

1 David S. Kupetz (CA Bar No. 125062)
dkupetz@sulmeyerlaw.com
2 Jessica L. Vogel (CA Bar No. 285328)
jvogel@sulmeyerlaw.com
3 **SulmeyerKupetz**
A Professional Corporation
4 333 South Hope Street, Thirty-Fifth Floor
Los Angeles, California 90071-1406
5 Telephone: 213.626.2311
Facsimile: 213.629.4520

6
7 Bankruptcy Counsel for Paul Chieu Nguyen and
Trask Developers, LLC

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

10 **In re**
11 **Paul Chieu Nguyen,**
12 **Reorganized Debtor.**

CASE NO. 8:16-bk-11619-SC
Chapter 11
(Jointly Administered with Case
No. 8:16-bk-11621-SC)

13 **In re**
14 **Trask Developers, LLC, a California limited**
15 **liability company**
16 **Reorganized Debtor.**
17 Tax I.D. No. 27-3331592

**MOTION OF PAUL CHIEU NGUYEN
FOR ORDER: (1) AUTHORIZING
SALE OF REAL PROPERTY
COMMONLY KNOWN AS 10632 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 PHILIP COHEN IN
SUPPORT THEREOF**

- 19 Affects Paul Chieu Nguyen only
- 20 Affects Trask Developers, LLC only
- 21 Affects both Debtors
- 22
- 23
- 24

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

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

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

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

TABLE OF CONTENTS

	<u>Page</u>
1	
2	
3	MOTION..... 1
4	PROPOSED OVERBID PROCEDURES..... 2
5	MEMORANDUM OF POINTS AND AUTHORITIES 8
6	I. PREFATORY STATEMENT 8
7	II. BACKGROUND 9
8	A. Case History 9
9	B. Prior Sales and Current Marketing Efforts..... 9
10	C. Sale of the Property 10
11	III. THE SALE IS IN THE BEST INTEREST OF THE ESTATE 11
12	A. Sound Business Purpose..... 12
13	B. Reasonable Price 13
14	C. The Sale and Distribution of Proceeds 13
15	D. Notice 14
16	E. Sale Made In Good Faith 14
17	IV. THE SALE SHOULD BE APPROVED FREE AND CLEAR OF LIENS, CLAIMS AND INTERESTS PURSUANT TO 11 U.S.C. § 363(f)..... 15
18	V. THE PROPOSED BIDDING PROCEDURES ARE REASONABLE UNDER THE CIRCUMSTANCES 16
19	VI. THE SALE IS PROPOSED IN GOOD FAITH 17
20	VII. THE COURT SHOULD WAIVE THE FOURTEEN DAY STAY PRESCRIBED BY RULE 6004(h) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE 18
21	VIII. CONCLUSION 19
22	DECLARATION OF PAUL CHIEU NGUYEN..... 20
23	DECLARATION OF RANDY WIND 24
24	DECLARATION OF PHILIP COHEN 26
25	
26	
27	
28	

TABLE OF AUTHORITIES

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

Page

CASES

Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)
 722 F.2d 1063 (2d Cir. 1983)..... 12

In re Abbotts Dairies of Pennsylvania, Inc.
 788 F.2d 143 (3rd Cir. 1986)..... 18

In re Alves
 52 B.R. 353 (Bankr. D. R.I. 1985) 16

In re Atlanta Packaging Products, Inc.
 99 B.R. 124 (Bankr. N.D. Ga. 1988)..... 17

In re Continental Air Lines, Inc.
 780 F.2d 1223 (5th Cir. 1986)..... 12

In re Elliot
 94 B.R. 343 (Bankr. E.D. Pa. 1988)..... 16

In re Ewell
 958 F.2d 276 (9th Cir. 1992)..... 18

In re Gerwer
 898 F.2d 730 (9th Cir. 1990)..... 15

In re Indus. Valley Refrigeration & Air Conditioning Supplies, Inc.
 77 B.R. 15 (Bankr. E.D. Pa. 1987)..... 14, 18

In re Lahijani
 325 B.R. 282 (B.A.P. 9th Cir. 2005)..... 12

In re Lionel Corp.
 722 F.2d 1063 (2nd Cir. 1983)..... 12

In re M Capital Corp.
 290 B.R. 743 (B.A.P. 9th Cir. 2003)..... 18

In re Onouli Kona Land Co.
 846 F.2d 1170 (9th Cir. 1988)..... 16

In re Shary
 152 B.R. 724 (Bankr. N.D. Ohio 1993) 16

In re Slates
 2012 WL 5359489 (B.A.P. 9th Cir. Oct. 31, 2012) 12

In re Suchy
 786 F.2d 900 (9th Cir. 1985)..... 18

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

1 In re Tabore, Inc.
175 B.R. 855 (Bankr. D. N.J. 1994)..... 16

2

3 In re Walter
83 B.R. 14 (B.A.P. 9th Cir. 1988)..... 12

4 In re Waupun Trading Co., Inc.
41 B.R. 812 (Bankr. D. Hawaii 1984)..... 17

5

6 In re WCI Cable, Inc.
282 B.R. 457 (Bankr. D. Or. 2002) 16

7 In re Wilde Horse Enterprises, Inc.
136 B.R. 830 (Bankr. C.D. Cal. 1991) 12, 14

8

9 In re Wintex, Inc.
158 B.R. 540 (D. Mass. 1992)..... 16

10 Veltman v. Whetzal
93 F.3d 517 (8th Cir. 1996)..... 16

11

12 **STATUTES**

13 11 U.S.C. § 102(1) 11

14 11 U.S.C. § 363 11, 16

15 11 U.S.C. § 363(b) 16, 18

16 11 U.S.C. § 363(f) 15

17 11 U.S.C. § 363(f)(1)-(5) 15, 16

18 11 U.S.C. § 363(b)(1)..... 5, 11, 12, 14

19 11 U.S.C. § 365 5

20

21 **RULES**

22 Fed. R. Bankr. P. Rules 6004 5

23 Fed. R. Bankr. P. Rules 6006 5

24

25

26

27

28

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

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

4 **MOTION**

5 By the “Motion of Paul Chieu Nguyen For Order: (1) Authorizing Sale of Real Property
6 Commonly Known As 10632 A & B Trask Avenue, Garden Grove, California 92843, Free and
7 Clear of Liens, Claims, And Interests; (2) Approving Proposed Overbid Procedures; (3)
8 Determining that Buyer Is Good Faith Purchaser; (4) Authorizing Payment of Costs of Sale From
9 Escrow; and (5) Waiving the Fourteen Day Stay Prescribed by Rule 6004(h) of the Federal Rules
10 of Bankruptcy Procedure; Memorandum Of Points And Authorities; Declarations of Paul Chieu
11 Nguyen, Randy Wind, and Philip Cohen in Support Thereof” (the “Motion”), Paul Chieu Nguyen,
12 the reorganized debtor in the above-captioned jointly-administered cases (“Paul” or the “Debtor”),
13 hereby seeks an order authorizing the sale (the “Sale”) of Paul’s estate’s (the “Estate”) right, title
14 and interest in industrial real property located at 10632 A Trask Avenue, Garden Grove, California
15 92843 [APN 930-62-460] and 10632 B Trask Avenue, Garden Grove, California 92843 [APN
16 930-62-461] (together, the “Property”), on the terms and conditions stated in the written “Standard
17 Offer, Agreement and Escrow Instructions for Purchase of Real Estate,” dated April 1, 2017 (the
18 “Offer”), and “Addendum One – Additional Terms and Clarifications” (“Seller’s Addendum,” and
19 together with the Offer, the “Purchase Agreement”), which is attached as Exhibit 1 to the
20 Declaration of Paul Nguyen (the “Nguyen Declaration”), to the Cohen Family Trust, or Assignee
21 (the “Buyer”), for \$1,430,000 (the “Purchase Price”)¹, cash, or to any person or entity who appears
22 at the hearing on the Motion and submits a higher acceptable bid in accordance with the proposed
23 overbid procedures. Except as otherwise set forth in the Purchase Agreement, the Buyer has
24 waived all contingencies.²

25 _____
26 ¹ Which represents approximately \$150.00 per square foot.

27 ² Under the Purchase Agreement, Buyer has until 5:00 p.m. on April 27, 2017, to complete all due
28 diligence. Accordingly, it is anticipated that all contingencies will be waived prior to the hearing on the
Motion.

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

1 As part of the Motion, Paul seeks an order approving the Sale free and clear of liens,
2 claims, and interests, with said liens, claims and interests to attach to the sales proceeds in the
3 same manner and priority as under applicable law. The Property is being sold on an “as is, where
4 is” basis, with no warranties, recourse, contingencies or representations of any kind. Paul also
5 seeks an order: (i) approving the proposed overbid procedures; (ii) authorizing and directing
6 payment of applicable Broker’s commission, real property taxes, association fees, Buyer’s
7 Expense Reimbursement, if any, and the fees and costs of the Sale chargeable to the Estate from
8 the Sale proceeds; (iii) authorizing and directing payment of: (a) any secured amounts owing to
9 the Orange County Tax Collector and American Plus Bank; (b) any amounts owing to
10 **SulmeyerKupetz**, in satisfaction of its outstanding administrative claim; and (c) any amounts
11 owing on all other claims of Paul or Trask Developers, LLC’s respective bankruptcy estates; (iv)
12 finding the Buyer to be a bona fide good faith purchaser under 11 U.S.C. § 363(m); (v) waiving
13 the fourteen-day stay prescribed by Federal Rule of Bankruptcy Procedure 6004(h); (vi)
14 authorizing Paul or, if necessary, **SulmeyerKupetz**, to take any and all actions necessary to
15 otherwise perform in accordance with the terms and provisions of the Purchase Agreement; and
16 (vii) authorizing and directing escrow to distribute the sale proceeds in accordance with the
17 Court’s order approving the sale.

18 **PROPOSED OVERBID PROCEDURES**

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

21 The Buyer has offered to purchase the Property for \$1,430,000, cash, and has already
22 deposited \$50,000 into escrow. Upon the removal of Buyer’s contingencies, Buyer shall deposit
23 another \$50,000 into escrow. The Buyer shall have three (3) business days following the entry of
24 the Court’s order approving the Motion to deposit the remainder of the Purchase Price into
25 escrow. As noted above, however, the sale of the Property is subject to overbid pursuant to the
26 following proposed overbid procedures (the “Overbid Procedures”):

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

28 Any party wishing to bid on the Property (“Overbidder”) shall advise Paul’s bankruptcy

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

1 counsel: Jessica L. Vogel, **SulmeyerKupetz**, a professional corporation, 333 South Hope Street,
2 Thirty-Fifth Floor, Los Angeles, California, 90071; jvogel@sulmeyerkupetz.com; phone: (213)
3 617-5284; facsimile: (213) 629-4520, of their intent to bid on the Property and the amount of their
4 overbid (which must be a net amount of at least \$25,000.00 more than the current selling price of
5 \$1,430,000, taking into account payment of Buyer's actual out-of-pocket costs, up to \$10,000, as
6 provided for in the Purchase Agreement ("Buyer's Expense Reimbursement"), and any brokers'
7 commission exceeding the 4% seller's broker commission provided for in the Purchase
8 Agreement) (the "Initial Overbid"), and submit evidence of the financial wherewithal to timely
9 close the contemplated sale, by no later than 12:00 p.m., (PST) on May 9, 2017 (the "Overbid
10 Deadline"). Any overbids subsequent to the \$1,480,000 net Initial Overbid will be in additional
11 net increments of not less than \$15,000.00 (each, an "Overbid"), commencing with an Overbid
12 amount of \$1,495,000 (net). All Overbids must be on the same terms and conditions as the
13 Purchase Agreement. All Overbids shall be unconditional and not subject to any buyer
14 contingencies. All due diligence is to be completed prior to the hearing, as the Sale is on an "as is,
15 where is" basis with no warranties, representations, recourse, or contingencies of any kind.

