate approximately \$1,135,594 in net proceeds to pay down the OC Tax’s and Bank’s claim.

Following the Effective Date of the Joint Plan, Paul retained Randy Wind of The Wind

1 Group Commercial Real Estate Advisors (“Broker”), to replace Voit as the listing agent for the
2 Property and for the 10632 Trask Avenue property. Based on the proceeds generated from the
3 sale of the 10592 property, and the anticipated proceeds from the sale of the 10552 property (upon
4 closing), Paul anticipates the proposed Sale will generate sufficient proceeds to satisfy all
5 outstanding secured claims against the 10532 Property in full, including the Bank’s. Moreover,
6 Paul is actively working with the Broker to sell the 10632 Property and believes there is more than
7 adequate equity in the 10632 Property to satisfy all other claims in full.

8 **C. PAMI Equipment**

9 The Property is currently housing equipment and materials belonging to the non-debtor
10 related entity, Pacific Aerospace Machine, Inc. (“PAMI”). Accordingly, pursuant the terms of the
11 Purchase Agreement, and to avoid a delay in closing escrow, Paul (acting through PAMI) will
12 have the option to lease the Property back at market rate for up to thirty days to allow time for
13 PAMI to remove any such equipment and materials. See Exhibit 1, Purchase Agreement, ¶ 9. At
14 this time, it is undetermined whether this provision will be exercised.

15 **D. Sale of the Property**

16 Paul seeks authority to sell the Property for the price of \$1,851,696, cash, subject to
17 qualified overbid, which, as discussed above, is anticipated to result in the satisfaction of the
18 secured claims of the OC Tax and Bank against the Property, as well as the secured claim of the
19 Internal Revenue Service (“IRS”). The proposed Sale is made in conjunction with the Joint Plan
20 and, if approved, will assist the Debtors in effectuating the provisions of the Joint Plan.

21 In summary, Paul seeks an order of this Court:

- 22 1. Authorizing the Sale of the Property to the Buyer free and clear of all liens, claims,
23 and encumbrances for the total purchase price of \$1,851,696, cash, or to any person or entity who
24 is an accepted Overbidder and the eventual Winning Bidder;
- 25 2. Authorizing and directing payment of approved brokers’ commission (estimated to
26 be \$74,067.84), any association fees, and fees and costs of the sale (estimated to be \$18,500),
27 directly from the sale proceeds;
- 28 3. Authorizing and directing the withholding and remittance of estimated state income

1 taxes arising from the Sale (estimated to be \$61,661.48)⁵;

2 4. Authorizing and directing payment of any undisputed real property tax
3 encumbering the Property (estimated to be \$90,000);

4 5. Authorizing and directing payment of any undisputed IRS tax liens encumbering
5 the Property (estimated to be approximately \$23,012.06 pursuant to the IRS's Proof of Claim No.
6 2-1);

7 6. Authorizing and directing payment via wire transfer directly from escrow to the
8 Bank of any outstanding amounts owing under the Bank's secured claim;

9 7. Authorizing and directing payment of all net sales proceeds, after payment of the
10 foregoing claims and interests, via wire transfer directly from escrow to **SulmeyerKupetz**, to pay,
11 to the extent of available funds, **SulmeyerKupetz**'s outstanding administrative claim, in
12 accordance with Court's: (i) Order Confirming Debtors' First Amended Joint Chapter 11 Plan of
13 Reorganization (As Modified November 4, 2016) (the "Confirmation Order") [Dkt. No. 136]; and
14 (ii) Order Approving First and Final Application of **SulmeyerKupetz**, A Professional Corporation,
15 Bankruptcy Counsel to the Jointly Administered Debtors In Possession, For Allowance and
16 Payment of Fees and Expenses ("Final Fee Order") [Dkt. No. 159] for all fees and costs approved
17 pursuant to the Final Fee Order. Additionally, to the extent of available funds, authorizing and
18 directing payment directly from escrow to **SulmeyerKupetz**, for all fees and costs incurred post-
19 Effective Date through and including close of escrow on the Property.⁶

20 Paul submits that the Sale of the Property, based upon the terms and conditions described
21 herein, will benefit the Estate and its creditors by maximizing the value of the Property in
22 accordance with, and as part of, implementation of the Joint Plan.

23

24

25 ⁵ Paul anticipates the sale will result in a net capital gain which will require the withholding of taxes by the
26 California Franchise Tax Board. However, Paul believes any withholdings will be refunded once he files
his 2017 tax return based on his belief that he will have a net capital loss from the sale of all of his real
property.

27 ⁶ To the extent not fully satisfied by the net proceeds resulting from the sale of the Property,
28 **SulmeyerKupetz** shall be paid from the liquidation, in accordance with the Joint Plan, of the remaining
assets of the Estate.

III.

THE SALE IS IN THE BEST INTEREST OF THE ESTATE

Under § 363, a debtor in possession is empowered to sell assets of the estate “after notice and a hearing.” 11 U.S.C. § 363(b); 11 U.S.C. §102(1). The standards for approval of a sale pursuant to § 363(b)(1) require that the proponent of the sale establish that: “(1) a sound business purpose exists for the sale; (2) the sale is in the best interest of the estate, i.e., the sale price is fair and reasonable; (3) notice to creditors was proper; and (4) the sale is made in good faith.” In re Slates, 2012 WL 5359489 (B.A.P. 9th Cir. Oct. 31, 2012) (unpublished) (citing In re Wilde Horse Enters., Inc., 136 B.R. 830, 841 (Bankr. C.D. Cal. 1991); Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.), 722 F.2d 1063, 1069 (2d Cir. 1983)). As discussed more fully below, Paul’s proposed Sale of the Property meets each of these requirements.

A. Sound Business Purpose

The decision to sell property out of the ordinary course of a debtor’s business must be based on the reasonable business judgment of the debtor. In re Continental Air Lines, Inc., 780 F.2d 1223, 1226 (5th Cir. 1986); In re Lionel Corp., 722 F.2d 1063, 1070 (2nd Cir. 1983). In determining whether the business purpose is justified under § 363(b)(1), bankruptcy courts apply a flexible, case-by-case approach. See In re Walter, 83 B.R. 14, 19 (B.A.P. 9th Cir. 1988) (“the bankruptcy judge should consider all salient factors pertaining to the proceeding and, accordingly, act to further the diverse interests of the debtor, creditors and equity holders, alike.”) (quoting In re Continental Air Lines, Inc., 780 F.2d 1223, 1226 (5th Cir. 1986)). The court should approve a sale of property under § 363(b)(1) if the debtor in possession has established a sound business purpose for the proposed transaction. In re Walter, 83 B.R. 14, 16 (9th Cir. BAP 1988); In re Wilde Horse Enterprises, Inc., 136 B.R. 830 (Bankr. C.D. Cal. 1991). The business judgment standard is deferential. In re Lahijani, 325 B.R. 282, 289 (B.A.P. 9th Cir. 2005) (“Ordinarily, the position of the [debtor in possession] is afforded deference, particularly where business judgment is entailed in the analysis or where there is no objection.”).

The facts reflect that Paul’s decision to sell the Property is supported by sound business judgment because the price is fair and the Sale will maximize the value of the Property for the

benefit of Paul's Estate and effectuate the provisions of the Joint Plan. The sale price is fair based upon the extensive marketing of the Property, listing prices of comparable parcels of real property, and the Broker's inspection of the Property. See Declaration of Randy Wind. The sale price of \$1,851,696, subject to overbid opportunity, will ensure that the highest and best value is achieved from the sale and maximize the proceeds available to satisfy outstanding property taxes, the Bank's secured claim, and allow for a distribution of remaining net sales proceeds to **SulmeyerKupetz**, as partial satisfaction of its outstanding administrative claim. The Broker will notify parties that may be interested in purchasing the Property of the proposed Sale and the opportunity to submit an overbid.

B. Reasonable Price

The price is fair, reasonable, and conforms with the current market of comparable sales. The Buyers' offer of \$1,851,696 (\$168/sf) is in line with, and/or exceeds, other offers received. After marketing the Property for sale for over a year and with two different brokerage companies, Paul believes that the current offer reflects the market value of the Property and submits that the sale price is reasonable and in the best interests of the Estate. Furthermore, the Sale is subject to overbid to ensure that the Property sells for the highest and best offer that the market will pay.

C. The Sale and Distribution of Proceeds⁷

Subject to Court approval, Paul seeks approval for the Sale of the Property, to the Buyer, or any successful qualified Overbidder, free and clear of all liens, claims, and encumbrances. As part of the approval of the Sale of the Property, Paul also seeks authority to pay certain costs of sale (estimated to be \$18,500), the broker's commission (estimated to be \$74,067.84), any association fees, accrued real property taxes upon the close of escrow, and estimated state income taxes arising from the Sale. Paul is aware of the following asserted liens or other interests in the Property: (1) tax liens asserted by the OC Tax against the Property (estimated to be \$90,000); (2) two cross-defaulted liens held by the Bank in the original principle amount of \$500,000 ("Loan

⁷ The amounts of the liens to be paid through escrow are estimates. If there is a dispute with respect to the amount of any lien, Paul will pay the undisputed portion of the claim and segregate the disputed portion pending further order of the Court.

1 One”) and \$1,762,000 (“Loan Two”)⁸; and (3) tax lien asserted by the IRS in the estimated amount
2 of \$23,012.06. A true and correct copy of the preliminary title report for the Property (“Title
3 Report”) is attached to the Nguyen Declaration as Exhibit 2⁹. Any undisputed claims of the OC
4 Tax, Bank, and IRS will be paid from the proceeds of the sale.

5 Any net sales proceeds remaining after payment in full of the foregoing claims and
6 interests shall be paid via wire transfer directly from escrow to **SulmeyerKupetz** in accordance
7 with the Confirmation Order and Final Fee Order, in partial satisfaction of its outstanding
8 administrative claim.

9 **D. Notice**

10 Paul must give notice of any sale of property of the estate. 11 U.S.C. § 363(b)(1). In the
11 instant matter, Paul will give notice to the United States Trustee, all known creditors, and any
12 other prospective buyers that have been identified by Voit or the current Broker. Service of the
13 Motion is proper and constitutes reasonable notice. Moreover, Paul will publish notice of the sale
14 of the Property and bidding procedures on the Website for the United States Bankruptcy Court for
15 the Central District of California.