16 **2. Payment of Deposit**

17 Any Overbidder shall submit a wire transfer in the amount of \$100,000 (the "Bid
18 Deposit"), to Paul's bankruptcy counsel's client trust account. The Bid Deposit must be delivered
19 so that it is received by Paul's bankruptcy counsel by no later than the Overbid Deadline.

20 In the event of an Overbid, any party that is not deemed the "Winning Bidder," as that
21 phrase is defined below, shall have their deposit refunded to them, except in the event such deposit
22 is forfeited pursuant to the terms set forth below relating to "Back-Up Bidders" (as defined
23 below).

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

25 Any Overbidder must provide Paul's bankruptcy counsel with evidence of the proposed
26 Overbidder's financial ability to pay the full amount of the Overbid so that such evidence is
27 received by Paul's bankruptcy counsel no later than the Overbid Deadline.

28

1 **4. Auction**

2 If Paul timely receives a higher and better offer (as determined by Paul in his sole
3 discretion) than the offer submitted by the Buyer, an auction will be conducted at the hearing set
4 for the Motion, either in the courtroom or elsewhere, as ordered by the Court. All parties who
5 have submitted timely bids and otherwise satisfied the foregoing requirements (“Qualified
6 Bidders”) will be able to participate in the auction to be conducted at the hearing on the Motion as
7 is necessary in order to increase their bid. As stated previously, the Initial Overbid will be in the
8 amount of \$1,480,000 (net) and any subsequent Overbids will be in increments of \$15,000.00
9 (net).

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

13 **5. Tender of Balance of Purchase Price**

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

25 **6. Agreement To Terms and Overbid Procedures**

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

1 **7. Back-Up Bidder**

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

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

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

14 c. Should the Back-Up Bidder fail to tender the balance of the Purchase Price to
15 Paul's bankruptcy counsel's client trust account within three (3) business days of written
16 notification by Paul of the Winning Bidder's failure to close, (i) the sale to such Back-Up Bidder
17 shall, at Paul's election, be deemed terminated and cancelled without further order of the court,
18 and (ii) Paul shall retain, for the benefit of the Estate, as liquidated damages for the Back-Up
19 Bidder's failure to close, the Back-Up Deposit tendered to Paul in connection with the Back-Up
20 Bid and any additional monies paid towards the purchase price, which shall be retained free and
21 clear of any claims and interests.

22 This Motion is made pursuant to 11 U.S.C. §§ 363(b)(1) and 365, and Rules 6004 and
23 6006 of the Federal Rules of Bankruptcy Procedure, on the grounds that, based on Paul's sound
24 business justification, the sale of the Property as set forth herein is in the best interests of the
25 Estate. After solicitation of offers for the Property, the current offer from the Buyer is the best
26 overall offer received to date. Moreover, the Overbid Procedures provide a process by which Paul
27 could secure a higher price for the Property.

28 This Motion is based on the accompanying Memorandum of Points and Authorities, the

1 Declarations of Paul Chieu Nguyen, Randy Wind, and Philip Cohen, the concurrently-filed Local
2 Rule Form 6004-2, the record in this case, all facts and documents that are judicially noticeable
3 and any other or further evidence or argument presented to the Court prior to or at the hearing on
4 the Motion.

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

- 6 1. Granting the Motion in its entirety;
- 7 2. Approving the proposed overbid procedures;
- 8 3. Approving the sale of the Property to the Buyer or to the highest bidder appearing
9 at the hearing;
- 10 4. Authorizing and directing Paul to execute and deliver all documents necessary in
11 order to effectuate the Sale;
- 12 5. Authorizing and directing the payment of applicable Broker's commission, real
13 property taxes, association fees, Buyer's Expense Reimbursement, if any, and the fees and costs of
14 the Sale chargeable to the Estate from the Sale proceeds;
- 15 6. Authorizing and directing payment of: (a) any secured amounts owing to the
16 Orange County Tax Collector and American Plus Bank; (b) any outstanding amounts owing to
17 **SulmeyerKupetz**, for its outstanding administrative claim; and (c) any amounts owing on all other
18 claims of Paul or Trask Developers, LLC's respective bankruptcy estates.
- 19 7. Ordering that such Sale shall be on an "as is" "where is" basis, with no warranties,
20 recourse, contingencies or representations of any kind, and free and clear of existing liens, claims
21 and interests, with said liens, claims and interests to attach to the sales proceeds in the same
22 manner and priority as under applicable law;
- 23 8. Finding the Buyer to be a bona fide good faith purchaser under 11 U.S.C. §
24 363(m);
- 25 9. Waiving the fourteen-day stay prescribed by Federal Rule of Bankruptcy Procedure
26 6004(h);
- 27 10. Authorizing and directing Paul to timely execute any and all documents as are
28 necessary to carry out the terms of this Motion and the Purchase Agreement and, in the event Paul

1 does not timely sign any necessary documents to effectuate the sale, authorizing **SulmeyerKupetz**
2 any and all actions necessary to otherwise perform in accordance with the terms and provisions of
3 the Purchase Agreement;

4 11. Authorizing and directing escrow to distribute the sale proceeds in accordance with
5 the Court’s order approving the sale; and

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

7 DATED: April 20, 2017

SulmeyerKupetz
A Professional Corporation

8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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

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 10632 A Trask Avenue, Garden Grove, California 92843 [APN 930-62-460] and 10632 B Trask Avenue, Garden Grove, California 92843 [APN 930-62-461] (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 The Cohen Family Trust, or Assignee (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 \$1,430,000, 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, among other things: (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

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.

1 Agreement. Paul believes all prerequisites for approval of the Sale under applicable provisions of
2 the Bankruptcy Code have been satisfied and therefore urges the Court to grant the Motion.

3 **II.**

4 **BACKGROUND**

5 **A. Case History**

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

11 On May 23, 2016, the Court entered an Order authorizing the joint administration of Paul's
12 case with the related case of *In re Trask Developers, LLC* ("Trask"), bearing case no. 8:16-bk-
13 11621-SC. Paul's case has been designated as the lead case (the "Lead Case").

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

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

21 **B. Prior Sales and Current Marketing Efforts**

22 On December 16, 2016, Trask obtained an Order of this Court approving its Motion to
23 Approve the Sale of the 10592 Property [Dkt. No. 134]. Escrow closed in early January, 2017,
24 and Trask used the net proceeds to pay down the secured claims of the Orange County Tax
25 Collector ("OC Tax") and American Plus Bank (the "Bank"). On January 25, 2017, Paul obtained
26 an Order of this Court approving his Motion to Approve the Sale of the 10552 Property [Dkt. No.
27 151]. Escrow is anticipated to close shortly and will generate approximately \$1,135,594 in net
28 proceeds to pay down the OC Tax's and Bank's claims.

1 Following the Effective Date of the Joint Plan, Paul retained Randy Wind of The Wind
2 Group Commercial Real Estate Advisors (“Broker”), to replace Voit as the listing agent for the
3 Property and for the 10532 and 10632 Trask Avenue properties. On March 30, 2017, Paul filed a
4 motion to approve the sale of the 10532 property, with a hearing scheduled for April 20, 2017.
5 Paul did not receive any timely opposition to the proposed sale and the Court approved the sale at
6 the hearing.

7 Based on the proceeds generated from the sale of the 10592 property, and the anticipated
8 proceeds from the sale of the 10552 and 10532 properties (upon closing), Paul anticipates the
9 proposed Sale will generate sufficient proceeds to satisfy all outstanding secured claims against
10 the 10632 Property in full. Moreover, Paul believes there is more than adequate equity in the
11 10632 Property to satisfy all remaining claims of both Paul and Trask’s bankruptcy estates in full.

12 **C. Sale of the Property**

13 Paul seeks authority to sell the Property for the price of \$1,430,000, cash, subject to
14 qualified overbid, which, as discussed above, is anticipated to result in the satisfaction of the
15 secured claims of the OC Tax and Bank against the Property. The proposed Sale is made in
16 conjunction with the Joint Plan and, if approved, will assist the Debtors in effectuating the
17 provisions of the Joint Plan.

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

- 19 1. Authorizing the Sale of the Property to the Buyer free and clear of all liens, claims,
20 and encumbrances for the total purchase price of \$1,430,000, cash, or to any person or entity who
21 is an accepted Overbidder and the eventual Winning Bidder;
- 22 2. Authorizing and directing payment of approved brokers’ commission (estimated to
23 be \$57,200), any association fees, and fees and costs of the sale (estimated to be \$14,300), directly
24 from the sale proceeds;
- 25 3. Authorizing and directing payment of any undisputed real property tax
26 encumbering the Property (estimated to be \$196,951.92);
- 27 4. Authorizing and directing payment via wire transfer directly from escrow to the
28 Bank of any outstanding amounts owing to the Bank on account of its secured claim;

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

1 5. Authorizing and directing escrow to distribute payment via wire transfer directly
2 from escrow to **SulmeyerKupetz**, to pay **SulmeyerKupetz**’s outstanding administrative claim, in
3 accordance with Court’s: (i) Order Confirming Debtors’ First Amended Joint Chapter 11 Plan of
4 Reorganization (As Modified November 4, 2016) (the “Confirmation Order”) [Dkt. No. 136]; and
5 (ii) Order Approving First and Final Application of **SulmeyerKupetz**, A Professional Corporation,
6 Bankruptcy Counsel to the Jointly Administered Debtors In Possession, For Allowance and
7 Payment of Fees and Expenses (“Final Fee Order”) [Dkt. No. 159] for all fees and costs approved
8 pursuant to the Final Fee Order. Additionally, authorizing and directing payment directly from
9 escrow to **SulmeyerKupetz**, for all fees and costs incurred post-Effective Date through and
10 including close of escrow on the Property;⁵ and

11 6. Authorizing and directing escrow to distribute payment of all remaining net
12 proceeds, after payment of the foregoing claims and interests, via wire transfer directly from
13 escrow to **SulmeyerKupetz**’s client trust account, to assist Kirk Nguyen, the designated disbursing
14 agent under the Joint Plan, to distribute the sales proceeds to all remaining creditors in accordance
15 with the Joint Plan and Confirmation Order and thereafter to distribute any surplus to Paul.

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

19 **III.**

20 **THE SALE IS IN THE BEST INTEREST OF THE ESTATE**

21 Under section 363, a debtor in possession is empowered to sell assets of the estate “after
22 notice and a hearing.” 11 U.S.C. § 363(b); 11 U.S.C. §102(1). The standards for approval of a
23 sale pursuant to section 363(b)(1) require that the proponent of the sale establish that: “(1) a sound
24 business purpose exists for the sale; (2) the sale is in the best interest of the estate, i.e., the sale
25 price is fair and reasonable; (3) notice to creditors was proper; and (4) the sale is made in good

26 _____
27 ⁵ 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.

1 faith.” In re Slates, 2012 WL 5359489 (B.A.P. 9th Cir. Oct. 31, 2012) (unpublished) (citing In re
2 Wilde Horse Enters., Inc., 136 B.R. 830, 841 (Bankr. C.D. Cal. 1991); Comm. of Equity Sec.
3 Holder v. Lionel Corp. (In re Lionel Corp.), 722 F.2d 1063, 1069 (2d Cir. 1983)). As discussed
4 more fully below, Paul’s proposed Sale of the Property meets each of these requirements.

5 **A. Sound Business Purpose**

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

20 The facts reflect that Paul’s decision to sell the Property is supported by sound business
21 judgment because the price is fair and the Sale will maximize the value of the Property for the
22 benefit of Paul’s Estate and effectuate the provisions of the Joint Plan. The sale price is fair based
23 upon the extensive marketing of the Property, listing prices of comparable parcels of real property,
24 and the Broker’s inspection of the Property. See Declaration of Randy Wind. The sale price of
25 \$1,430,000, subject to overbid opportunity, will ensure that the highest and best value is achieved
26 from the sale and maximize the proceeds available to satisfy all remaining outstanding claims. The
27 Broker will notify parties that may be interested in purchasing the Property of the proposed Sale
28 and the opportunity to submit an overbid.

1 **B. Reasonable Price**

2 The price is fair, reasonable, and conforms with the current market of comparable sales.
3 The Buyers' offer of \$1,430,000 (approximately \$150/sf) is in line with, and/or exceeds, other
4 offers received. After marketing the Property for sale for over a year and with two different
5 brokerage companies, Paul believes that the current offer reflects the market value of the Property
6 and submits that the sale price is reasonable and in the best interests of the Estate. Furthermore,
7 the Sale is subject to overbid to ensure that the Property sells for the highest and best offer that the
8 market will pay.

9 **C. The Sale and Distribution of Proceeds⁶**

10 Subject to Court approval, Paul seeks approval for the Sale of the Property, to the Buyer,
11 or any successful qualified Overbidder, free and clear of all liens, claims, and encumbrances. As
12 part of the approval of the Sale of the Property, Paul also seeks authority to pay certain costs of
13 sale (estimated to be \$14,300), the broker's commission (estimated to be \$57,200), association
14 fees, Buyer's Expense Reimbursement, if any, and accrued real property taxes upon the close of
15 escrow. As of the filing of the Motion, Paul is aware of the following asserted liens or other
16 interests in the Property: (1) a tax lien asserted by the OC Tax against the Property (estimated to
17 be \$196,951.92); and (2) two cross-defaulted liens held by the Bank in the original principle
18 amount of \$500,000 ("Loan One") and \$1,762,000 ("Loan Two")⁷. A true and correct copy of the
19

20 ⁶ The amounts of the liens to be paid through escrow are estimates. If there is a dispute with respect to the
21 amount of any lien, Paul will pay the undisputed portion of the claim and segregate the disputed portion
22 pending further order of the Court. As of the filing of this Motion, Paul has not yet received a preliminary
23 title report from escrow. However, Paul will file a supplement to the Motion with the preliminary title
24 report prior to the hearing.

25 ⁷ On January 25, 2017, Paul obtained an Order of this Court approving his Motion to Sell the 10552
26 Property [Dkt. No. 151], which is anticipated to generate approximately \$1,135,594 in net proceeds to be
27 applied towards the balance remaining on Loan Two. On April 20, 2017, the Court approved Paul's
28 motion to approve the sale of the 10532 property. Paul anticipates escrow will close on the 10552 and
10532 Properties before the hearing on the instant Motion and that the proceeds from that sale will be
applied to reduce the outstanding balance owed on Loan Two. In the event escrow does not close on the
10552 or 10532 properties prior to the close of escrow on the instant Property (10632), 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.

1 preliminary title report for the Property is attached to the Nguyen Declaration as Exhibit 2. Any
2 undisputed claims of the OC Tax and Bank will be paid from the proceeds of the sale.

3 Any net sales proceeds remaining after payment in full of the foregoing claims and
4 interests shall be paid via wire transfer directly from escrow to **SulmeyerKupetz**'s client trust
5 account, to assist Kirk Nguyen, the designated disbursing agent under the Joint Plan, to distribute
6 the sales proceeds to all remaining creditors in accordance with the Joint Plan and Confirmation
7 Order and thereafter to distribute any surplus to Paul.

8 **D. Notice**

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

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

16 "Good faith encompasses fair value, and further speaks to the integrity of the transaction."
17 In re Wilde Horse Enterprises, Inc., 136 B.R. 830, 842 (Bankr. C.D. Cal. 1991) (internal quotation
18 marks omitted). Bad faith includes collusion between buyer and seller or otherwise taking unfair
19 advantage of other potential purchasers, such as a collusive insider transaction. id.; see also In re
20 Indus. Valley Refrigeration & Air Conditioning Supplies, Inc., 77 B.R. 15, 17 (Bankr. E.D. Pa.
21 1987).

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

27 ///

28 ///

1 IV.

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

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

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

17 11 U.S.C. § 363(f)(1)-(5).

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

21 Paul anticipates that the sale proceeds will be sufficient to satisfy the aggregate value of all
22 liens against the Property in full⁸. Therefore, the Sale may proceed free and clear of those liens
23 pursuant to section 363(f)(3).

24 Additionally, Paul intends to notify all interested parties of the Sale through the notice of
25 motion. Any party objecting to such sale may file an objection with the Court and present a timely
26 filed opposition, if any, at the hearing on the Motion. If there are no objections, all parties will be

27 _____

28 ⁸ This assumes the 10552 and 10532 escrows close prior to escrow closing on the Property.

1 deemed to have consented to the Sale of the Property. See Veltman v. Whetzal, 93 F.3d 517 (8th
2 Cir. 1996) (failure to object to proposed sale, coupled with agreement authorizing sale free of
3 interest, constituted consent); In re Elliot, 94 B.R. 343, 345 (Bankr. E.D. Pa. 1988) (implied
4 consent found); In re Tabore, Inc., 175 B.R. 855 (Bankr. D. N.J. 1994) (failure to object to notice
5 of sale or attend hearing deemed consent to sale for purposes of section 363); In re Shary, 152
6 B.R. 724 (Bankr. N.D. Ohio 1993) (state’s failure to object to transfer of liquor license constituted
7 consent to sale). Thus, pursuant to section 363(f)(2), Paul may sell the Property free and clear of
8 an interest of an entity if such noticed party fails to object to the proposed Sale, as such party will
9 be deemed to have consented to the Sale and the relief requested in this Motion. Furthermore,
10 since Paul proposes to pay all liens against the Property in full, absent any timely objection, such
11 entities should be deemed to consent to the Sale.

12 V.

13 **THE PROPOSED BIDDING PROCEDURES ARE REASONABLE UNDER THE**
14 **CIRCUMSTANCES**

15 With respect to proposed sales of property under Section 363(b), overbid procedures are
16 designed to ensure that a bankruptcy estate receives the maximum amount possible for the benefit
17 of creditors. However, the Estate is not compelled to entertain every offer submitted. “A debtor
18 may avoid the increased cost and complexity associated with considering additional bids unless
19 the additional bids are high enough to justify their pursuit.” In re Wintex, Inc., 158 B.R. 540, 543
20 (D. Mass. 1992).

21 Court approval for bidding procedures is appropriate to organize the process for seeking
22 and considering bids for a sale pursuant to Section 363. In re WCI Cable, Inc., 282 B.R. 457
23 (Bankr. D. Or. 2002). In In re Onouli Kona Land Co., 846 F.2d 1170 (9th Cir. 1988), the Ninth
24 Circuit upheld the validity of the notice of the auction of the debtor’s asset, a large parcel of real
25 estate, even though there was only one bidder, the major secured creditor, where the “the period
26 before the auction, the sale commissioner published advertisements once a week for three weeks,
27 issued over 300 fact sheets to possible bidders, and gave Debtor an opportunity to advertise
28 independently.” Id., at 1174. See also In re Alves, 52 B.R. 353, 355 (Bankr. D. R.I. 1985)

1 (approving auction sale where property was given adequate marketing exposure); In re Waupun
2 Trading Co., Inc., 41 B.R. 812, 815 (Bankr. D. Hawaii 1984) (“The public notice which had been
3 published by the Trustee in a newspaper of general circulation was adequate notice”).

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

10 In this case, Paul respectfully submits that the bidding procedures are reasonable,
11 appropriate, and satisfy the business judgment rule. The bidding procedures will result in a fair
12 and reasonable price for the Property. Further, Paul submits that the minimum initial overbid of
13 \$25,000 (net - as set forth in the proposed bid procedures) is a reasonable increase requirement.
14 The minimum bid was selected to encourage bidding and ensure that the highest price is obtained.
15 Paul submits that given the proposed purchase price, an initial overbid of \$25,000 (which is less
16 than 2% of the Purchase Price) will assure that the bidding process is not unduly “chilled.”

17 Finally, Paul submits that the subsequent incremental bids in the sum of \$15,000 are
18 reasonable, and designed to encourage bidding, yet at the same time avoid the unnecessary delay
19 that would come with an unduly small incremental bid. Under these circumstances, Paul asserts
20 that the bidding procedures and timetable established for the Sale of the Property is more than
21 reasonable and will ensure competitive bidding. However, to the extent the Court approves the
22 Sale to a qualified overbidder who then fails to close due to a breach (other than a material breach
23 by Paul), the overbidder’s deposit shall be forfeited to Paul’s Estate.

24 **VI.**

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

26 The proposed Buyer is a good faith purchaser entitled to the protections of section 363(m).
27 “Though the Bankruptcy Code and Rules do not provide a definition of good faith, courts
28 generally have followed traditional equitable principles in holding that a good faith purchaser is

1 one who buys ‘in good faith’ and ‘for value.’” In re Ewell, 958 F.2d 276, 281 (9th Cir. 1992)
2 (citing In re Abbotts Dairies of Pennsylvania, Inc., 788 F.2d 143, 147 (3rd Cir. 1986). Lack of
3 good faith may be shown by “fraud, collusion between the purchaser and other bidders or the
4 trustee, or an attempt to take grossly unfair advantage of other bidders.” In re Ewell, 958 F.2d at
5 281 (quoting In re Suchy, 786 F.2d 900, 902 (9th Cir. 1985)); see also In re Indus. Valley
6 Refrigeration & Air Conditioning Supplies, Inc., 77 B.R. 15, 17 (Bankr. E.D. Pa. 1987) (good
7 faith requirement “focuses principally on the element of special treatment of the debtor’s insiders
8 in the sale transaction”).

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

19 **VII.**

20 **THE COURT SHOULD WAIVE THE FOURTEEN DAY STAY PRESCRIBED BY RULE**
21 **6004(h) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE**

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

28 ///

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

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: April 20, 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 NGUYEN⁹

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 10632 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” (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,

⁹ Capitalized terms herein shall have the same meaning ascribed to them in the foregoing Motion and Memorandum of Points and Authorities.

1 and Trask used the net proceeds to pay down the secured claims of the Orange County Tax
2 Collector and the Bank. On January 25, 2017, I obtained an Order of this Court approving my
3 Motion to Approve the Sale of the 10552 Property [Dkt. No. 151]. Escrow is anticipated to close
4 shortly and will generate approximately \$1,135,594 in net proceeds to pay down the Orange
5 County Tax Collector's and Bank's claim.

6 7. Following the Effective Date of the Joint Plan, I retained Randy Wind of The Wind
7 Group Commercial Real Estate Advisors ("Broker"), to replace Voit as the listing agent for the
8 Property and for the 10532 and 10632 Trask Avenue properties. On March 30, 2017, I filed a
9 motion to approve a sale of the 10532 property, with a hearing scheduled for April 20, 2017. I did
10 not receive any opposition to the proposed sale and the Court approved the sale at the hearing.

11 8. Based on the proceeds generated from the sale of the 10592 property, and the
12 anticipated proceeds from the sale of the 10552 and 10532 properties (upon closing), I anticipate
13 the proposed Sale will generate sufficient proceeds to satisfy all outstanding secured claims in full.
14 Moreover, I believe there is more than adequate equity in the 10632 Property to satisfy all
15 remaining claims of both my and Trask's estates in full.

16 9. I seek an order approving the sale (the "Sale") of my interest in certain industrial
17 real property commonly known as 10632 A Trask Avenue, Garden Grove, California 92843 [APN
18 930-62-460] and 10632 B Trask Avenue, Garden Grove, California 92843 [APN 930-62-461]
19 (together, the "Property"), on the terms and conditions of that certain written "Standard Offer,
20 Agreement and Escrow Instructions for Purchase of Real Estate," dated April 1, 2017 (the
21 "Offer"), and "Addendum One – Additional Terms and Clarifications" ("Seller's Addendum," and
22 together with the Offer, the "Purchase Agreement"). A true and correct copy of the Purchase
23 Agreement is attached hereto as Exhibit 1, and is incorporated herein by reference. The proposed
24 Sale is made in conjunction with the Joint Plan and, if approved, will assist Trask and I in
25 effectuating the provisions of the Joint Plan.

26 10. I seek an order authorizing the Sale of the Property to The Cohen Trust, or
27 Assignee (the "Buyer"), for the sum of \$1,430,000 (the "Purchase Price"), cash, or to any person
28 or entity who is an accepted Overbidder and the eventual Winning Bidder.