16 **E. Sale Made In Good Faith**

17 “Good faith encompasses fair value, and further speaks to the integrity of the transaction.”
18 In re Wilde Horse Enterprises, Inc., 136 B.R. 830, 842 (Bankr. C.D. Cal. 1991) (internal quotation
19 marks omitted). Bad faith includes collusion between buyer and seller or otherwise taking unfair
20 advantage of other potential purchasers, such as a collusive insider transaction. id.; see also In re
21 _____

22 ⁸ On January 25, 2017, Paul obtained an Order of this Court approving his Motion to Sell the 10552
23 Property [Dkt. No. 151], which is anticipated to generate approximately \$1,135,594 in net proceeds to be
24 applied towards the balance remaining on Loan Two. Paul anticipates escrow will close on the 10552
25 Property before the hearing on the instant Motion and that the proceeds from that sale will be applied to
26 reduce the outstanding balance owed on Loan Two. In the event escrow does not close on the 10552
property prior to the close of escrow on the instant Property (10532), the Bank shall receive all net sales
proceeds resulting from the sale of the instant Property and shall retain its existing liens against all other
assets of the jointly-administered Estates, as well as any guaranties, and any other rights provided for under
its loan documents.

27 ⁹ The Title Report lists all encumbrances on 10532 Unit A. Paul has asked for an updated preliminary title
28 report that includes encumbrances affecting both 10532 Unit A and B. Paul anticipates receiving a revised
report shortly and will file it as a supplement to the Motion prior to the hearing.

1 Indus. Valley Refrigeration & Air Conditioning Supplies, Inc., 77 B.R. 15, 17 (Bankr. E.D. Pa.
2 1987).

3 The proposed Sale of the Property was negotiated at arms' length. There is no fraud,
4 collusion, or insider transactions present here, and the Buyer received no special treatment or
5 consideration. Moreover, the Property has been actively marketed, the sale will be properly
6 publicized on the Bankruptcy Court's Website, and Paul has accepted the highest and best offer.
7 As a result, the Sale is made in good faith.

8 **IV.**

9 **THE SALE SHOULD BE APPROVED FREE AND CLEAR OF LIENS, CLAIMS AND**
10 **INTERESTS PURSUANT TO 11 U.S.C. § 363(f)**

11 Paul seeks authority to complete the Sale free and clear of all liens, claims, and interests.
12 Section 363(f) allows a debtor in possession to sell property of the bankruptcy estate "free and
13 clear of any interest in such property of an entity," if any one of the following five conditions is
14 met:

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

22 11 U.S.C. § 363(f)(1)-(5).

23 Section 363(f) is written in the disjunctive, such that satisfaction of any one of the five
24 conditions is sufficient to allow a debtor in possession to sell property of the estate free and clear
25 of liens. In re Gerwer, 898 F.2d 730 (9th Cir. 1990).

26 Paul anticipates that the sale proceeds will be sufficient to satisfy the liens of the OC Tax¹⁰,

27 _____
28 ¹⁰ Pursuant to the OC Tax's Amended Claim, filed 10/14/16 (Claim No. 1-4), the outstanding taxes relating

1 IRS¹¹, and Bank¹² and in full. Therefore, the Sale may proceed free and clear of those liens
2 pursuant to section 363(f)(3).

3 Additionally, Paul intends to notify all interested parties of the Sale through the notice of
4 motion. Any party objecting to such sale may file an objection with the Court and present a timely
5 filed opposition, if any, at the hearing on the Motion. If there are no objections, all parties will be
6 deemed to have consented to the Sale of the Property. See Veltman v. Whetzal, 93 F.3d 517 (8th
7 Cir. 1996) (failure to object to proposed sale, coupled with agreement authorizing sale free of
8 interest, constituted consent); In re Elliot, 94 B.R. 343, 345 (Bankr. E.D. Pa. 1988) (implied
9 consent found); In re Tabore, Inc., 175 B.R. 855 (Bankr. D. N.J. 1994) (failure to object to notice
10 of sale or attend hearing deemed consent to sale for purposes of section 363); In re Shary, 152
11 B.R. 724 (Bankr. N.D. Ohio 1993) (state's failure to object to transfer of liquor license constituted
12 consent to sale). Thus, pursuant to section 363(f)(2), Paul may sell the Property free and clear of
13 an interest of an entity if such noticed party fails to object to the proposed Sale, as such party will
14 be deemed to have consented to the Sale and the relief requested in this Motion. Furthermore,
15 since Paul proposes to pay the OC Tax, IRS, and Bank liens against the Property in full, absent
16 any timely objection, such entities should be deemed to consent to the Sale.

17 **V.**

18 **THE PROPOSED BIDDING PROCEDURES ARE REASONABLE UNDER THE**
19 **CIRCUMSTANCES**

20 With respect to proposed sales of property under Section 363(b), overbid procedures are
21 designed to ensure that a bankruptcy estate receives the maximum amount possible for the benefit
22 of creditors. However, the Estate is not compelled to entertain every offer submitted. "A debtor
23 may avoid the increased cost and complexity associated with considering additional bids unless
24 _____
25 to the Property, as of that date, were estimated to be \$73,484.77. The current figure is estimated to be
26 approximately \$90,000. The remaining deficiencies arising from unpaid taxes relating to Paul's other
properties will not be paid from the proceeds of the instant sale. The OC Tax's liens securing those
properties will be unaffected.

27 ¹¹ Pursuant to the IRS's Proof of Claim, filed 5/18/16 (Claim No. 2-1), the outstanding taxes relating to the
Property are estimated to be \$23,012.06.

28 ¹² This assumes that the 10552 escrow will close prior to the close of escrow on the instant Property.

1 the additional bids are high enough to justify their pursuit.” In re Wintex, Inc., 158 B.R. 540, 543
2 (D. Mass. 1992).

3 Court approval for bidding procedures is appropriate to organize the process for seeking
4 and considering bids for a sale pursuant to Section 363. In re WCI Cable, Inc., 282 B.R. 457
5 (Bankr. D. Or. 2002). In In re Onouli Kona Land Co., 846 F.2d 1170 (9th Cir. 1988), the Ninth
6 Circuit upheld the validity of the notice of the auction of the debtor’s asset, a large parcel of real
7 estate, even though there was only one bidder, the major secured creditor, where the “the period
8 before the auction, the sale commissioner published advertisements once a week for three weeks,
9 issued over 300 fact sheets to possible bidders, and gave Debtor an opportunity to advertise
10 independently.” Id., at 1174. See also In re Alves, 52 B.R. 353, 355 (Bankr. D. R.I. 1985)
11 (approving auction sale where property was given adequate marketing exposure); In re Waupun
12 Trading Co., Inc., 41 B.R. 812, 815 (Bankr. D. Hawaii 1984) (“The public notice which had been
13 published by the Trustee in a newspaper of general circulation was adequate notice”).

14 Additionally, courts have long recognized the need for competitive bidding at hearings on
15 private sales; “[c]ompetitive bidding yields higher offers and thus benefits the estate. Therefore,
16 the objective is ‘to maximize bidding, not restrict it’.” In re Atlanta Packaging Products, Inc., 99
17 B.R. 124, 131 (Bankr. N.D. Ga. 1988). A corollary to these principles is that the court should not
18 “cherry-pick” among contractual provisions, objecting to select individual portions, if the
19 agreement as a whole is supported by an articulated business judgment.

20 In this case, Paul respectfully submits that the bidding procedures are reasonable,
21 appropriate, and satisfy the business judgment rule. The bidding procedures will result in a fair
22 and reasonable price for the Property. Further, Paul submits that the minimum initial overbid of
23 \$50,000 is a reasonable increase requirement. The minimum bid was selected to encourage
24 bidding and ensure that the highest price is obtained. Paul submits that given the proposed
25 purchase price, an initial overbid of \$50,000 (which is less than 3% of the Purchase Price) will
26 assure that the bidding process is not unduly “chilled.”

27 Finally, Paul submits that the subsequent incremental bids in the sum of \$15,000 are
28 reasonable, and designed to encourage bidding, yet at the same time avoid the unnecessary delay

1 that would come with an unduly small incremental bid. Under these circumstances, Paul asserts
2 that the bidding procedures and timetable established for the Sale of the Property is more than
3 reasonable and will ensure competitive bidding. However, to the extent the Court approves the
4 Sale to a qualified overbidder who then fails to close due to a breach (other than a material breach
5 by Paul), the overbidder's deposit shall be forfeited to Paul's Estate.

6 **VI.**

7 **THE SALE IS PROPOSED IN GOOD FAITH**

8 The proposed Buyer is a good faith purchaser entitled to the protections of § 363(m).
9 "Though the Bankruptcy Code and Rules do not provide a definition of good faith, courts
10 generally have followed traditional equitable principles in holding that a good faith purchaser is
11 one who buys 'in good faith' and 'for value.'" In re Ewell, 958 F.2d 276, 281 (9th Cir. 1992)
12 (citing In re Abbotts Dairies of Pennsylvania, Inc., 788 F.2d 143, 147 (3rd Cir. 1986). Lack of
13 good faith may be shown by "fraud, collusion between the purchaser and other bidders or the
14 trustee, or an attempt to take grossly unfair advantage of other bidders." In re Ewell, 958 F.2d at
15 281 (quoting In re Suchy, 786 F.2d 900, 902 (9th Cir. 1985)); see also In re Indus. Valley
16 Refrigeration & Air Conditioning Supplies, Inc., 77 B.R. 15, 17 (Bankr. E.D. Pa. 1987) (good
17 faith requirement "focuses principally on the element of special treatment of the debtor's insiders
18 in the sale transaction").

19 In this case, the proposed Sale is not predicated on fraud or collusion and the Buyer is not
20 an insider nor has he received any special treatment or consideration. See Declarations of Paul
21 Chieu Nguyen and Selcuk Demirci. Based upon the foregoing, Paul submits that the Motion
22 satisfies the standards for approval of a sale of the Property outside of the ordinary course of
23 business pursuant to section 363(b), and good cause exists to find that the Buyer is a "good faith"
24 purchaser deserving of the protections of section 363(m). To the extent that a third party bidder
25 (Overbidder) purchases the Property, Paul reserves the right to request that section 363(m)
26 protections be extended to the Overbidder. See In re M Capital Corp., 290 B.R. 743 (B.A.P. 9th
27 Cir. 2003) (court may not make a finding of good faith in the absence of evidence, but may make
28 such a finding if appropriate evidence is presented).