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

6 12. Based on the advice from my bankruptcy counsel, I believe the proposed overbid
7 procedures are fair and reasonable and are intended to encourage overbids by financially capable
8 buyers. As set forth in the Motion, I have outlined proposed overbid procedures to govern any
9 overbidding. The Property is subject to a number of encumbrances, which are reflected in a
10 Preliminary Title Report issued by Lawyers Title on April 6, 2017, attached hereto as Exhibit 2.

11 13. The Property consists of approximately .52 acres and includes two commercial
12 buildings each with separate office space covering approximately 9,564 square feet. I hold title to
13 the Property in fee simple.

14 14. In my opinion, the proposed Sale of the Property is supported by sound business
15 judgment because the sale will maximize the value of the Property for the benefit of my Estate and
16 effectuate the provisions of the Joint Plan. The sale price is fair based upon the extensive
17 marketing efforts on the Property, listing prices of comparable parcels of real property, and the
18 Broker’s inspection of the Property. The sale price of \$1,430,000 will ensure that the highest and
19 best value is achieved from the sale and maximize the proceeds available to satisfy all liens against
20 the Property.

21 15. The price is fair, reasonable, and conforms with the current market of comparable
22 sales. The Buyers’ offer of \$1,430,000 (approximately \$150/sf) is in line with, and/or exceeds,
23 other offers received. After marketing the Property for sale for over a year and with two different
24 brokerage companies, I believe that the current offer reflects the market value of the Property and
25 submit that the sale price is reasonable and in the best interests of the Estate. Furthermore, the
26 Sale is subject to overbid to ensure that the Property sells for the highest and best offer that the
27 market will pay.

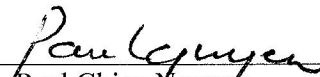
28 16. The proposed Sale of the Property was negotiated at arms’ length. There is no

1 fraud, collusion, or insider transactions present here, and the Buyer received no special treatment
2 or consideration. Moreover, the Property has been actively marketed, the sale will be properly
3 publicized on the Bankruptcy Court's Website, and I accepted the highest and best offer. As a
4 result, the Sale is made in good faith.

5 17. I am informed that the sale of the Property will result in a net capital loss.

6 I declare under penalty of perjury that the foregoing is true and correct and that this
7 declaration was executed on April 19, 2017, at Anaheim, California.

8
9 4/19/17

10
11 
12 Paul Chieu Nguyen
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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 RANDY WIND¹²

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 10632 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 10632 A Trask Avenue, Garden Grove, California 92843 [APN 930-62-460] and 10632 B Trask Avenue, Garden Grove, California 92843 [APN 930-62-461] (together, the "Property").

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

- I placed large, highly visible 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

¹²Capitalized 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 a 20 mile radius of the Property,
3 and sent out e-mail campaigns to AIR Brokers in Southern California.

- 4 • I responded to over 200 direct inquires, conducted over 75 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 \$1,430,000 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 April 19, 2017, at Los Alamitos, California.

12
13 

14 Randy Wind

DECLARATION OF PHILIP COHEN¹³

I, Philip Cohen, declare:

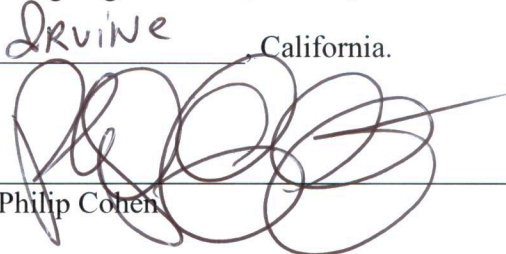
1. I am over the age of eighteen. Except as otherwise indicated, all statements made herein are based on my personal knowledge or my review of relevant documents. If called to testify as a witness in this matter, I could and would competently testify under oath to the truth of the statements set forth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

2. I am the principal and trustee of The Cohen Family Trust, the proposed Buyer of the real property located at and commonly known as 10632 A Trask Avenue, Garden Grove, California 92843 [APN 930-62-460] and 10632 B Trask Avenue, Garden Grove, California 92843 [APN 930-62-461] (together, the "Property"). I am also a licensed real estate agent and am acting as the proposed Buyer's agent in connection with the instant sale.

3. To the best of my knowledge, neither I, nor the proposed Buyer, 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 his real estate agent.

I declare under penalty of perjury that the foregoing is true and correct, and that this declaration was executed on April 19, 2017, at IRVINE, California.


Philip Cohen

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.

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

EXHIBIT 1



STANDARD OFFER, AGREEMENT AND ESCROW INSTRUCTIONS FOR PURCHASE OF REAL ESTATE

(Non-Residential)

AIR Commercial Real Estate Association

April 1, 2017

(Date for Reference Purposes)

1. Buyer.

1.1 Cohen Family Trust, or Assignee, ("Buyer") hereby offers to purchase the real property, hereinafter described, from the owner thereof ("Seller") (collectively, the "Parties" or individually, a "Party"), through an escrow ("Escrow") to close 30 or (3) Business days after Bankruptcy Court Approval (See Attached Addendum) the waiver or expiration of the Buyer's Contingencies, ("Expected Closing Date") to be held by Lawyers Title Company and Escrow ("Escrow Holder") whose address is 16755 Von Karman Ave, Suite 100, Irvine, CA, 92606 - Mike Banhagel, Rep // Escrow Officer - Linda Lastelic, Phone No. (949) 223-5558, Facsimile No. upon the terms and conditions set forth in this agreement ("Agreement"). Buyer shall have the right to assign Buyer's rights hereunder, but any such assignment shall not relieve Buyer of Buyer's obligations herein unless Seller expressly releases Buyer.

1.2 The term "Date of Agreement" as used herein shall be the date when by execution and delivery (as defined in paragraph 20.2) of this document or a subsequent counteroffer thereto, Buyer and Seller have reached agreement in writing whereby Seller agrees to sell, and Buyer agrees to purchase, the Property upon terms accepted by both Parties.

2. Property.

2.1 The real property ("Property") that is the subject of this offer consists of (insert a brief physical description) That Commercial/Industrial property consisting of approximately 9564 square feet, that consists of two Industrial Condominium Overlays of approximately 4782 Square feet each. is located in the City of Garden Grove, County of Orange, State of California, is commonly known by the street address of 10632 Trask Ave A&B

and is legally described as: To be provided by escrow

(APN: 930-624-60 & 930-624-61).

2.2 If the legal description of the Property is not complete or is inaccurate, this Agreement shall not be invalid and the legal description shall be completed or corrected to meet the requirements of Lawyers Title Company ("Title Company"), which shall issue the title policy hereinafter described.

2.3 The Property includes, at no additional cost to Buyer, the permanent improvements thereon, including those items which pursuant to applicable law are a part of the property, as well as the following items, if any, owned by Seller and at present located on the Property: electrical distribution systems (power panel, bus ducting, conduits, disconnects, lighting fixtures); telephone distribution systems (lines, jacks and connections only); space heaters; heating, ventilating, air conditioning equipment ("HVAC"); air lines; fire sprinkler systems; security and fire detection systems; carpets; window coverings; wall coverings; and - Property is being Purchased AS-IS/WHERE IS with no warranties or representations expressed or implied.

(collectively, the "Improvements").

2.4 The fire sprinkler monitor: [] is owned by Seller and included in the Purchase Price, [] is leased by Seller, and Buyer will need to negotiate a new lease with the fire monitoring company, [] ownership will be determined during Escrow, or [X] there is no fire sprinkler monitor.

2.5 Except as provided in Paragraph 2.3, the Purchase Price does not include Seller's personal property, furniture and furnishings, and any unattached items which shall be removed by Seller prior to Closing.

3. Purchase Price.

3.1 The purchase price ("Purchase Price") to be paid by Buyer to Seller for the Property shall be \$1,430,000.00, payable as follows:

- (a) Cash down payment, including the Deposit as defined in paragraph 4.3 (or if an all cash transaction, the Purchase Price): \$1,430,000.00

(Strike if not

Handwritten initials in a circle, with the word INITIALS printed below.

Handwritten initials 'P', with the word INITIALS printed below.

applicable) (b) Amount of "New Loan" as defined in paragraph 5.1, if any: \$ _____

(c) Buyer shall take title to the Property subject to and/or assume the following existing deed(s) of trust ("**Existing Deed(s) of Trust**") securing the existing promissory note(s) ("**Existing Note(s)**"):

(i) An Existing Note ("**First Note**") with an unpaid principal balance as of the Closing of approximately: \$ _____

Said First Note is payable at \$ _____ per month, including interest at the rate of _____ % per annum until paid (and/or the entire unpaid balance is due on _____).

(Strike if not applicable) (ii) An Existing Note ("**Second Note**") with an unpaid principal balance as of the Closing of approximately: \$ _____

Said Second Note is payable at \$ _____ per month, including interest at the rate of _____ % per annum until paid (and/or the entire unpaid balance is due on _____).

(Strike if not applicable) (d) Buyer shall give Seller a deed of trust ("**Purchase Money Deed of Trust**") on the property, to secure the promissory note of Buyer to Seller described in paragraph 6 ("**Purchase Money Note**") in the amount of: \$ _____

Total Purchase Price: \$1,430,000.00

3.2 If Buyer is taking title to the Property subject to, or assuming, an Existing Deed of Trust and such deed of trust permits the beneficiary to demand payment of fees including, but not limited to, points, processing fees, and appraisal fees as a condition to the transfer of the Property, Buyer agrees to pay such fees up to a maximum of 1.5% of the unpaid principal balance of the applicable Existing Note.

4. Deposits.

4.1 Buyer has delivered to Broker a check in the sum of \$ _____, payable to Escrow Holder, to be delivered by Broker to Escrow Holder within 2 or _____ business days after both Parties have executed this Agreement and the executed Agreement has been delivered to Escrow Holder, or within 2 or _____ business days after both Parties have executed this Agreement and the executed Agreement has been delivered to Escrow Holder Buyer shall deliver to Escrow Holder a check in the sum of \$50,000.00. If said check is not received by Escrow Holder within said time period then Seller may elect to unilaterally terminate this transaction by giving written notice of such election to Escrow Holder whereupon neither Party shall have any further liability to the other under this Agreement. Should Buyer and Seller not enter into an agreement for purchase and sale, Buyer's check or funds shall, upon request by Buyer, be promptly returned to Buyer.

4.2 Additional deposits:

(a) Within 5 business days after the Date of Agreement, Buyer shall deposit with Escrow Holder the additional sum of \$ _____ to be applied to the Purchase Price at the Closing.

(b) Within 5 business days after the contingencies discussed in paragraph 9.1 (a) through (m) are approved or waived, Buyer shall deposit with Escrow Holder the additional sum of \$50,000.00 to be applied to the Purchase Price at the Closing.

(c) If an Additional Deposit is not received by Escrow Holder within the time period provided then Seller may notify Buyer, Escrow Holder, and Brokers, in writing that, unless the Additional Deposit is received by Escrow Holder within 2 business days following said notice, the Escrow shall be deemed terminated without further notice or instructions.

4.3 Escrow Holder shall deposit the funds deposited with it by Buyer pursuant to paragraphs 4.1 and 4.2 (collectively the "Deposit"), in a State or Federally chartered bank in an interest bearing account whose term is appropriate and consistent with the timing requirements of this transaction. The interest therefrom shall accrue to the benefit of Buyer, who hereby acknowledges that there may be penalties or interest forfeitures if the applicable instrument is redeemed prior to its specified maturity. Buyer's Federal Tax Identification Number is _____. NOTE: Such interest bearing account cannot be opened until Buyer's Federal Tax Identification Number is provided.

4.4 Notwithstanding the foregoing, within 5 days after Escrow Holder receives the monies described in paragraph 4.1 above, Escrow Holder shall release \$100 of said monies to Seller as and for independent consideration for Seller's execution of this Agreement and the granting of the contingency period to Buyer as herein provided. Such independent consideration is non-refundable to Buyer but shall be credited to the Purchase Price in the event that the purchase of the Property is completed.