VII.

**THE COURT SHOULD WAIVE THE FOURTEEN DAY STAY PRESCRIBED BY RULE
6004(h) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE**

Under Rule 6004(h) of the Federal Rules of Bankruptcy Procedure, an order authorizing the sale of property, other than cash collateral, is stayed for fourteen days after entry of the order unless the court orders otherwise. In this case, cause exists to waive the stay because waiver will expedite the consummation of the Sale and the infusion of the net sale proceeds to the Estate. Moreover, the deadline to pay all secured claims in full is fast approaching and waiver of the fourteen day stay will help to avoid the potential for default.

VIII.

CONCLUSION

Based on the foregoing, Paul respectfully requests that the Motion be granted in all respects, and for such other and further relief as the Court deems just and proper under the circumstances.

DATED: March 30, 2017

SulmeyerKupetz
A Professional Corporation

By: /s/ Jessica L. Vogel
David S. Kupetz
Jessica L. Vogel
Bankruptcy Counsel for Paul Chieu Nguyen,
Reorganized Debtor

SulmeyerKupetz, A Professional Corporation
333 SOUTH HOPE STREET, THIRTY-FIFTH FLOOR
LOS ANGELES, CALIFORNIA 90071-1406
TEL 213.626.2311 • FAX 213.629.4520

DECLARATION OF PAUL CHIEU NGUYEN¹³

I, Paul Chieu Nguyen, declare:

1. I am an individual over the age of eighteen. I am the reorganized debtor in the above-captioned case of *In re Paul Chieu Nguyen*, bearing case no. 8:16-bk-11619-SC. My case was designated as the “lead case” with the above-captioned jointly administered case of *In re Trask Developers, LLC* (“Trask”), bearing case no. 8:16-bk-11621-SC.

2. I make and execute this declaration in support of the “Motion of Paul Chieu Nguyen, For Order: (1) Authorizing Sale of Real Property Commonly Known As 10532 A & B Trask Avenue, Garden Grove, California 92843, Free and Clear of Liens, Claims, and Interests; (2) Approving Proposed Overbid Procedures; (3) Determining That Buyer Is Good Faith Purchaser; and (4) Authorizing Payment of Costs of Sale From Escrow” (the “Motion”).

3. On April 15, 2016 (the “Petition Date”), I filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). No creditors committee has been appointed and I continue to manage my affairs as a reorganized debtor. The Property is one of my primary assets and is a proposed source of funding for my chapter 11 reorganization.

4. On May 23, 2016, the Court entered an Order authorizing my employment of Voit Real Estate Services (“Voit”) to serve as my broker for the purpose of marketing the Property for sale.

5. On December 1, 2016, the Court confirmed Trask’s and my (the “Debtors”) First Amended Joint Chapter 11 Plan of Reorganization (as Modified on November 4, 2016) (the “Joint Plan”). The Joint Plan provides for payment in full of all Allowed Claims of Trask’s and my respective Estates, generated from the sale of some or all of the our industrial real property.

6. On December 16, 2016, Trask obtained an Order of this Court approving its Motion to Approve the Sale of the 10592 Property. Dkt. No. 134. Escrow closed in early January, 2017, and Trask used the net proceeds to pay down the secured claims of the Orange County Tax Collector and the Bank. On January 25, 2017, I obtained an Order of this Court approving my

¹³ Capitalized terms herein shall have the same meaning ascribed to them in the foregoing Motion and Memorandum of Points and Authorities.

SulmeyerKupetz, A Professional Corporation
333 SOUTH HOPE STREET, THIRTY-FIFTH FLOOR
LOS ANGELES, CALIFORNIA 90071-1406
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1 Motion to Approve the Sale of the 10552 Property [Dkt. No. 151]. Escrow is anticipated to close
2 shortly and will generate approximately \$1,135,594 in net proceeds to pay down the Orange
3 County Tax Collector's and Bank's claim.

4 7. Following the Effective Date of the Joint Plan, I retained Randy Wind of The Wind
5 Group Commercial Real Estate Advisors ("Broker"), to replace Voit as the listing agent for the
6 Property and for the 10632 Trask Avenue property. Based on the proceeds generated from the
7 sale of the 10592 property, and the anticipated proceeds from the sale of the 10552 property (upon
8 closing), I anticipate the proposed Sale will generate sufficient proceeds to satisfy all outstanding
9 secured claims in full, including the Bank's. Moreover, I am actively working with the Broker to
10 sell the 10632 Property and believe there is more than adequate equity in the 10632 Property to
11 satisfy all claims in full.

12 8. The Property is currently housing equipment and materials belonging to the non-
13 debtor related entity, Pacific Aerospace Machine, Inc. ("PAMI"). Accordingly, pursuant the terms
14 of the Purchase Agreement, and to avoid a delay in closing escrow, I (acting through PAMI) will
15 have the option to lease the Property back at market rate for up to thirty days to allow time for
16 PAMI to remove any such equipment and materials. See Exhibit 1, Purchase Agreement, ¶ 9. At
17 this time, it is undetermined whether this provision will be exercised.

18 9. I seek an order approving the sale (the "Sale") of my interest in certain industrial
19 real property commonly known as 10532 A Trask Avenue, Garden Grove, California 92843 [APN
20 930-62-456] and 10532 B Trask Avenue, Garden Grove, California 92843 [APN 930-62-457]
21 (together, the "Property"), on the terms and conditions of that certain written "Seller Counter Offer
22 No. 1" (the "Seller Counter-Offer"), dated March 13, 2017, the "Addendum to Commercial
23 Purchase Agreement and Joint Escrow Instructions - Dated 3-8-17 Re: 10532 A & B Trask
24 Avenue, Garden Grove, CA 92843" (the "Seller Addendum"), dated March 14, 2017, and the
25 "Commercial Property Purchase Agreement and Joint Escrow Instructions," dated March 8, 2017,
26 (the "Offer," and collectively with the Seller Counter-Offer and Seller Addendum, the "Purchase
27 Agreement"). A true and correct copy of the Purchase Agreement is attached hereto as Exhibit 1,
28 and is incorporated herein by reference. The proposed Sale is made in conjunction with the Joint

1 Plan and, if approved, will assist Trask and I in effectuating the provisions of the Joint Plan.

2 10. I seek an order authorizing the Sale of the Property to Selcuk Demirci (the
3 “Buyer”), for the sum of \$1,851,696 (the “Purchase Price”), cash, or to any person or entity who
4 appears at the hearing and submits a higher acceptable bid in accordance with my proposed
5 overbid procedures, which is approved by the Bankruptcy Court (the “Overbidder”).

6 11. I propose to sell the Property free and clear of all liens, claims, and interests, with
7 such liens, claims and interests to attach to the sales proceeds in the same manner and priority as
8 under applicable law. The Property is being sold on an “as is, where is” basis, with no warranties,
9 recourse, contingencies, or representations of any kind, except as stated in the Purchase
10 Agreement.

11 12. Based on the advice from my bankruptcy counsel, I believe the proposed overbid
12 procedures are fair and reasonable and are intended to encourage overbids by financially capable
13 buyers. As set forth in the Motion, I have outlined proposed overbid procedures to govern any
14 overbidding.

15 13. The Property consists of approximately .57 acres and includes two commercial
16 buildings each with separate office space covering 11,022 square feet. I hold title to the Property
17 in fee simple. The Property is subject to a number of encumbrances, all of which are reflected in a
18 Preliminary Report issued by Lawyers Title dated March 16, 2017, a true and correct copy of
19 which is attached hereto as Exhibit 2, and which is incorporated herein.

20 14. In my opinion, the proposed Sale of the Property is supported by sound business
21 judgment because the sale will maximize the value of the Property for the benefit of my Estate and
22 effectuate the provisions of the Joint Plan. The sale price is fair based upon the extensive
23 marketing efforts on the Property, listing prices of comparable parcels of real property, and the
24 Broker’s inspection of the Property. The sale price of \$1,851,696 will ensure that the highest and
25 best value is achieved from the sale and maximize the proceeds available to satisfy outstanding
26 property taxes and the Bank’s secured claim.

27 15. The price is fair, reasonable, and conforms with the current market of comparable
28 ///

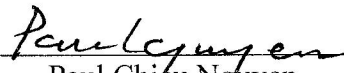
1 sales. The Buyers' offer of \$1,851,696 (\$168/sf) is in line with, and/or exceeds, other offers
2 received. After marketing the Property for sale for over a year and with two different brokerage
3 companies, I believe that the current offer reflects the market value of the Property and submit that
4 the sale price is reasonable and in the best interests of the Estate. Furthermore, the Sale is subject
5 to overbid to ensure that the Property sells for the highest and best offer that the market will pay.

6 16. The proposed Sale of the Property was negotiated at arms' length. There is no
7 fraud, collusion, or insider transactions present here, and the Buyer received no special treatment
8 or consideration. Moreover, the Property has been actively marketed, the sale will be properly
9 publicized on the Bankruptcy Court's Website, and I accepted the highest and best offer. As a
10 result, the Sale is made in good faith.

11 17. I am informed that the sale will result in a net capital gain which will require the
12 withholding of taxes by the California Franchise Tax Board. However, my understanding is that
13 any withholdings will be refunded once I file my 2017 tax return based on the net capital loss
14 resulting from the sale of all of my real property in 2017.

15 I declare under penalty of perjury that the foregoing is true and correct and that this
16 declaration was executed on March ___, 2017, at Anaheim, California.

17 3/28/2017

18 
Paul Chieu Nguyen

DECLARATION OF RANDY WIND¹⁴

I, Randy Wind, declare:

1. I am over the age of eighteen. I am a real estate agent, duly licensed in the State of California and have been a Full Licensed Commercial Real Estate Broker in the Central Orange County Marketplace for almost 30 years. I currently hold a California Brokers' License and have been involved with Investment Real Estate since 1978. I am president of The Wind Group Commercial Real Estate Advisors and have served as the lead broker on the sale of several business parks, including several buildings in the Grove Business Park where the Property is located.

2. I make and execute this declaration in support of the foregoing "Motion of Paul Chieu Nguyen For Order: (1) Authorizing Sale of Real Property Commonly Known As 10532 A & B Trask Avenue, Garden Grove, California 92843, Free and Clear of Liens, Claims, and Interests; (2) Approving Proposed Overbid Procedures; (3) Determining That Buyer Is Good Faith Purchaser; and (4) Authorizing Payment of Costs of Sale From Escrow" (the "Motion").

3. Paul Chieu Nguyen (the "Paul") retained me to serve as the listing broker for the real property located at 10532 A Trask Avenue, Garden Grove, California 92843 [APN 930-62-456] and 10532 B Trask Avenue, Garden Grove, California 92843 [APN 930-62-457] (together, the "Property").

4. Since being retained to market the Property, I have engaged in the following marketing efforts:

- I placed for sale signs on Trask Avenue – the major street for the Garden Grove auto mall – as well as along the 22 freeway which is a major freeway that cuts through Orange County.
- I published the listing in all commercial databases, including: AIR, Xcellegent, Costar, ILS, Loopnet, Cityfeet, Commercial Search. I also published the listing in the Residential MLS to market to over 20,000 agents throughout Southern California. I

¹⁴ Capitalized terms not otherwise defined herein shall have the same meanings ascribed to them in the Motion and Memorandum of Points and Authorities to which this Declaration is attached.


1 advertised the Property on Craigslist and Local Media, directly advertised to the
2 Vietnamese community and local businesses within an 8 mile radius of the Property,
3 and sent out an e-mail campaign to AIR Brokers in Southern California.

- 4 • I responded to over 150 direct inquires, conducted over 50 property tours since early
5 February, implemented continual price adjustments to stimulate interest, and discussed
6 and entertained numerous offers.

7 5. Based on my research and review of comparable listings, and my assessment of
8 interest, I believe the offer of \$1,851,686 represents a fair value for the Property.

9 6. I will continue to market the Property for overbids until the Sale hearing.

10 I declare under penalty of perjury that the foregoing is true and correct, and that this
11 declaration was executed on March 30, 2017, at Los Alamitos, California.

12
13 
14 Randy Wind

DECLARATION OF SELCUK DEMIRCI¹³

I, Selcuk Demirci, declare:

1. I am over the age of eighteen. Except as otherwise indicated, all statements made herein are based on my personal knowledge or my review of relevant documents. If called to testify as a witness in this matter, I could and would competently testify under oath to the truth of the statements set forth herein.

2. I am the proposed Buyer of the real property located at and commonly known as 10532 A Trask Avenue, Garden Grove, California 92843 [APN 930-62-456] and 10532 B Trask Avenue, Garden Grove, California 92843 [APN 930-62-457] (together, the "Property"). I am represented in this transaction by my agent, Hasan Bora Incesu of Pomecs Financial & Real Estate Services.

3. To the best of my knowledge, I do not have any relation to Paul Chieu Nguyen ("Paul") or Trask Developers, LLC, their agents and employees, or any Judge of the United States Bankruptcy Court for the Central District of California, the United States Trustee, or any person currently employed in the Office of the United States Trustee.

4. The Purchase Price is the product of an arms-length negotiation with Paul, through our respective real estate agents,

I declare under penalty of perjury that the foregoing is true and correct, and that this declaration was executed on March 28, 2017, at Orange, California.



Selcuk Demirci

¹³ Capitalized terms not otherwise defined herein shall have the same meanings ascribed to them in the Motion and Memorandum of Points and Authorities to which this Declaration is attached.

EXHIBIT 1



CALIFORNIA
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OF REALTORS®

SELLER COUNTER OFFER No. 1
May not be used as a multiple counter offer.
(C.A.R. Form SCO, 11/14)

Date March 13, 2017

This is a counter offer to the: ☒ Purchase Agreement, ☐ Buyer Counter Offer No. _____, or ☐ Other _____ ("Offer"),
dated March 8, 2017, on property known as 10532 Trask Ave., Garden Grove, CA 92843 ("Property"),
between Selcuk Demirci ("Buyer")
and Paul Chieu Nguyen ("Seller").

1. **TERMS:** The terms and conditions of the above referenced document are accepted subject to the following:

- A. Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer or an addendum.
B. Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.

C. **OTHER TERMS:** Par 1. C. - The Purchase Price shall be \$1,851,696. (\$168.00 psf)

Par 1.D. Close of Escrow - Close of escrow shall be as outlined by Court Approval -Forty (40) days after acceptance.

Par 3. A. - Initial Deposit shall be \$25,000. Increased additional \$20,000 on waiver of contingencies

Par 3.C - Escrow and Title shall be with Lawyers Title Company - Mike Banhagel as Representative.

Par 3.D - Buyer and Seller shall each pay the costs that are normal and customary for each party.

Par 9 - Possession - Seller will have option to lease at market rate for up to 30 days to remove equipment & materials.

Par 12 - Seller will provide a General Property information and any reports they have in their possession. Any additional reports shall be at the Buyer's option and expense.

Par 15 - Condition of Property - Property is being sold AS-IS/Where-Is at close of escrow.

D. The following attached addenda are incorporated into this Seller Counter offer: ☐ Addendum No. _____

☒ Additional Terms and Clarifications ☐

2. **EXPIRATION:** This Seller Counter Offer shall be deemed revoked and the deposits, if any, shall be returned:

- A. Unless by 5:00pm on the third Day After the date it is signed in paragraph 4 (if more than one signature then, the last signature date)(or by ☐ AM ☐ PM on _____ (date)) (i) it is signed in paragraph 5 by Buyer and (ii) a copy of the signed Seller Counter Offer is personally received by Seller or _____, who is authorized to receive it.

OR B. If Seller withdraws it anytime prior to Acceptance (CAR Form WOO may be used).

OR C. If Seller accepts another offer prior to Buyer's Acceptance of this counter offer.

3. **MARKETING TO OTHER BUYERS:** Seller has the right to continue to offer the Property for sale. Seller has the right to accept any other offer received, prior to Acceptance of this Counter Offer by Buyer as specified in 2A and 5. In such event, Seller is advised to withdraw this Seller Counter Offer before accepting another offer.

4. **OFFER: SELLER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY.**

Seller Paul Chieu Nguyen Date 3/13/17
Seller Paul Chieu Nguyen Date 3/13/17

5. **ACCEPTANCE: I/WE** accept the above Seller Counter Offer (If checked ☐ **SUBJECT TO THE ATTACHED COUNTER OFFER**) and acknowledge receipt of a Copy.

Buyer Selcuk Demirci Date 3/18/17 Time ☐ AM / ☐ PM
Buyer Selcuk Demirci Date 3/18/17 Time ☐ AM / ☐ PM

CONFIRMATION OF ACCEPTANCE:

(P / C) (Initials) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by Seller, or Seller's authorized agent as specified in paragraph 2A on (date) March 20, 2017 at 10:00 ☒ AM / ☐ PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Seller or Seller's authorized agent whether or not confirmed in this document.

Paul Chieu Nguyen

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Reviewed [Signature] Date 3/20/17



SCO 11/14 (PAGE 1 OF 1)

SELLER COUNTER OFFER (SCO PAGE 1 OF 1)

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Randall Wind

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Fax:

Paul Nguyen -

ADDITIONAL TERMS AND CLARIFICATIONS

Addendum to Commercial Property Purchase Agreement and Joint Escrow Instructions - Dated 3-8-17
Re: 10532 A & B Trask Avenue, Garden Grove, CA 92843

General Guidelines:

(rev 10/4/16)

(rev 3-14-17)

Letter of Intent-Offer-Counter Offer

Nguyen: 10532 A/B, 10552 and 10632

Buyer acknowledges sale of the property is strictly on an "as is-where is" basis and without representation or warranty of any nature or type, written or implied except delivery of marketable title.

Buyer acknowledges sale of the subject property is subject to (1) approval of the United States Bankruptcy Court, Central District of California, Santa Ana Division, (the "Court"), Case No. 8:16-bk-11619-SC, in re Paul Chieu Nguyen, jointly administered with Case No. 8:16-bk-11621-SC, in re Trask Developers, LLC, including opportunity for qualified overbids, if any, at a hearing to be set by the Court to approve the sale and (2) the consent to the sale of American Plus Bank, which holds security interests in the real property, or in the event such consent is not granted an Order of the Court otherwise approving the sale.

Such approval shall be sought by way of a Motion to be filed with the Court by Seller immediately after Buyer has removed all contingencies on Buyer's part and is ready to proceed with the purchase of the property.

Closing of the sale shall occur as soon as possible after obtaining a Final Order of the Court approving the sale, but in no event later than 30 days after the entry of such Final Order.

In the event Court approval of the sale is not received within 45 days after Buyer's removal of all contingencies, Buyer or Seller has the right to terminate this agreement upon written notice of such termination and Buyer's deposit shall be returned to Buyer and neither party shall have any further rights or obligations as to the other party.

Shen

P

Paul Nguyen



CALIFORNIA
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COURT CONFIRMATION ADDENDUM
(C.A.R. Form CCA, 11/12)

This is an addendum to the ☐ California Residential Purchase Agreement, ☒ Counter Offer No. One, ☐ Other
("Agreement"), dated March 13, 2017, on
property known as 10532 Trask Ave., Garden Grove, CA 92843 ("Property"),
between Selcuk Demirci ("Buyer"),
and Paul Chieu Nguyen ("Seller").

The Agreement is contingent upon court confirmation on or before May 18, 2017 (date). If court confirmation is not
obtained by that date, Buyer may cancel the Agreement in writing. Court confirmation may be required in probate, conservatorship,
guardianship, receivership, bankruptcy, divorce or other proceedings. The court may allow open, competitive bidding, resulting in the
Property being sold to the highest bidder. Broker recommends that Buyer appear at the court confirmation hearing. Buyer understands
that (i) Broker and others may continue to market the Property; and (ii) Broker may represent other competitive bidders prior to and at
the court confirmation.

By signing below Buyer and Seller acknowledge that each has read, understands, has received a copy of and agrees to the terms of this
Court Confirmation Addendum.