4.5 Upon waiver of all of Buyer's contingencies the Deposit shall become non-refundable but applicable to the Purchase Price except in the event of a Seller breach, or in the event that the Escrow is terminated pursuant to the provisions of Paragraph 9.1(n) (Destruction, Damage or Loss) or 9.1(o) (Material Change).

5. Financing Contingency. (Strike if not applicable)

5.1 This offer is contingent upon Buyer obtaining from an insurance company, financial institution or other lender, a commitment to lend to Buyer a sum equal to at least _____ % of the Purchase Price, on terms reasonably acceptable to Buyer. Such loan ("New Loan") shall be secured by a first deed of trust or mortgage on the Property. If this Agreement provides for Seller to carry back junior financing, then Seller shall have the right to approve the terms of the New Loan. Seller shall have 7 days from receipt of the commitment setting forth the proposed terms of the New Loan to approve or disapprove of such proposed terms. If Seller fails to notify Escrow Holder, in writing, of the disapproval within said 7 days it shall be conclusively presumed that Seller has approved the terms of the New Loan.

5.2 Buyer hereby agrees to diligently pursue obtaining the New Loan. If Buyer shall fail to notify its Broker, Escrow Holder and Seller, in writing within _____ days following the Date of Agreement, that the New Loan has not been obtained, it shall be conclusively presumed that Buyer has either obtained said New Loan or has waived this New Loan contingency.

5.3 If, after due diligence, Buyer shall notify its Broker, Escrow Holder and Seller, in writing, within the time specified in paragraph 5.2 hereof, that Buyer has not obtained said New Loan, this Agreement shall be terminated, and Buyer shall be entitled to the prompt return of the Deposit, plus any interest earned thereon, less only Escrow Holder and Title Company cancellation fees and costs, which Buyer shall pay.

6. Seller Financing (Purchase Money Note). (Strike if not applicable)


INITIALS


INITIALS

6.1 If Seller approves Buyer's financials (see paragraph 6.5) the Purchase Money Note shall provide for interest on unpaid principal at the rate of _____ % per annum, with principal and interest paid as follows: _____

The Purchase Money Note and Purchase Money Deed of Trust shall be on the current forms commonly used by Escrow Holder, and be junior and subordinate only to the Existing Note(s) and/or the New Loan expressly called for by this Agreement.

6.2 The Purchase Money Note and/or the Purchase Money Deed of Trust shall contain provisions regarding the following (see also paragraph 40.3 (b)):

(a) Prepayment. Principal may be prepaid in whole or in part at any time without penalty, at the option of the Buyer.

(b) Late Charge. A late charge of 6% shall be payable with respect to any payment of principal, interest, or other charges, not made within 40 days after it is due.

(c) Due On Sale. In the event the Buyer sells or transfers title to the Property or any portion thereof, then the Seller may, at Seller's option, require the entire unpaid balance of said Note to be paid in full.

6.3 If the Purchase Money Deed of Trust is to be subordinate to other financing, Escrow Holder shall, at Buyer's expense prepare and record on Seller's behalf a request for notice of default and/or sale with regard to each mortgage or deed of trust to which it will be subordinate.

6.4 WARNING: CALIFORNIA LAW DOES NOT ALLOW DEFICIENCY JUDGEMENTS ON SELLER FINANCING. IF BUYER ULTIMATELY DEFAULTS ON THE LOAN, SELLER'S SOLE REMEDY IS TO FORECLOSE ON THE PROPERTY.

6.5 Seller's obligation to provide financing is contingent upon Seller's reasonable approval of Buyer's financial condition. Buyer to provide a current financial statement and copies of its Federal tax returns for the last 3 years to Seller within 40 days following the Date of Agreement. Seller has 40 days following receipt of such documentation to satisfy itself with regard to Buyer's financial condition and to notify Escrow Holder as to whether or not Buyer's financial condition is acceptable. If Seller fails to notify Escrow Holder, in writing, of the disapproval of this contingency within said time period, it shall be conclusively presumed that Seller has approved Buyer's financial condition. If Seller is not satisfied with Buyer's financial condition or if Buyer fails to deliver the required documentation then Seller may notify Escrow Holder in writing that Seller Financing will not be available, and Buyer shall have the option, within 40 days of the receipt of such notice, to either terminate this transaction or to purchase the Property without Seller financing. If Buyer fails to notify Escrow Holder within said time period of its election to terminate this transaction then Buyer shall be conclusively presumed to have elected to purchase the Property without Seller financing. If Buyer elects to terminate, Buyer's Deposit shall be refunded less Title Company and Escrow Holder cancellation fees and costs, all of which shall be Buyer's obligation.

7. Real Estate Brokers.

7.1 The following real estate broker(s) ("Brokers") and brokerage relationships exist in this transaction and are consented to by the Parties (check the applicable boxes):

- [] Randall A. Wind - The Wind Group represents Seller exclusively ("Seller's Broker");
[] Philip C, Cohen-Buyer-Is Licensed Real Estate Broker represents Buyer exclusively ("Buyer's Broker"); or
[] Randall A. Wind - The Wind Group represents both Seller and Buyer ("Dual Agency").

The Parties acknowledge that other than the Brokers listed above, there are no other brokers representing the Parties or due any fees and/or commissions under this Agreement See paragraph 24 regarding the nature of a real estate agency relationship. Buyer shall use the services of Buyer's Broker exclusively in connection with any and all negotiations and offers with respect to the Property for a period of 1 year from the date inserted for reference purposes at the top of page 1.

7.2 Buyer and Seller each represent and warrant to the other that he/she/it has had no dealings with any person, firm, broker or finder in connection with the negotiation of this Agreement and/or the consummation of the purchase and sale contemplated herein, other than the Brokers named in paragraph 7.1, and no broker or other person, firm or entity, other than said Brokers is/are entitled to any commission or finder's fee in connection with this transaction as the result of any dealings or acts of such Party. Buyer and Seller do each hereby agree to indemnify, defend, protect and hold the other harmless from and against any costs, expenses or liability for compensation, commission or charges which may be claimed by any broker, finder or other similar party, other than said named Brokers by reason of any dealings or act of the indemnifying Party.

8. Escrow and Closing.

8.1 Upon acceptance hereof by Seller, this Agreement, including any counteroffers incorporated herein by the Parties, shall constitute not only the agreement of purchase and sale between Buyer and Seller, but also instructions to Escrow Holder for the consummation of the Agreement through the Escrow. Escrow Holder shall not prepare any further escrow instructions restating or amending the Agreement unless specifically so instructed by the Parties or a Broker herein. Subject to the reasonable approval of the Parties, Escrow Holder may, however, include its standard general escrow provisions. In the event that there is any conflict between the provisions of the Agreement and the provisions of any additional escrow instructions the provisions of the Agreement shall prevail as to the Parties and the Escrow Holder.

8.2 As soon as practical after the receipt of this Agreement and any relevant counteroffers, Escrow Holder shall ascertain the Date of Agreement as defined in paragraphs 1.2 and 20.2 and advise the Parties and Brokers, in writing, of the date ascertained.

8.3 Escrow Holder is hereby authorized and instructed to conduct the Escrow in accordance with this Agreement, applicable law and custom and practice of the community in which Escrow Holder is located, including any reporting requirements of the Internal Revenue Code. In the event of a conflict between the law of the state where the Property is located and the law of the state where the Escrow Holder is located, the law of the state where the Property is located shall prevail.

8.4 Subject to satisfaction of the contingencies herein described, Escrow Holder shall close this escrow (the "Closing") by recording a general warranty deed (a grant deed in California) and the other documents required to be recorded, and by disbursing the funds and documents in accordance with this Agreement.

8.5 Buyer and Seller shall each pay one-half of the Escrow Holder's charges and Seller shall pay the usual recording fees and any required documentary transfer taxes. Seller shall pay the premium for a standard coverage owner's or joint protection policy of title insurance. (See also paragraph 11)

8.6 Escrow Holder shall verify that all of Buyer's contingencies have been satisfied or waived prior to Closing. The matters contained in paragraphs 9.1 subparagraphs (b), (c), (d), (e), (g), (i), (n), and (o), 9.4, 12, 13, 14, 16, 18, 20, 21, 22, and 24 are, however, matters of agreement between the Parties only and are not instructions to Escrow Holder.

8.7 If this transaction is terminated for non-satisfaction and non-waiver of a Buyer's Contingency, as defined in paragraph 9.2, then neither of the

[Signature]
INITIALS

[Signature]
INITIALS

Parties shall thereafter have any liability to the other under this Agreement, except to the extent of a breach of any affirmative covenant or warranty in this Agreement. In the event of such termination, Buyer shall, subject to the provisions of paragraph 8.10, be promptly refunded all funds deposited by Buyer with Escrow Holder, less only the \$100 provided for in paragraph 4.4 and the Title Company and Escrow Holder cancellation fees and costs, all of which shall be Buyer's obligation. If this transaction is terminated as a result of Seller's breach of this Agreement then Seller shall pay the Title Company and Escrow Holder cancellation fees and costs.

8.8 The Closing shall occur on the Expected Closing Date, or as soon thereafter as the Escrow is in condition for Closing; provided, however, that if the Closing does not occur by the Expected Closing Date and said Date is not extended by mutual instructions of the Parties, a Party not then in default under this Agreement may notify the other Party, Escrow Holder, and Brokers, in writing that, unless the Closing occurs within 5 business days following said notice, the Escrow shall be deemed terminated without further notice or instructions.

8.9 Except as otherwise provided herein, the termination of Escrow shall not relieve or release either Party from any obligation to pay Escrow Holder's fees and costs or constitute a waiver, release or discharge of any breach or default that has occurred in the performance of the obligations, agreements, covenants or warranties contained therein.

8.10 If this sale of the Property is not consummated for any reason other than Seller's breach or default, then at Seller's request, and as a condition to any obligation to return Buyer's deposit (see paragraph 21), Buyer shall within 5 days after written request deliver to Seller, at no charge, copies of all surveys, engineering studies, soil reports, maps, master plans, feasibility studies and other similar items prepared by or for Buyer that pertain to the Property. Provided, however, that Buyer shall not be required to deliver any such report if the written contract which Buyer entered into with the consultant who prepared such report specifically forbids the dissemination of the report to others.

9. Contingencies to Closing. [All Contingencies and Due-Diligence Items shall be satisfied and waived by 5:00 pm on April 27, 2017.]

9.1 The Closing of this transaction is contingent upon the satisfaction or waiver of the following contingencies. **IF BUYER FAILS TO NOTIFY ESCROW HOLDER, IN WRITING, OF THE DISAPPROVAL OF ANY OF SAID CONTINGENCIES WITHIN THE TIME SPECIFIED THEREIN, IT SHALL BE CONCLUSIVELY PRESUMED THAT BUYER HAS APPROVED SUCH ITEM, MATTER OR DOCUMENT.** Buyer's conditional approval shall constitute disapproval, unless provision is made by the Seller within the time specified therefore by the Buyer in such conditional approval or by this Agreement, whichever is later, for the satisfaction of the condition imposed by the Buyer. Escrow Holder shall promptly provide all Parties with copies of any written disapproval or conditional approval which it receives. With regard to subparagraphs (a) through (m) the pre-printed time periods shall control unless a different number of days is inserted in the spaces provided.

(a) *Disclosure.* Seller shall make to Buyer, through Escrow, all of the applicable disclosures required by law (See AIR Commercial Real Estate Association ("AIR") standard form entitled "Seller's Mandatory Disclosure Statement") and provide Buyer with a completed Property Information Sheet ("Property Information Sheet") concerning the Property, duly executed by or on behalf of Seller in the current form or equivalent to that published by the AIR within 40 or 5 days following the Date of Agreement. Buyer has 10 days from the receipt of said disclosures to approve or disapprove the matters disclosed.

(b) *Physical Inspection.* Buyer has 10 or _____ days following the receipt of the Property Information Sheet or the Date of Agreement, whichever is later, to satisfy itself with regard to the physical aspects and size of the Property.