Date 03.18.2017

Date 3/17/17

Buyer Selcuk Demirci

Seller Paul Chieu Nguyen

Buyer _____

Seller _____

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CCA 11/12 (PAGE 1 OF 1)

COURT CONFIRMATION ADDENDUM (CCA PAGE 1 OF 1)

Reviewed by My Date 3/17/17



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Paul Nguyen -



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COMMERCIAL PROPERTY PURCHASE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS

(NON-RESIDENTIAL)
(C.A.R. Form CPA, Revised 12/15)

Date Prepared: 03/08/2017

1. OFFER:

- A. THIS IS AN OFFER FROM Selcuk Demirci ("Buyer").
☐ Individual(s), ☐ A Corporation, ☐ A Partnership, ☒ An LLC, ☐ An LLP, or ☐ Other _____.
- B. THE REAL PROPERTY to be acquired is 10532 Trask, situated in
Garden Grove (City), Orange (County), California, 92843 (Zip Code), Assessor's Parcel No. 930-624-56 ("Property").
- C. THE PURCHASE PRICE offered is One Million, Seven Hundred Thousand
 Dollars \$ 1,700,000.00.
- D. CLOSE OF ESCROW shall occur on ☐ _____ (date) (or ☒ 60 Days After Acceptance).
- E. Buyer and Seller are referred to herein as the "Parties." Brokers are not Parties to this Agreement.

2. AGENCY:

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

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

- A. INITIAL DEPOSIT: Deposit shall be in the amount of \$ 17,000.00

(1) Buyer Direct Deposit: Buyer shall deliver deposit directly to Escrow Holder by electronic funds transfer, ☐ cashier's check, ☒ personal check, ☐ other _____ within 3 business days after Acceptance (or _____);

OR (2) ☐ Buyer Deposit with Agent: Buyer has given the deposit by personal check (or _____) to the agent submitting the offer (or to _____), made payable to _____ . The deposit shall be held uncashed until Acceptance and then deposited with Escrow Holder within 3 business days after Acceptance (or _____).
 Deposit checks given to agent shall be an original signed check and not a copy.

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

- B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of . . . \$ _____ within _____ Days After Acceptance (or _____).

If the Parties agree to liquidated damages in this Agreement, they also agree to incorporate the increased deposit into the liquidated damages amount in a separate liquidated damages clause (C.A.R. Form RID) at the time the increased deposit is delivered to Escrow Holder.

- C. ☐ ALL CASH OFFER: No loan is needed to purchase the Property. This offer is NOT contingent on Buyer obtaining a loan. Written verification of sufficient funds to close this transaction IS ATTACHED to this offer or ☐ Buyer shall, within 3 (or _____) Days After Acceptance, Deliver to Seller such verification.

D. LOAN(S):

- (1) FIRST LOAN: in the amount of \$ 1,000,000.00

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 \$ 683,000.00
 to be deposited with Escrow Holder pursuant to Escrow Holder instructions.

- G. PURCHASE PRICE (TOTAL): \$ 1,700,000.00

- 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 (SD) (_____)

Seller's Initials (J) (_____)

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CPA REVISED 12/15 (PAGE 1 OF 11)

COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 1 OF 11)

Pomecs Financial Services, 30 Mercato Laguna Niguel, CA 92677
 Hasan Bora Incesu

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Phone: (949)292-4290

Fax: (949)252-2188

10532 Trask Ave

0029



Property Address: 10532 Trask, Garden Grove, 92843Date: March 8, 2017

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

J. **LOAN TERMS:**

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

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

(3) **LOAN CONTINGENCY REMOVAL:**

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

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

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

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

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

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

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

5. **ADDENDA AND ADVISORIES:**A. **ADDENDA:**

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

B. **BUYER AND SELLER ADVISORIES:**

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

6. **OTHER TERMS:**7. **ALLOCATION OF COSTS**

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

- (1) ☐ Buyer ☒ Seller shall pay for a natural hazard zone disclosure report, including tax ☒ environmental ☐ Other:
prepared by .
- (2) ☒ Buyer ☐ Seller shall pay for the following Report Building Inspection 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 (SD) ()Seller's Initials (P) ()

CPA REVISED 12/15 (PAGE 2 OF 11)

COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 2 OF 11)

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10532 Trask Ave 0030



- (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 each side pays their own 50/50
(b) Escrow Holder shall be Seller Choice
(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 Each side pays thier own
(b) Owner's title policy to be issued by Fidelity National Title (David Glanzrock)
(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:

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 2 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 (SD) ()
CPA REVISED 12/15 (PAGE 3 OF 11)

Seller's Initials (P) ()



- 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 (SD) (_____)

Seller's Initials (P) (_____)

CPA REVISED 12/15 (PAGE 4 OF 11)

COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 4 OF 11)

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12. ☒ **ENVIRONMENTAL SURVEY** (If checked): Within 10 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, the right to: (i) inspect for lead-based paint and other lead-based paint hazards; (ii) inspect for wood destroying pests and organisms. Any inspection for wood destroying pests and organisms shall be prepared by a registered Structural Pest Control company; shall cover the main building and attached structures; may cover detached structures; shall NOT include water tests of shower pans on upper level units unless the owners of property below the shower consent; shall NOT include roof coverings; and, if the Property is a unit in a condominium or other common interest subdivision, the inspection shall include only the separate interest and any exclusive-use areas being transferred, and shall NOT include common areas; and shall include a report ("Pest Control Report") showing the findings of the company which shall be separated into sections for evident infestation or infections (Section 1) and for conditions likely to lead to infestation or infection (Section 2); (iii) review the registered sex offender database; (iv) confirm the insurability of Buyer and the Property including the availability and cost of flood and fire insurance; (v) review and seek approval of leases that may need to be assumed by Buyer; and (vi) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA). Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer Investigations except for minimally invasive testing required to prepare a Pest Control Report; or (ii) inspections by any governmental building or zoning inspector or government employee, unless required by Law.
 - B. Seller shall make the Property available for all Buyer Investigations. Buyer shall (i) as specified in paragraph 18B, complete Buyer Investigations and either remove the contingency or cancel this Agreement, and (ii) give Seller, at no cost, complete Copies of all such Investigation reports obtained by Buyer, which obligation shall survive the termination of this Agreement.
 - C. Seller shall have water, gas, electricity and all operable pilot lights on for Buyer's Investigations and through the date possession is made available to Buyer.
 - D. **Buyer indemnity and seller protection for entry upon property:** Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer Investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-Responsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination of this Agreement.
17. **TITLE AND VESTING:**
- A. Within the time specified in paragraph 18, Buyer shall be provided a current preliminary title report ("Preliminary Report"). The Preliminary Report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the Preliminary Report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 18B. The company providing the Preliminary Report shall, prior to issuing a Preliminary Report, conduct a search of the General Index for all Sellers except banks or other institutional lenders selling properties they acquired through foreclosure (REOs), corporations, and government entities. Seller shall within 7 Days After Acceptance, give Escrow Holder a completed Statement of Information.
 - B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except for: (i) monetary liens of record (which Seller is obligated to pay off) unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.
 - C. Within the time specified in paragraph 18A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.

Buyer's Initials (SD) ()Seller's Initials (P) ()

CPA REVISED 12/15 (PAGE 5 OF 11)

COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 5 OF 11)Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 www.zipLogix.com

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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 ____) 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 (SD) (_____)
CPA REVISED 12/15 (PAGE 6 OF 11)

Seller's Initials (l) (_____)



- 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 (SD) (_____)
CPA REVISED 12/15 (PAGE 7 OF 11)

Seller's Initials (P) (_____)



Property Address: 10532 Trask, Garden Grove, 92643

Date: March 8, 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

SD /

Seller's Initials

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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

SD /

Seller's Initials

P /

Buyer's Initials (

SD)

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Seller's Initials (

P)

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CPA REVISED 12/15 (PAGE 8 OF 11)

COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 8 OF 11)

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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 AOA).
- 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, 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, 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 (SD) (_____)

Seller's Initials () (_____)

CPA REVISED 12/15 (PAGE 9 OF 11)

COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 9 OF 11)

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Property Address: 10532 Trask, Garden Grove, 92843

Date: March 8, 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 _____, 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 03/08/2017 BUYER Selcuk Demirci

03/09/2017 20:45:35

(Print name) Selcuk Demirci

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:

March 12, 2017

☐ 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 4/20/2017 SELLER Paul Gruyer

(Print name) _____

Date _____ SELLER _____

(Print name) _____

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

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

(Initials)

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

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) Pomecs Financial & Real Estate Services		CalBRE Lic. # 00606968
By Hasan Bora Incesu	CalBRE Lic. # 01867722	Date 03/08/2017
By _____	CalBRE Lic. # _____	Date _____
Address 30 Mercato	City Laguna Niguel	State CA Zip 92677
Telephone (949)292-4290	Fax (949)252-2188	E-mail bora4homes@gmail.com
Real Estate Broker (Listing Firm) Randall A Wind Broker		CalBRE Lic. # 00970077
By Randall Wind	CalBRE Lic. # 00970077	Date 3/26/17
By _____	CalBRE Lic. # _____	Date _____
Address 11278 Los Alamitos Blvd #210	City Los Alamitos	State CA Zip 90720
Telephone (714)801-1128	Fax (562)594-3735	E-mail rwind@windgrp.com

ESCROW HOLDER ACKNOWLEDGMENT:

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

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

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

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

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

Buyer's Initials (SD) (_____)

Seller's Initials (P) (_____)

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Reviewed by
Broker or Designee [Signature] 3/26/17



CPA REVISED 12/15 (PAGE 11 OF 11)

COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 11 OF 11)

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EXHIBIT 2



Lawyers Title Company
16755 Von Karman Avenue Suite 100
Irvine, CA 92606
Phone: (949) 223-5575
Fax: ()

Lawyers Title Company
16755 Von Karman, Suite 100
Irvine, CA 92606

Attn: Linda Lastelic

Title Officer: Richard Lisi--So Jr.
email: tu58@ltic.com
Phone No.: (949) 223-5507
Fax No.: (949) 955-1166
File No.: 217580493

Your Reference No:

Property Address: 10532 Trask Unit A & B, Garden Grove, California

PRELIMINARY REPORT

Dated as of March 16, 2017 at 7:30 a.m.

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

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitation on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

The policy(s) of title insurance to be issued hereunder will be policy(s) of **Commonwealth Land Title Insurance Company**.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered. It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

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

SCHEDULE A

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

ALTA Owners 2006
ALTA Loan 2006

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

A CONDOMINIUM, as defined in Sections 783 and 4125 of the California Civil Code, in fee

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

Paul C. Nguyen, a married man as his sole and separate property, subject to proceedings pending in the bankruptcy court where a petition for relief was filed.

Name of Debtor:	Paul Chieu Nguyen
Date of Filing:	April 15, 2016
U.S. District Court:	California Central District
Case No:	8:16-bk-11619-SC

The land referred to herein is situated in the County of Orange, State of California, and is described as follows:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

EXHIBIT "A"

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

A CONDOMINIUM COMPRISED OF:

PARCEL 1:

AN UNDIVIDED 1/2 INTEREST AS TENANT-IN-COMMON IN AND TO THE COMMON AREA OF LOT 5 OF TRACT NO. 15940, AS SHOWN ON A MAP RECORDED IN BOOK 812, PAGES 9 TO 13 INCLUSIVE OF MISCELLANEOUS MAPS, RECORDS OF ORANGE COUNTY, CALIFORNIA, AS DESCRIBED ON THE CONDOMINIUM PLAN (THE "CONDOMINIUM PLAN") RECORDED FEBRUARY 16, 2001 AS INSTRUMENT NO. 2001-087695, OFFICIAL RECORDS OF SAID ORANGE COUNTY.

EXCEPTING THEREFROM, ALL MINERALS, OIL, GASES AND OTHER HYDROCARBONS BY WHATSOEVER NAME KNOWN THAT MAY BE WITHIN OR UNDER SAID LAND WITHOUT HOWEVER, THE RIGHT TO DRILL OR MINE THROUGH THE SURFACE OR THE UPPER 500 FEET THEREOF, AS SET FORTH IN A DEED RECORDED IN BOOK 9386, PAGE 630, OFFICIAL RECORDS.

PARCEL 2:

UNIT NO. 5A, AS SHOWN AND DESCRIBED ON THE CONDOMINIUM PLAN.

PARCEL 3:

EASEMENTS AND RIGHTS AS SET FORTH IN THE SECTIONS ENTITLED "CREATION OF EASEMENTS TO BENEFIT OWNERS" AND "EASEMENT FOR CONSTRUCTION OF IMPROVEMENTS" OF THE ARTICLE ENTITLED "EASEMENTS" OF THE GROVE INDUSTRIAL PARK DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND RESERVATION OF EASEMENTS" RECORDED FEBRUARY 16, 2001 AS INSTRUMENT NO. 2001-087694, OFFICIAL RECORDS OF ORANGE COUNTY (THE "DECLARATION"), WHICH INCLUDE, WITHOUT LIMITATION, THE NON-EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS OVER THE ACCESS EASEMENT AREA DESCRIBED THEREIN WHICH PROVIDES ACCESS TO THE PROPERTY.

Assessor's Parcel No: 930-62-456

SCHEDULE B

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

- A. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2017-2018.
- B. Property taxes, including any personal property taxes and any assessments collected with taxes, are as follows:

Tax Identification No.:	930-62-456
Fiscal Year:	2016-2017
1 st Installment:	\$3,642.07, UNPAID (Delinquent after December 10)
Penalty:	\$364.22
2 nd Installment:	\$3,642.27, UNPAID (Delinquent after April 10)
Penalty and Cost:	\$387.22
Homeowners Exemption:	NONE
Code Area:	18-377

- C. Said property has been declared tax defaulted for non-payment of delinquent taxes for the fiscal year 2013-2014.

APN No:	930-624-56
Default Date:	July 1, 2014

Amounts to redeem for the above-stated fiscal year (and subsequent years if any) are:

Amount:	\$30,260.36, by April 30, 2017
Amount:	\$30,577.34, by May 31, 2017

- D. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A; or as a result of changes in ownership or new construction occurring prior to date of policy.

- 1. Water rights, claims or title to water, whether or not disclosed by the public records.
- 2. Covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, citizenship, immigration status, primary language, ancestry, source of income, gender, gender identity, gender expression, medical condition or genetic information, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document

Recording No: in Book 9577, Page 881 of Official Records

Said covenants, conditions and restrictions provide that a violation thereof shall not defeat the lien of any mortgage or deed of trust made in good faith and for value.

3. The ownership of said Land does not include rights of access to or from the street, highway, or freeway abutting said Land, such rights having been relinquished by the document,

Recording Date: August 26, 1970
Recording No: in Book 9386, Page 630 of Official Records
Affects: State Freeway

4. A covenant and affidavit regarding acceptance of conditions of approval for Planned Unit Development No. PUD-102-71, recorded August 10, 1971 in Book 9577, Page 819 of Official Records, upon the terms, provisions, covenants and conditions contained herein

5. Declaration of covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, citizenship, immigration status, primary language, ancestry, source of income, gender, gender identity, gender expression, medical condition or genetic information, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the below document, which, among other things, may contain or provide for easements; assessments, liens and the subordination thereof; said covenants, conditions and restrictions provide that a violation thereof shall not defeat the lien of any mortgage or deed of trust made in good faith and for value:

Recording Date: February 16, 2001
Recording No: as Instrument No. 2001-087694 of Official Records

Modification(s) of said covenants, conditions and restrictions

Recording Date: March 6, 2001
Recording No: as Instrument No. 2001-124974 of Official Records

6. A deed of trust to secure an indebtedness in the amount shown below,

Amount: \$500,000.00
Dated: January 12, 2012
Trustor/Grantor: Paul C. Nguyen, a married man as his sole and separate property
Trustee: American Plus Bank, N.A.
Beneficiary: American Plus Bank, N.A.
Loan No.: Not Set Out
Recording Date: January 24, 2012
Recording No: as Instrument No. 2012-037186 of Official Records

A substitution of trustee under said deed of trust which names, as the substituted trustee, the following

Trustee: Fidelity National Title Company
Recording Date: December 17, 2015
Recording No: as Instrument No. 2015-637821 of Official Records

A notice of default under the terms of said trust deed

Executed by: Fidelity National Title Company
Recording Date: December 17, 2015
Recording No: as Instrument No. 2015-637822 of Official Records

A notice of trustee's sale under said deed of trust

Executed by: Fidelity National Title Company
Time and Place of Sale: April 19, 2016 at 12:00 PM, at the North front entrance to County
Courthouse, 700 Civic Center Drive West, Santa Ana, CA
Recording Date: March 24, 2016
Recording No: as Instrument No. 2016-123085 of Official Records

7. An assignment of all the moneys due, or to become due as rental, as additional security for the obligations secured by deed of trust shown

Recording Date: January 24, 2012
Recording No: as Instrument No. 2012-037187 of Official Records
Assigned to: American Plus Bank, N.A.

8. Hazardous Substances Certificate and Indemnity Agreement

Recording Date: January 24, 2012
Recording No.: as Instrument No. 2012-037188 of Official Records

Reference is hereby made to said document for full particulars.

9. An unrecorded lease with certain terms, covenants, conditions and provisions set forth therein as disclosed by the document

Entitled: Subordination, Non-Disturbance and Attornment Agreement and
Estoppel Certificate
Lessor: Paul Nguyen
Lessee: Pacific Aerospace Machine, Inc.
Recording Date: January 24, 2012
Recording No: as Instrument No. 2012-037189 of Official Records

The present ownership of the leasehold created by said lease and other matters affecting the interest of the lessee are not shown herein.

An agreement recorded January 24, 2012 at Instrument No. 2012-037189 which states that said lease has been made subordinate to the document

Entitled: Deed of Trust
Recording Date: January 24, 2012
Recording No: as Instrument No. 2012-037186 of Official Records

An agreement recorded January 24, 2012 at Instrument No. 2012-37205 which states that said lease has been made subordinate to the document

Entitled: Deed of Trust
Recording Date: January 24, 2-12
Recording No: as Instrument No. 2012-037202 of Official Records

10. A deed of trust to secure an indebtedness in the amount shown below,

Amount: \$1,762,000.00
Dated: January 12, 2012
Trustor/Grantor: Paul C. Nguyen, a married man as his sole and separate property
Trustee: American Plus Bank, N.A.
Beneficiary: American Plus Bank, N.A.
Loan No.: Not Set Out
Recording Date: January 24, 2012
Recording No: as Instrument No. 2012-037202 of Official Records

A substitution of trustee under said deed of trust which names, as the substituted trustee, the following

Trustee: Fidelity National Title Company
Recording Date: December 17, 2015
Recording No: as Instrument No. 2015-637851 of Official Records

A notice of default under the terms of said trust deed

Executed by: Fidelity National Title Company
Recording Date: December 17, 2015
Recording No: as Instrument No. 2015-637852 of Official Records

A notice of trustee's sale under said deed of trust

Executed by: Fidelity National Title Company
Time and Place of Sale: April 19, 2016 at 12:00 PM, at the North front entrance to County Courthouse, 700 Civic Center Drive West, Santa Ana, CA
Recording Date: March 24, 2016
Recording No: as Instrument No. 2016-123092 of Official Records

11. An assignment of all the moneys due, or to become due as rental, as additional security for the obligations secured by deed of trust shown

Recording Date: January 24, 2012
Recording No: as Instrument No. 2012-037203 of Official Records
Assigned to: American Plus Bank, N.A.

12. Hazardous Substances Certificate and Indemnity Agreement

Recording Date: January 24, 2012
Recording No.: as Instrument No. 2012-037204 of Official Records

Reference is hereby made to said document for full particulars.

13. A tax lien for the amount shown and any other amounts due, in favor of the United States of America, assessed by the District Director of Internal Revenue.

Federal Serial No.: 953951416
Taxpayer: Paul C. Nguyen and Kelly T. Hoang
Amount: \$55,728.45
Recording Date: August 15, 2013
Recording No: as Instrument No. 2013-484432 of Official Records

14. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the public records.

The Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage.

The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

END OF SCHEDULE B EXCEPTIONS

**PLEASE REFER TO THE "NOTES AND REQUIREMENTS SECTION" WHICH FOLLOWS FOR
INFORMATION NECESSARY TO COMPLETE THIS TRANSACTION**

REQUIREMENTS SECTION:

Req. No. 1: In order to complete this report, the Company requires a Statement of Information to be completed by the following party(s),

Party(s): ALL PARTIES

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

NOTE: The Statement of Information is necessary to complete the search and examination of title under this order. Any title search includes matters that are indexed by name only, and having a completed Statement of Information assists the Company in the elimination of certain matters which appear to involve the parties but in fact affect another party with the same or similar name. Be assured that the Statement of Information is essential and will be kept strictly confidential to this file.