(c) *Hazardous Substance Conditions Report.* Buyer has 30 or 15 days following the receipt of the Property Information Sheet or the Date of Agreement, whichever is later, to satisfy itself with regard to the environmental aspects of the Property. Seller recommends that Buyer obtain a Hazardous Substance Conditions Report concerning the Property and relevant adjoining properties. Any such report shall be paid for by Buyer. A "Hazardous Substance" for purposes of this Agreement is defined as any substance whose nature and/or quantity of existence, use, manufacture, disposal or effect, render it subject to Federal, state or local regulation, investigation, remediation or removal as potentially injurious to public health or welfare. A "Hazardous Substance Condition" for purposes of this Agreement is defined as the existence on, under or relevantly adjacent to the Property of a Hazardous Substance that would require remediation and/or removal under applicable Federal, state or local law.

(d) *Soil Inspection.* Buyer has 30 or 15 days following the receipt of the Property Information Sheet or the Date of Agreement, whichever is later, to satisfy itself with regard to the condition of the soils on the Property. Seller recommends that Buyer obtain a soil test report. Any such report shall be paid for by Buyer. Seller shall provide Buyer copies of any soils report that Seller may have within 10 days of the Date of Agreement.

(e) *Governmental Approvals.* Buyer has 30 or 15 days following the Date of Agreement to satisfy itself with regard to approvals and permits from governmental agencies or departments which have or may have jurisdiction over the Property and which Buyer deems necessary or desirable in connection with its intended use of the Property, including, but not limited to, permits and approvals required with respect to zoning, planning, building and safety, fire, police, handicapped and Americans with Disabilities Act requirements, transportation and environmental matters.

(f) *Conditions of Title.* Escrow Holder shall cause a current commitment for title insurance ("Title Commitment") concerning the Property issued by the Title Company, as well as legible copies of all documents referred to in the Title Commitment ("Underlying Documents"), and a scaled and dimensioned plot showing the location of any easements to be delivered to Buyer within 10 or _____ days following the Date of Agreement. Buyer has 10 days from the receipt of the Title Commitment, the Underlying Documents and the plot plan to satisfy itself with regard to the condition of title. The disapproval by Buyer of any monetary encumbrance, which by the terms of this Agreement is not to remain against the Property after the Closing, shall not be considered a failure of this contingency, as Seller shall have the obligation, at Seller's expense, to satisfy and remove such disapproved monetary encumbrance at or before the Closing.

(g) *Survey.* Buyer has 30 or 15 days following the receipt of the Title Commitment and Underlying Documents to satisfy itself with regard to any ALTA title supplement based upon a survey prepared to American Land Title Association ("ALTA") standards for an owner's policy by a licensed surveyor, showing the legal description and boundary lines of the Property, any easements of record, and any improvements, poles, structures and things located within 10 feet of either side of the Property boundary lines. Any such survey shall be prepared at Buyer's direction and expense. If Buyer has obtained a survey and approved the ALTA title supplement, Buyer may elect within the period allowed for Buyer's approval of a survey to have an ALTA extended coverage owner's form of title policy, in which event Buyer shall pay any additional premium attributable thereto.

(h) *Existing Leases and Tenancy Statements.* Seller shall within 10 or _____ days following the Date of Agreement provide both Buyer and Escrow Holder with legible copies of all leases, subleases or rental arrangements (collectively, "Existing Leases") affecting the Property, and with a tenancy statement ("Estoppel Certificate") in the latest form or equivalent to that published by the AIR, executed by Seller and/or each tenant and subtenant of the Property. Seller shall use its best efforts to have each tenant complete and execute an Estoppel Certificate. If any tenant fails or refuses to provide an Estoppel Certificate then Seller shall complete and execute an Estoppel Certificate for that tenancy. Buyer has 10 days from the receipt of said Existing Leases and Estoppel Certificates to satisfy itself with regard to the Existing Leases and any other tenancy issues.

(i) *Owner's Association.* Seller shall within 10 or _____ days following the Date of Agreement provide Buyer with a statement and transfer package from any owner's association servicing the Property. Such transfer package shall at a minimum include: copies of the association's bylaws, articles of incorporation, current budget and financial statement. Buyer has 10 days from the receipt of such documents to satisfy itself with regard to


INITIALS


INITIALS

the association.

(j) *Other Agreements.* Seller shall within 10 or _____ days following the Date of Agreement provide Buyer with legible copies of all other agreements ("**Other Agreements**") known to Seller that will affect the Property after Closing. Buyer has 10 days from the receipt of said Other Agreements to satisfy itself with regard to such Agreements.

(k) *Financing.* If paragraph 5 hereof dealing with a financing contingency has not been stricken, the satisfaction or waiver of such New Loan contingency.

(l) *Existing Notes.* If paragraph 3.1(c) has not been stricken, Seller shall within 10 or _____ days following the Date of Agreement provide Buyer with legible copies of the Existing Notes, Existing Deeds of Trust and related agreements (collectively, "**Loan Documents**") to which the Property will remain subject after the Closing. Escrow Holder shall promptly request from the holders of the Existing Notes a beneficiary statement ("**Beneficiary Statement**") confirming: (1) the amount of the unpaid principal balance, the current interest rate, and the date to which interest is paid, and (2) the nature and amount of any impounds held by the beneficiary in connection with such loan. Buyer has 10 or _____ days following the receipt of the Loan Documents and Beneficiary Statements to satisfy itself with regard to such financing. Buyer's obligation to close is conditioned upon Buyer being able to purchase the Property without acceleration or change in the terms of any Existing Notes or charges to Buyer except as otherwise provided in this Agreement or approved by Buyer, provided, however, Buyer shall pay the transfer fee referred to in paragraph 3.2 hereof. Likewise if Seller is to carry back a Purchase Money Note then Seller shall within 10 or _____ days following the Date of Agreement provide Buyer with a copy of the proposed Purchase Money Note and Purchase Money Deed of Trust. Buyer has 10 or _____ days from the receipt of such documents to satisfy itself with regard to the form and content thereof.

(m) *Personal Property.* In the event that any personal property is included in the Purchase Price, Buyer has 10 or _____ days following the Date of Agreement to satisfy itself with regard to the title condition of such personal property. Seller recommends that Buyer obtain a UCC-1 report. Any such report shall be paid for by Buyer. Seller shall provide Buyer copies of any liens or encumbrances affecting such personal property that it is aware of within 10 or _____ days following the Date of Agreement.

(n) *Destruction, Damage or Loss.* Subsequent to the Date of Agreement and prior to Closing there shall not have occurred a destruction, or damage or loss to, the Property or any portion thereof, from any cause whatsoever, which would cost more than \$10,000.00 to repair or cure. If the cost of repair or cure is \$10,000.00 or less, Seller shall repair or cure the loss prior to the Closing. Buyer shall have the option, within 10 days after receipt of written notice of a loss costing more than \$10,000.00 to repair or cure, to either terminate this Agreement or to purchase the Property notwithstanding such loss, but without deduction or offset against the Purchase Price. If the cost to repair or cure is more than \$10,000.00, and Buyer does not elect to terminate this Agreement, Buyer shall be entitled to any insurance proceeds applicable to such loss. Unless otherwise notified in writing, Escrow Holder shall assume no such destruction, damage or loss has occurred prior to Closing.

(o) *Material Change.* Buyer shall have 10 days following receipt of written notice of a Material Change within which to satisfy itself with regard to such change. "**Material Change**" shall mean a substantial adverse change in the use, occupancy, tenants, title, or condition of the Property that occurs after the date of this offer and prior to the Closing. Unless otherwise notified in writing, Escrow Holder shall assume that no Material Change has occurred prior to the Closing.

(p) *Seller Performance.* The delivery of all documents and the due performance by Seller of each and every undertaking and agreement to be performed by Seller under this Agreement.

(q) *Brokerage Fee.* Payment at the Closing of such brokerage fee as is specified in this Agreement or later written instructions to Escrow Holder executed by Seller and Brokers ("**Brokerage Fee**"). It is agreed by the Parties and Escrow Holder that Brokers are a third party beneficiary of this Agreement insofar as the Brokerage Fee is concerned, and that no change shall be made with respect to the payment of the Brokerage Fee specified in this Agreement, without the written consent of Brokers.

9.2 All of the contingencies specified in subparagraphs (a) through (m) of paragraph 9.1 are for the benefit of, and may be waived by, Buyer, and may be elsewhere herein referred to as "**Buyer's Contingencies.**"

9.3 If any of Buyer's Contingencies or any other matter subject to Buyer's approval is disapproved as provided for herein in a timely manner ("**Disapproved Item**"), Seller shall have the right within 10 days following the receipt of notice of Buyer's disapproval to elect to cure such Disapproved Item prior to the Expected Closing Date ("**Seller's Election**"). Seller's failure to give to Buyer within such period, written notice of Seller's commitment to cure such Disapproved Item on or before the Expected Closing Date shall be conclusively presumed to be Seller's Election not to cure such Disapproved Item. If Seller elects, either by written notice or failure to give written notice, not to cure a Disapproved Item, Buyer shall have the right, within 10 days after Seller's Election to either accept title to the Property subject to such Disapproved Item, or to terminate this Agreement. Buyer's failure to notify Seller in writing of Buyer's election to accept title to the Property subject to the Disapproved Item without deduction or offset shall constitute Buyer's election to terminate this Agreement. The above time periods only apply once for each Disapproved Item. Unless expressly provided otherwise herein, Seller's right to cure shall not apply to the remediation of Hazardous Substance Conditions or to the Financing Contingency. Unless the Parties mutually instruct otherwise, if the time periods for the satisfaction of contingencies or for Seller's and Buyer's elections would expire on a date after the Expected Closing Date, the Expected Closing Date shall be deemed extended for 3 business days following the expiration of: (a) the applicable contingency period(s), (b) the period within which the Seller may elect to cure the Disapproved Item, or (c) if Seller elects not to cure, the period within which Buyer may elect to proceed with this transaction, whichever is later.

9.4 The Parties acknowledge that extensive local, state and Federal legislation establish broad liability upon owners and/or users of real property for the investigation and remediation of Hazardous Substances. The determination of the existence of a Hazardous Substance Condition and the evaluation of the impact of such a condition are highly technical and beyond the expertise of Brokers. The Parties acknowledge that they have been advised by Brokers to consult their own technical and legal experts with respect to the possible presence of Hazardous Substances on the Property or adjoining properties, and Buyer and Seller are not relying upon any investigation by or statement of Brokers with respect thereto. The Parties hereby assume all responsibility for the impact of such Hazardous Substances upon their respective interests herein.

10. Documents Required at or Before Closing:

10.1 Five days prior to the Closing date Escrow Holder shall obtain an updated Title Commitment concerning the Property from the Title Company and provide copies thereof to each of the Parties.

10.2 Seller shall deliver to Escrow Holder in time for delivery to Buyer at the Closing:

(a) Grant or general warranty deed, duly executed and in recordable form, conveying fee title to the Property to Buyer.

(b) If applicable, the Beneficiary Statements concerning Existing Note(s).

(c) If applicable, the Existing Leases and Other Agreements together with duly executed assignments thereof by Seller and Buyer. The assignment of Existing Leases shall be on the most recent Assignment and Assumption of Lessor's Interest in Lease form published by the AIR or its equivalent.

(d) If applicable, Estoppel Certificates executed by Seller and/or the tenant(s) of the Property.

(e) An affidavit executed by Seller to the effect that Seller is not a "foreign person" within the meaning of Internal Revenue Code Section 1445


INITIALS


INITIALS

or successor statutes. If Seller does not provide such affidavit in form reasonably satisfactory to Buyer at least 3 business days prior to the Closing, Escrow Holder shall at the Closing deduct from Seller's proceeds and remit to the Internal Revenue Service such sum as is required by applicable Federal law with respect to purchases from foreign sellers.

(f) If the Property is located in California, an affidavit executed by Seller to the effect that Seller is not a "nonresident" within the meaning of California Revenue and Tax Code Section 18662 or successor statutes. If Seller does not provide such affidavit in form reasonably satisfactory to Buyer at least 3 business days prior to the Closing, Escrow Holder shall at the Closing deduct from Seller's proceeds and remit to the Franchise Tax Board such sum as is required by such statute.