INFORMATIONAL NOTES SECTION

- Note No. 1: The information on the attached plat is provided for your convenience as a guide to the general location of the subject property. The accuracy of this plat is not guaranteed, nor is it a part of any policy, report or guarantee to which it may be attached.
- Note No. 2: California insurance code section 12413.1 regulates the disbursement of escrow and sub-escrow funds by title companies. The law requires that funds be deposited in the title company escrow account and available for withdrawal prior to disbursement. Funds deposited with the company by wire transfer may be disbursed upon receipt. Funds deposited with the company via cashier's check or teller's check drawn on a California based bank may be disbursed on the next business day after the day of deposit. If funds are deposited with the company by other methods, recording and/or disbursement may be delayed. All escrow and sub-escrow funds received by the company will be deposited with other escrow funds in one or more non-interest bearing escrow accounts of the company in a financial institution selected by the company. The company may receive certain direct or indirect benefits from the financial institution by reason of the deposit of such funds or the maintenance of such accounts with such financial institution, and the company shall have no obligation to account to the depositing party in any manner for the value of, or to pay to such party, any benefit received by the company. Those benefits may include, without limitation, credits allowed by such financial institution on loans to the company or its parent company and earnings on investments made with the proceeds of such loans, accounting, reporting and other services and products of such financial institution. Such benefits shall be deemed additional compensation of the company for its services in connection with the escrow or sub-escrow.
- For wiring Instructions please contact your Title Officer or Title Company Escrow officer.**
- Note No. 3: Lawyers Title is a division of Commonwealth Land Title Insurance Company. The insurer in policies of title insurance, when issued in this transaction, will be Commonwealth Land Title Insurance Company.

- Note No. 4: None of the items shown in this report will cause the Company to decline to attach CLTA Endorsement Form 100 to an ALTA Loan Policy, when issued.
- Note No. 5: The following information will be included in the CLTA Form 116 or ALTA Form 22-06 Endorsement to be issued pursuant to this order:
There is located on said land: INDUSTRIAL CONDOMINIUM
Known as: 10532 Trask Avenue, Unit A & B, Garden Grove, California
- Note No. 6: There are no conveyances affecting said land recorded within 24 months of the date of this report.
- Note No. 7: THIS COMPANY REQUIRES CURRENT BENEFICIARY DEMANDS PRIOR TO CLOSING. If the demand is expired and a current demand cannot be obtained, our requirements will be as follows:
- (a) If this Company accepts a verbal update on the demand, we may hold an amount equal to one monthly mortgage payment. This hold will be in addition to the verbal hold the lender may have stipulated.
 - (b) If this Company cannot obtain a verbal update on the demand, we will either pay off the expired demand, or wait for the amended demand, at our discretion.
 - (c) All payoff figures are verified at closing. If the customer's last payment was made within 15 days of closing, our Payoff Department may hold one month's payment to insure check has cleared the bank (unless a copy of the cancelled check is provided, in which case there will be no hold).

Processor: SAH
Date Typed: March 28, 2017

Attachment One (Revised 06-05-14)

**CALIFORNIA LAND TITLE ASSOCIATION
STANDARD COVERAGE POLICY – 1990**

EXCLUSIONS FROM COVERAGE

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

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

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

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

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

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

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

EXCLUSIONS

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

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

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

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

6. Lack of a right:

- a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
- b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.

- 7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
- 8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
- 9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

LIMITATIONS ON COVERED RISKS

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

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

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

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 10,000.00
Covered Risk 18:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 19:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 21:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 5,000.00

2006 ALTA LOAN POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

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

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

or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
- 2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.

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

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

EXCEPTIONS FROM COVERAGE

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

[PART I

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

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

6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

PART II

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

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

EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

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

EXCEPTIONS FROM COVERAGE

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

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

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

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (12-02-13)

EXCLUSIONS FROM COVERAGE

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

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

4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.



Lawyers Title Company
16755 Von Karman Avenue Suite 100
Irvine, CA 92606
Phone: (949) 223-5575
Fax: ()

Order No. 217580493

Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the filed rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for such discount. These discounts only apply to transactions involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

FNF Underwritten Title Company

LTC – Lawyers Title Company

FNF Underwriter

CLTIC – Commonwealth Land Title Insurance Co.

Available Discounts

DISASTER LOANS (CLTIC)

The charge for a Lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within 24 months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be 50% of the appropriate title insurance rate.

EMPLOYEE RATE (LTC and CLTIC)

No charge shall be made to employees (including employees on approved retirement) of the Company or its underwritten, subsidiary or affiliated title companies for policies or escrow services in connection with financing, refinancing, sale or purchase of the employees' bona fide home property. Waiver of such charges is authorized only in connection with those costs which the employee would be obligated to pay, by established custom, as a party to the transaction.

At Fidelity National Financial, Inc., we respect and believe it is important to protect the privacy of consumers and our customers. This Privacy Notice explains how we collect, use, and protect any information that we collect from you, when and to whom we disclose such information, and the choices you have about the use of that information. A summary of the Privacy Notice is below, and we encourage you to review the entirety of the Privacy Notice following this summary. You can opt-out of certain disclosures by following our opt-out procedure set forth at the end of this Privacy Notice.

<p>Types of Information Collected. You may provide us with certain personal information about you, like your contact information, address, demographic information, social security number (SSN), driver's license, passport, other government ID numbers and/or financial information. We may also receive browsing information from your Internet browser, computer and/or mobile device if you visit or use our websites or applications.</p>	<p>How Information is Collected. We may collect personal information from you via applications, forms, and correspondence we receive from you and others related to our transactions with you. When you visit our websites from your computer or mobile device, we automatically collect and store certain information available to us through your Internet browser or computer equipment to optimize your website experience.</p>
<p>Use of Collected Information. We request and use your personal information to provide products and services to you, to improve our products and services, and to communicate with you about these products and services. We may also share your contact information with our affiliates for marketing purposes.</p>	<p>When Information Is Disclosed. We may disclose your information to our affiliates and/or nonaffiliated parties providing services for you or us, to law enforcement agencies or governmental authorities, as required by law, and to parties whose interest in title must be determined.</p>
<p>Choices With Your Information. Your decision to submit information to us is entirely up to you. You can opt-out of certain disclosure or use of your information or choose to not provide any personal information to us.</p>	<p>Information From Children. We do not knowingly collect information from children who are under the age of 13, and our website is not intended to attract children.</p>
<p>Privacy Outside the Website. We are not responsible for the privacy practices of third parties, even if our website links to those parties' websites.</p>	<p>International Users. By providing us with you information, you consent to its transfer, processing and storage outside of your country of residence, as well as the fact that we will handle such information consistent with this Privacy Notice.</p>
<p>The California Online Privacy Protection Act. Some FNF companies provide services to mortgage loan servicers and, in some cases, their websites collect information on behalf of mortgage loan servicers. The mortgage loan servicer is responsible for taking action or making changes to any consumer information submitted through those websites.</p>	
<p>Your Consent To This Privacy Notice. By submitting information to us or by using our website, you are accepting and agreeing to the terms of this Privacy Notice.</p>	<p>Access and Correction; Contact Us. If you desire to contact us regarding this notice or your information, please contact us at privacy@fnf.com or as directed at the end of this Privacy Notice.</p>

**FIDELITY NATIONAL FINANCIAL
PRIVACY NOTICE**

Fidelity National Financial, Inc. and its majority-owned subsidiary companies providing title insurance, real estate- and loan-related services (collectively, "FNF", "our" or "we") respect and are committed to protecting your privacy. We will take reasonable steps to ensure that your Personal Information and Browsing Information will only be used in compliance with this Privacy Notice and applicable laws. This Privacy Notice is only in effect for Personal Information and Browsing Information collected and/or owned by or on behalf of FNF, including Personal Information and Browsing Information collected through any FNF website, online service or application (collectively, the "Website").

Types of Information Collected

We may collect two types of information from you: Personal Information and Browsing Information.

Personal Information. FNF may collect the following categories of Personal Information:

- contact information (e.g., name, address, phone number, email address);
- demographic information (e.g., date of birth, gender, marital status);
- social security number (SSN), driver's license, passport, and other government ID numbers;
- financial account information; and
- other personal information needed from you to provide title insurance, real estate- and loan-related services to you.

Browsing Information. FNF may collect the following categories of Browsing Information:

- Internet Protocol (or IP) address or device ID/UDID, protocol and sequence information;
- browser language and type;
- domain name system requests;
- browsing history, such as time spent at a domain, time and date of your visit and number of clicks;
- http headers, application client and server banners; and
- operating system and fingerprinting data.

How Information is Collected

In the course of our business, we may collect *Personal Information* about you from the following sources:

- applications or other forms we receive from you or your authorized representative;
- the correspondence you and others send to us;
- information we receive through the Website;
- information about your transactions with, or services performed by, us, our affiliates or nonaffiliated third parties; and
- information from consumer or other reporting agencies and public records maintained by governmental entities that we obtain directly from those entities, our affiliates or others.

If you visit or use our Website, we may collect *Browsing Information* from you as follows:

- **Browser Log Files.** Our servers automatically log each visitor to the Website and collect and record certain browsing information about each visitor. The Browsing Information includes generic information and reveals nothing personal about the user.
- **Cookies.** When you visit our Website, a "cookie" may be sent to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer's hard drive. When you visit a website again, the cookie allows the website to recognize your computer. Cookies may store user preferences and other information. You can choose whether or not to accept cookies by changing your Internet browser settings, which may impair or limit some functionality of the Website.

Use of Collected Information

Information collected by FNF is used for three main purposes:

- To provide products and services to you or any affiliate or third party who is obtaining services on your behalf or in connection with a transaction involving you.
- To improve our products and services.
- To communicate with you and to inform you about our, our affiliates' and third parties' products and services, jointly or independently.

When Information Is Disclosed

We may provide your Personal Information (excluding information we receive from consumer or other credit reporting agencies) and Browsing Information to various individuals and companies, as permitted by law, without obtaining your prior authorization. Such laws do not allow consumers to restrict these disclosures. Please see the section "Choices With Your Personal Information" to learn how to limit the discretionary disclosure of your Personal Information and Browsing Information.