(g) If applicable, a bill of sale, duly executed, conveying title to any included personal property to Buyer.

(h) If the Seller is a corporation, a duly executed corporate resolution authorizing the execution of this Agreement and the sale of the Property.

10.3 Buyer shall deliver to Seller through Escrow:

(a) The cash portion of the Purchase Price and such additional sums as are required of Buyer under this Agreement shall be deposited by Buyer with Escrow Holder, by federal funds wire transfer, or any other method acceptable to Escrow Holder in immediately collectable funds, no later than 2:00 P.M. on the business day prior to the Expected Closing Date provided, however, that Buyer shall not be required to deposit such monies into Escrow if at the time set for the deposit of such monies Seller is in default or has indicated that it will not perform any of its obligations hereunder. Instead, in such circumstances in order to reserve its rights to proceed Buyer need only provide Escrow with evidence establishing that the required monies were available.

(b) If a Purchase Money Note and Purchase Money Deed of Trust are called for by this Agreement, the duly executed originals of those documents, the Purchase Money Deed of Trust being in recordable form, together with evidence of fire insurance on the improvements in the amount of the full replacement cost naming Seller as a mortgage loss payee, and a real estate tax service contract (at Buyer's expense), assuring Seller of notice of the status of payment of real property taxes during the life of the Purchase Money Note.

(c) The Assignment and Assumption of Lessor's Interest in Lease form specified in paragraph 10.2(c) above, duly executed by Buyer.

(d) Assumptions duly executed by Buyer of the obligations of Seller that accrue after Closing under any Other Agreements.

(e) If applicable, a written assumption duly executed by Buyer of the loan documents with respect to Existing Notes.

(f) If the Buyer is a corporation, a duly executed corporate resolution authorizing the execution of this Agreement and the purchase of the Property.

10.4 At Closing, Escrow Holder shall cause to be issued to Buyer a standard coverage (or ALTA extended, if elected pursuant to 9.1(g)) owner's form policy of title insurance effective as of the Closing, issued by the Title Company in the full amount of the Purchase Price, insuring title to the Property vested in Buyer, subject only to the exceptions approved by Buyer. In the event there is a Purchase Money Deed of Trust in this transaction, the policy of title insurance shall be a joint protection policy insuring both Buyer and Seller.

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

11. Prorations and Adjustments.

11.1 *Taxes.* Applicable real property taxes and special assessment bonds shall be prorated through Escrow as of the date of the Closing, based upon the latest tax bill available. The Parties agree to prorate as of the Closing any taxes assessed against the Property by supplemental bill levied by reason of events occurring prior to the Closing. Payment of the prorated amount shall be made promptly in cash upon receipt of a copy of any supplemental bill.

11.2 *Insurance.* **WARNING:** Any insurance which Seller may have maintained will terminate on the Closing. Buyer is advised to obtain appropriate insurance to cover the Property.

11.3 *Rentals, Interest and Expenses.* Scheduled rentals, interest on Existing Notes, utilities, and operating expenses shall be prorated as of the date of Closing. The Parties agree to promptly adjust between themselves outside of Escrow any rents received after the Closing.

11.4 *Security Deposit.* Security Deposits held by Seller shall be given to Buyer as a credit to the cash required of Buyer at the Closing.

11.5 *Post Closing Matters.* Any item to be prorated that is not determined or determinable at the Closing shall be promptly adjusted by the Parties by appropriate cash payment outside of the Escrow when the amount due is determined.

11.6 *Variations in Existing Note Balances.* In the event that Buyer is purchasing the Property subject to an Existing Deed of Trust(s), and in the event that a Beneficiary Statement as to the applicable Existing Note(s) discloses that the unpaid principal balance of such Existing Note(s) at the closing will be more or less than the amount set forth in paragraph 3.1(c) hereof ("**Existing Note Variation**"), then the Purchase Money Note(s) shall be reduced or increased by an amount equal to such Existing Note Variation. If there is to be no Purchase Money Note, the cash required at the Closing per paragraph 3.1(a) shall be reduced or increased by the amount of such Existing Note Variation.

11.7 *Variations in New Loan Balance.* In the event Buyer is obtaining a New Loan and the amount ultimately obtained exceeds the amount set forth in paragraph 5.1, then the amount of the Purchase Money Note, if any, shall be reduced by the amount of such excess.

11.8 *Owner's Association Fees.* Escrow Holder shall: (i) bring Seller's account with the association current and pay any delinquencies or transfer fees from Seller's proceeds, and (ii) pay any up front fees required by the association from Buyer's funds.

12. Representations and Warranties of Seller and Disclaimers.

12.1 Seller's warranties and representations shall survive the Closing and delivery of the deed for a period of 3 years, and any lawsuit or action based upon them must be commenced within such time period. Seller's warranties and representations are true, material and relied upon by Buyer and Brokers in all respects. Seller hereby makes the following warranties and representations to Buyer and Brokers:

(a) *Authority of Seller.* Seller is the owner of the Property and/or has the full right, power and authority to sell, convey and transfer the Property to Buyer as provided herein, and to perform Seller's obligations hereunder.

(b) *Maintenance During Escrow and Equipment Condition At Closing.* Except as otherwise provided in paragraph 9.1(n) hereof, Seller shall maintain the Property until the Closing in its present condition, ordinary wear and tear excepted.

(c) *Hazardous Substances/Storage Tanks.* Seller has no knowledge, except as otherwise disclosed to Buyer in writing, of the existence or prior existence on the Property of any Hazardous Substance, nor of the existence or prior existence of any above or below ground storage tank.

(d) *Compliance.* Seller has no knowledge of any aspect or condition of the Property which violates applicable laws, rules, regulations, codes or covenants, conditions or restrictions, or of improvements or alterations made to the Property without a permit where one was required, or of any unfulfilled order or directive of any applicable governmental agency or casualty insurance company requiring any investigation, remediation, repair, maintenance or improvement be performed on the Property.

(e) *Changes in Agreements.* Prior to the Closing, Seller will not violate or modify any Existing Lease or Other Agreement, or create any new leases or other agreements affecting the Property, without Buyer's written approval, which approval will not be unreasonably withheld.



INITIALS



INITIALS

(f) *Possessory Rights*. Seller has no knowledge that anyone will, at the Closing, have any right to possession of the Property, except as disclosed by this Agreement or otherwise in writing to Buyer.

(g) *Mechanics' Liens*. There are no unsatisfied mechanics' or materialmen's lien rights concerning the Property.

(h) *Actions, Suits or Proceedings*. Seller has no knowledge of any actions, suits or proceedings pending or threatened before any commission, board, bureau, agency, arbitrator, court or tribunal that would affect the Property or the right to occupy or utilize same.

(i) *Notice of Changes*. Seller will promptly notify Buyer and Brokers in writing of any Material Change (see paragraph 9.1(o)) affecting the Property that becomes known to Seller prior to the Closing.

(j) *No Tenant Bankruptcy Proceedings*. Seller has no notice or knowledge that any tenant of the Property is the subject of a bankruptcy or insolvency proceeding.

(k) *No Seller Bankruptcy Proceedings*. Seller is not the subject of a bankruptcy, insolvency or probate proceeding.

(l) *Personal Property*. Seller has no knowledge that anyone will, at the Closing, have any right to possession of any personal property included in the Purchase Price nor knowledge of any liens or encumbrances affecting such personal property, except as disclosed by this Agreement or otherwise in writing to Buyer.

12.2 Buyer hereby acknowledges that, except as otherwise stated in this Agreement, Buyer is purchasing the Property in its existing condition and will, by the time called for herein, make or have waived all inspections of the Property Buyer believes are necessary to protect its own interest in, and its contemplated use of, the Property. The Parties acknowledge that, except as otherwise stated in this Agreement, no representations, inducements, promises, agreements, assurances, oral or written, concerning the Property, or any aspect of the occupational safety and health laws, Hazardous Substance laws, or any other act, ordinance or law, have been made by either Party or Brokers, or relied upon by either Party hereto.

12.3 In the event that Buyer learns that a Seller representation or warranty might be untrue prior to the Closing, and Buyer elects to purchase the Property anyway then, and in that event, Buyer waives any right that it may have to bring an action or proceeding against Seller or Brokers regarding said representation or warranty.

12.4 Any environmental reports, soils reports, surveys, and other similar documents which were prepared by third party consultants and provided to Buyer by Seller or Seller's representatives, have been delivered as an accommodation to Buyer and without any representation or warranty as to the sufficiency, accuracy, completeness, and/or validity of said documents, all of which Buyer relies on at its own risk. Seller believes said documents to be accurate, but Buyer is advised to retain appropriate consultants to review said documents and investigate the Property.

13. Possession.

Possession of the Property shall be given to Buyer at the Closing subject to the rights of tenants under Existing Leases.

14. Buyer's Entry.

At any time during the Escrow period, Buyer, and its agents and representatives, shall have the right at reasonable times and subject to rights of tenants, to enter upon the Property for the purpose of making inspections and tests specified in this Agreement. No destructive testing shall be conducted, however, without Seller's prior approval which shall not be unreasonably withheld. Following any such entry or work, unless otherwise directed in writing by Seller, Buyer shall return the Property to the condition it was in prior to such entry or work, including the recompaction or removal of any disrupted soil or material as Seller may reasonably direct. All such inspections and tests and any other work conducted or materials furnished with respect to the Property by or for Buyer shall be paid for by Buyer as and when due and Buyer shall indemnify, defend, protect and hold harmless Seller and the Property of and from any and all claims, liabilities, losses, expenses (including reasonable attorneys' fees), damages, including those for injury to person or property, arising out of or relating to any such work or materials or the acts or omissions of Buyer, its agents or employees in connection therewith.

15. Further Documents and Assurances.

The Parties shall each, diligently and in good faith, undertake all actions and procedures reasonably required to place the Escrow in condition for Closing as and when required by this Agreement. The Parties agree to provide all further information, and to execute and deliver all further documents, reasonably required by Escrow Holder or the Title Company.

16. Attorneys' Fees.

If any Party or Broker brings an action or proceeding (including arbitration) involving the Property whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees and costs. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term "Prevailing Party" shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred.

17. Prior Agreements/Amendments.

17.1 This Agreement supersedes any and all prior agreements between Seller and Buyer regarding the Property.

17.2 Amendments to this Agreement are effective only if made in writing and executed by Buyer and Seller.

18. Broker's Rights.

18.1 If this sale is not consummated due to the default of either the Buyer or Seller, the defaulting Party shall be liable to and shall pay to Brokers the Brokerage Fee that Brokers would have received had the sale been consummated. If Buyer is the defaulting party, payment of said Brokerage Fee is in addition to any obligation with respect to liquidated or other damages.

18.2 Upon the Closing, Brokers are authorized to publicize the facts of this transaction.

19. Notices.

19.1 Whenever any Party, Escrow Holder or Brokers herein shall desire to give or serve any notice, demand, request, approval, disapproval or other communication, each such communication shall be in writing and shall be delivered personally, by messenger, or by mail, postage prepaid, to the address set forth in this agreement or by facsimile transmission, electronic signature, digital signature, or email.

19.2 Service of any such communication shall be deemed made on the date of actual receipt if personally delivered, or transmitted by facsimile transmission, electronic signature, digital signature, or email. Any such communication sent by regular mail shall be deemed given 48 hours after the same is mailed. Communications sent by United States Express Mail or overnight courier that guarantee next day delivery shall be deemed delivered 24 hours after delivery of the same to the Postal Service or courier. If such communication is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

19.3 Any Party or Broker hereto may from time to time, by notice in writing, designate a different address to which, or a different person or additional persons to whom, all communications are thereafter to be made.

20. Duration of Offer.

20.1 If this offer is not accepted by Seller on or before 5:00 P.M. according to the time standard applicable to the city of



INITIALS



INITIALS

it shall be deemed automatically revoked.