Disclosures of your Personal Information may be made to the following categories of affiliates and nonaffiliated third parties:

- to third parties to provide you with services you have requested, and to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure;
- to our affiliate financial service providers for their use to market their products or services to you;
- to nonaffiliated third party service providers who provide or perform services on our behalf and use the disclosed information only in connection with such services;
- to nonaffiliated third party service providers with whom we perform joint marketing, pursuant to an agreement with them to market financial products or services to you;
- to law enforcement or other governmental authority in connection with an investigation, or civil or criminal subpoena or court order;
- to lenders, lien holders, judgment creditors, or other parties claiming an interest in title whose claim or interest must be determined, settled, paid, or released prior to closing; and
- other third parties for whom you have given us written authorization to disclose your Personal Information.

We may disclose Personal Information and/or Browsing Information when required by law or in the good-faith belief that such disclosure is necessary to:

- comply with a legal process or applicable laws;
- enforce this Privacy Notice;
- investigate or respond to claims that any material, document, image, graphic, logo, design, audio, video or any other information provided by you violates the rights of a third party; or
- protect the rights, property or personal safety of FNF, its users or the public.

We maintain reasonable safeguards to keep your Personal Information secure. When we provide Personal Information to our affiliates or third party service providers as discussed in this Privacy Notice, we expect that these parties process such information in compliance with our Privacy Notice or in a manner that is in compliance with applicable privacy laws. The use of your information by a business partner may be subject to that party's own Privacy Notice. Unless permitted by law, we do not disclose information we collect from consumer or credit reporting agencies with our affiliates or others without your consent.

We reserve the right to transfer your Personal Information, Browsing Information, and any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets, or in the event of our bankruptcy, reorganization, insolvency, receivership or an assignment for the benefit of creditors. You expressly agree and consent to the use and/or transfer of the foregoing information in connection with any of the above described proceedings. We cannot and will not be responsible for any breach of security by a third party or for any actions of any third party that receives any of the information that is disclosed to us.

Choices With Your Information

Whether you submit Personal Information or Browsing Information to FNF is entirely up to you. If you decide not to submit Personal Information or Browsing Information, FNF may not be able to provide certain services or products to you. The uses of your Personal Information and/or Browsing Information that, by law, you cannot limit, include:

- for our everyday business purposes – to process your transactions, maintain your account(s), to respond to law enforcement or other governmental authority in connection with an investigation, or civil or criminal subpoenas or court orders, or report to credit bureaus;
- for our own marketing purposes;
- for joint marketing with financial companies; and
- for our affiliates' everyday business purposes – information about your transactions and experiences.

You may choose to prevent FNF from disclosing or using your Personal Information and/or Browsing Information under the following circumstances ("opt-out"):

- for our affiliates' everyday business purposes – information about your creditworthiness; and
- for our affiliates to market to you.

To the extent permitted above, you may opt-out of disclosure or use of your Personal Information and Browsing Information by notifying us by one of the methods at the end of this Privacy Notice. We do not share your personal information with non-affiliates for their direct marketing purposes.

For California Residents: We will not share your Personal Information and Browsing Information with nonaffiliated third parties, except as permitted by California law. Currently, our policy is that we do not recognize "do not track" requests from Internet browsers and similar devices.

For Nevada Residents: You may be placed on our internal Do Not Call List by calling (888) 934-3354 or by contacting us via the information set forth at the end of this Privacy Notice. Nevada law requires that we also provide you with the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; email: BCPINFO@ag.state.nv.us.

For Oregon Residents: We will not share your Personal Information and Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes.

For Vermont Residents: We will not share your Personal Information and Browsing Information with nonaffiliated third parties, except as permitted by Vermont law, such as to process your transactions or to maintain your account. In addition, we will not share information about your creditworthiness with our affiliates except with your authorization. For joint marketing in Vermont, we will only disclose your name, contact information and information about your transactions.

Information From Children

The Website is meant for adults and is not intended or designed to attract children under the age of thirteen (13). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian. By using the Website, you affirm that you are over the age of 13 and will abide by the terms of this Privacy Notice.

Privacy Outside the Website

The Website may contain links to other websites. FNF is not and cannot be responsible for the privacy practices or the content of any of those other websites.

International Users

FNF's headquarters is located within the United States. If you reside outside the United States or are a citizen of the European Union, please note that we may transfer your Personal Information and/or Browsing Information outside of your country of residence or the European Union for any of the purposes described in this Privacy Notice. By providing FNF with your Personal Information and/or Browsing Information, you consent to our collection and transfer of such information in accordance with this Privacy Notice.

For some FNF websites, such as the Customer CareNet ("CCN"), FNF is acting as a third party service provider to a mortgage loan servicer. In those instances, we may collect certain information on behalf of that mortgage loan servicer via the website. The information which we may collect on behalf of the mortgage loan servicer is as follows:

- first and last name;
- property address;
- user name and password;
- loan number;
- social security number - masked upon entry;
- email address;
- three security questions and answers; and
- IP address.

The information you submit through the website is then transferred to your mortgage loan servicer by way of CCN. **The mortgage loan servicer is responsible for taking action or making changes to any consumer information submitted through this website. For example, if you believe that your payment or user information is incorrect, you must contact your mortgage loan servicer.**

CCN does not share consumer information with third parties, other than (1) those with which the mortgage loan servicer has contracted to interface with the CCN application, or (2) law enforcement or other governmental authority in connection with an investigation, or civil or criminal subpoenas or court orders. All sections of this Privacy Notice apply to your interaction with CCN, except for the sections titled "Choices with Your Information" and "Access and Correction." If you have questions regarding the choices you have with regard to your personal information or how to access or correct your personal information, you should contact your mortgage loan servicer.

Your Consent To This Privacy Notice

By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of the information by us in compliance with this Privacy Notice. Amendments to the Privacy Notice will be posted on the Website. Each time you provide information to us, or we receive information about you, following any amendment of this Privacy Notice will signify your assent to and acceptance of its revised terms for all previously collected information and information collected from you in the future. We may use comments, information or feedback that you submit to us in any manner that we may choose without notice or compensation to you.

Accessing and Correcting Information; Contact Us

If you have questions, would like to access or correct your Personal Information, or want to opt-out of information sharing with our affiliates for their marketing purposes, please send your requests to privacy@fnf.com or by mail or phone to:

Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, Florida 32204
Attn: Chief Privacy Officer
(888) 934-3354

CONDOMINIUM PLAN

0064

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is 333 South Hope Street, Thirty-Fifth Floor, Los Angeles, CA 90071-1406.

A true and correct copy of the foregoing document entitled (*specify*): **MOTION OF PAUL CHIEU NGUYEN FOR ORDER: (1) AUTHORIZING SALE OF REAL PROPERTY COMMONLY KNOWN AS 10532 A & B TRASK AVENUE, GARDEN GROVE, CALIFORNIA 92843, FREE AND CLEAR OF LIENS, CLAIMS, AND INTERESTS; (2) APPROVING PROPOSED OVERBID PROCEDURES; (3) DETERMINING THAT BUYER IS GOOD FAITH PURCHASER; (4) AUTHORIZING PAYMENT OF COSTS OF SALE AND BROKERS' COMMISSION FROM ESCROW; AND (5) WAIVING THE FOURTEEN DAY STAY PRESCRIBED BY RULE 6004(h) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE; MEMORANDUM OF POINTS AND AUTHORITIES; DECLARATIONS OF PAUL CHIEU NGUYEN, RANDY WIND AND SELCUK DEMIRCI IN SUPPORT THEREOF** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (date) March 30, 2017 I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Michael G Fletcher on behalf of Creditor American Plus Bank
mfletcher@frandzel.com, sking@frandzel.com

Michael G Fletcher on behalf of Interested Party Courtesy NEF
mfletcher@frandzel.com, sking@frandzel.com

Michael J Hauser on behalf of U.S. Trustee United States Trustee (SA)
michael.hauser@usdoj.gov

David S Kupetz on behalf of Debtor Trask Developers, LLC
dkupetz@sulmeyerlaw.com, dperez@sulmeyerlaw.com;dperez@ecf.inforuptcy.com;dkupetz@ecf.inforuptcy.com

David S Kupetz on behalf of Debtor Paul Chieu Nguyen
dkupetz@sulmeyerlaw.com, dperez@sulmeyerlaw.com;dperez@ecf.inforuptcy.com;dkupetz@ecf.inforuptcy.com

United States Trustee (SA)
ustpreion16.sa.ecf@usdoj.gov

Jessica Vogel on behalf of Attorney Interested Party
Jvogel@sulmeyerlaw.com, jvogel@ecf.inforuptcy.com;mviramontes@sulmeyerlaw.com

Jessica Vogel on behalf of Attorney SulmeyerKupetz, A Professional Corporation
Jvogel@sulmeyerlaw.com, jvogel@ecf.inforuptcy.com;mviramontes@sulmeyerlaw.com

Jessica Vogel on behalf of Debtor Trask Developers, LLC
Jvogel@sulmeyerlaw.com, jvogel@ecf.inforuptcy.com;mviramontes@sulmeyerlaw.com

Jessica Vogel on behalf of Debtor Paul Chieu Nguyen
Jvogel@sulmeyerlaw.com, jvogel@ecf.inforuptcy.com;mviramontes@sulmeyerlaw.com

Reed S Waddell on behalf of Interested Party Courtesy NEF
rwaddell@frandzel.com, sking@frandzel.com

☐ Service information continued on attached page.

2. SERVED BY UNITED STATES MAIL:

On (date) March 30, 2017, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Debtor

Paul Chieu Nguyen
8191 Johnston Road
Anaheim, CA 92804

Joint Debtor

Trask Developers, LLC
10592 Trask Avenue
Garden Grove, CA 92843

U.S. Trustee

United States Trustee (SA)
411 W Fourth St., Suite 7160
Santa Ana, CA 92701-4593

Internal Revenue Service
Centralized Insolvency Operations
P.O. Box 7346
Philadelphia, PA 19101-7346

County of Orange
P.O. Box 4515
Santa Ana, CA 92702-4515
Attn: Bankruptcy Unit

☐ Service information continued on attached page.

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (date) March 30, 2017, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

The Honorable Scott C. Clarkson
U.S. Bankruptcy Court
Ronald Reagan Federal Building
Bin by 5th floor elevators
411 W. Fourth Street
Santa Ana, CA 92701

☐ Service information continued on attached page.

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

March 30, 2017

Maria R. Viramontes

/s/Maria R. Viramontes

Date

Printed Name

Signature