20.2 The acceptance of this offer, or of any subsequent counteroffer hereto, that creates an agreement between the Parties as described in paragraph 1.2, shall be deemed made upon delivery to the other Party or either Broker herein of a duly executed writing unconditionally accepting the last outstanding offer or counteroffer.

21. LIQUIDATED DAMAGES. (This Liquidated Damages paragraph is applicable only if initialed by both Parties).

THE PARTIES AGREE THAT IT WOULD BE IMPRACTICABLE OR EXTREMELY DIFFICULT TO FIX, PRIOR TO SIGNING THIS AGREEMENT, THE ACTUAL DAMAGES WHICH WOULD BE SUFFERED BY SELLER IF BUYER FAILS TO PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT. THEREFORE, IF, AFTER THE SATISFACTION OR WAIVER OF ALL CONTINGENCIES PROVIDED FOR THE BUYER'S BENEFIT, BUYER BREACHES THIS AGREEMENT, SELLER SHALL BE ENTITLED TO LIQUIDATED DAMAGES IN THE AMOUNT OF \$100,000.00. UPON PAYMENT OF SAID SUM TO SELLER, BUYER SHALL BE RELEASED FROM ANY FURTHER LIABILITY TO SELLER, AND ANY ESCROW CANCELLATION FEES AND TITLE COMPANY CHARGES SHALL BE PAID BY SELLER.


Buyer Initials


Seller Initials

22. ARBITRATION OF DISPUTES. (This Arbitration of Disputes paragraph is applicable only if initialed by both Parties.)

22.1 ANY CONTROVERSY AS TO WHETHER SELLER IS ENTITLED TO THE LIQUIDATED DAMAGES AND/OR BUYER IS ENTITLED TO THE RETURN OF DEPOSIT MONEY, SHALL BE DETERMINED BY BINDING ARBITRATION BY, AND UNDER THE COMMERCIAL RULES OF THE AMERICAN ARBITRATION ASSOCIATION ("COMMERCIAL RULES"). ARBITRATION HEARINGS SHALL BE HELD IN THE COUNTY WHERE THE PROPERTY IS LOCATED. THE NUMBER OF ARBITRATORS SHALL BE AS PROVIDED IN THE COMMERCIAL RULES AND EACH SUCH ARBITRATOR SHALL BE AN IMPARTIAL REAL ESTATE BROKER WITH AT LEAST 5 YEARS OF FULL TIME EXPERIENCE IN BOTH THE AREA WHERE THE PROPERTY IS LOCATED AND THE TYPE OF REAL ESTATE THAT IS THE SUBJECT OF THIS AGREEMENT. THE ARBITRATOR OR ARBITRATORS SHALL BE APPOINTED UNDER THE COMMERCIAL RULES AND SHALL HEAR AND DETERMINE SAID CONTROVERSY IN ACCORDANCE WITH APPLICABLE LAW, THE INTENTION OF THE PARTIES AS EXPRESSED IN THIS AGREEMENT AND ANY AMENDMENTS THERETO, AND UPON THE EVIDENCE PRODUCED AT AN ARBITRATION HEARING. PRE-ARBITRATION DISCOVERY SHALL BE PERMITTED IN ACCORDANCE WITH THE COMMERCIAL RULES OR STATE LAW APPLICABLE TO ARBITRATION PROCEEDINGS. THE AWARD SHALL BE RENDERED WITHIN 30 DAYS AFTER THE CONCLUSION OF THE HEARING, AND MAY INCLUDE ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY PER PARAGRAPH 16 HEREOF. JUDGMENT MAY BE ENTERED ON THE AWARD IN ANY COURT OF COMPETENT JURISDICTION NOTWITHSTANDING THE FAILURE OF A PARTY DULY NOTIFIED OF THE ARBITRATION HEARING TO APPEAR THEREAT.

22.2 BUYER'S RESORT TO OR PARTICIPATION IN SUCH ARBITRATION PROCEEDINGS SHALL NOT BAR SUIT IN A COURT OF COMPETENT JURISDICTION BY THE BUYER FOR DAMAGES AND/OR SPECIFIC PERFORMANCE UNLESS AND UNTIL THE ARBITRATION RESULTS IN AN AWARD TO THE SELLER OF LIQUIDATED DAMAGES, IN WHICH EVENT SUCH AWARD SHALL ACT AS A BAR AGAINST ANY ACTION BY BUYER FOR DAMAGES AND/OR SPECIFIC PERFORMANCE.

22.3 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 SUCH 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 Initials


Seller Initials

23. Miscellaneous.

23.1 **Binding Effect.** This Agreement shall be binding on the Parties without regard to whether or not paragraphs 21 and 22 are initialed by both of the Parties. Paragraphs 21 and 22 are each incorporated into this Agreement only if initialed by both Parties at the time that the Agreement is executed.

23.2 **Applicable Law.** This Agreement shall be governed by, and paragraph 22.3 is amended to refer to, the laws of the state in which the Property is located. Any litigation or arbitration between the Parties hereto concerning this Agreement shall be initiated in the county in which the Property is located.


INITIALS


INITIALS

23.3 Time of Essence. Time is of the essence of this Agreement.

23.4 Counterparts. This Agreement may be executed by Buyer and Seller in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Escrow Holder, after verifying that the counterparts are identical except for the signatures, is authorized and instructed to combine the signed signature pages on one of the counterparts, which shall then constitute the Agreement.

23.5 Waiver of Jury Trial. THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING INVOLVING THE PROPERTY OR ARISING OUT OF THIS AGREEMENT.

23.6 Conflict. Any conflict between the printed provisions of this Agreement and the typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions. Seller and Buyer must initial any and all handwritten provisions.

23.7 1031 Exchange. Both Seller and Buyer agree to cooperate with each other in the event that either or both wish to participate in a 1031 exchange. Any party initiating an exchange shall bear all costs of such exchange. The cooperating Party shall not have any liability (special or otherwise) for damages to the exchanging Party in the event that the sale is delayed and/or that the sale otherwise fails to qualify as a 1031 exchange.

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

24. Disclosures Regarding The Nature of a Real Estate Agency Relationship.

24.1 The Parties and Brokers agree that their relationship(s) shall be governed by the principles set forth in the applicable sections of the California Civil Code, as summarized in paragraph 24.2.

24.2 When entering into a discussion with a real estate agent regarding a real estate transaction, a Buyer or Seller should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction. Buyer and Seller acknowledge being advised by the Brokers in this transaction, as follows:

(a) Seller's Agent. A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or subagent has the following affirmative obligations: (1) To the Seller: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Seller. (2) To the Buyer and the Seller: a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(b) Buyer's Agent. A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations. (1) To the Buyer: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Buyer. (2) To the Buyer and the Seller: a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(c) Agent Representing Both Seller and Buyer. A real estate agent, either acting directly or through one or more associate licenses, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer. (1) In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer: a. A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Seller or the Buyer. b. Other duties to the Seller and the Buyer as stated above in their respective sections (a) or (b) of this paragraph 24.2. (2) In representing both Seller and Buyer, the agent may not without the express permission of the respective Party, disclose to the other Party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered. (3) The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect their own interests. Buyer and Seller should carefully read all agreements to assure that they adequately express their understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

(d) Further Disclosures. Throughout this transaction Buyer and Seller may receive more than one disclosure, depending upon the number of agents assisting in the transaction. Buyer and Seller should each read its contents each time it is presented, considering the relationship between them and the real estate agent in this transaction and that disclosure. Buyer and Seller each acknowledge receipt of a disclosure of the possibility of multiple representation by the Broker representing that principal. This disclosure may be part of a listing agreement, buyer representation agreement or separate document. Buyer understands that Broker representing Buyer may also represent other potential buyers, who may consider, make offers on or ultimately acquire the Property. Seller understands that Broker representing Seller may also represent other sellers with competing properties that may be of interest to this Buyer. Brokers have no responsibility with respect to any default or breach hereof by either Party. The Parties agree that no lawsuit or other legal proceeding involving any breach of duty, error or omission relating to this transaction may be brought against Broker more than one year after the Date of Agreement and that the liability (including court costs and attorneys' fees), of any Broker with respect to any breach of duty, error or omission relating to this Agreement shall not exceed the fee received by such Broker pursuant to this Agreement; provided, however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker.

24.3 Confidential Information: Buyer and Seller agree to identify to Brokers as "Confidential" any communication or information given Brokers that is considered by such Party to be confidential.

25. Construction of Agreement. In construing this Agreement, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Agreement. Whenever required by the context, the singular shall include the plural and vice versa. This Agreement shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

26 Additional Provisions: Additional provisions of this offer, if any, are as follows or are attached hereto by an addendum or addenda consisting of paragraphs 27 through 29. (If there are no additional provisions write "NONE".)

Addendum 'ONE' - Additional Terms and Clarifications - Bankruptcy Court Approval

27. Any and All Contingencies/Due-Diligence shall be satisfied and waived by 5:00pm on April 27, 2017. If not waived or extended by mutual agreement, the Purchase Agreement and Escrow can be Unilaterally cancelled by Seller.


INITIALS


INITIALS

28. The Property is being sold AS-IS/WHERE-IS with no warranties Expressed or Implied. Buyer is aware of the MOLD ISSUE IN THE PROPERTY. Seller will provide any studies they have. Any studies required by Buyer will be at Buyer's sole cost and Expense.

29. OVERBID. The Property is subject to Bankruptcy Approval and Overbid Process. In the event that an Overbid Process occurs, and the Buyer herein is not the winning bidder, then the Seller shall reimburse Buyer's Reasonable Costs up to \$10,000.

NOTE: Buyer Representative, Philip C. Cohen, Trustee of the Cohen Family Trust, is a Licensed Real Estate Broker and Senior Vice President in a Prominent Commercial Real Estate Firm in Orange County, California. CA Broker License#01156287

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

- 1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS AGREEMENT.
2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PROPERTY. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING OF THE PROPERTY, THE INTEGRITY AND CONDITION OF ANY STRUCTURES AND OPERATING SYSTEMS, AND THE SUITABILITY OF THE PROPERTY FOR BUYER'S INTENDED USE.

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

NOTE:

- 1. THIS FORM IS NOT FOR USE IN CONNECTION WITH THE SALE OF RESIDENTIAL PROPERTY.
2. IF EITHER PARTY IS A CORPORATION, IT IS RECOMMENDED THAT THIS AGREEMENT BE SIGNED BY TWO CORPORATE OFFICERS.

The undersigned Buyer offers and agrees to buy the Property on the terms and conditions stated and acknowledges receipt of a copy hereof.
BROKER: BUYER:

Philip Cohen - Broker - #01156287
The Wind Group - Randall A. Wind-Broker
Attn: Randall A. Wind
Title: Broker
Address: 11278 Los Alamitos Blvd, #210
Los Alamitos, CA, 90720
Telephone: (562) 314-8200
Facsimile: (562) 594-3735
Email: rwind@windgrp.com
Federal ID No.
Broker/Agent BRE License #: 00970077

The Cohen Family Trust, or Assignee
By: [Signature]
Date: 4/13/17
Name Printed: Philip C. Cohen
Title: Principal/Trustee
Telephone: (949) 790-3160
Facsimile: (949) 790-3177
Email: pcohen@leeirvine.com
By:
Date:
Name Printed:
Title:
Address: 9838 Research Drive
Irvine, CA, 92618
Telephone: ()
Facsimile: ()
Email:
Federal ID No. Broker License ID#01156287

27. Acceptance.
27.1 Seller accepts the foregoing offer to purchase the Property and hereby agrees to sell the Property to Buyer on the terms and conditions therein specified.
27.2 In consideration of real estate brokerage service rendered by Brokers, Seller agrees to pay Brokers a real estate Brokerage Fee in a sum equal to 4 % of the Purchase Price to be divided between the Brokers as follows: Seller's Broker 4 % and Buyer's Broker

[Signature]
INITIALS

[Signature]
INITIALS

_____% This Agreement shall serve as an irrevocable instruction to Escrow Holder to pay such Brokerage Fee to Brokers out of the proceeds accruing to the account of Seller at the Closing.

27.3 Seller acknowledges receipt of a copy hereof and authorizes Brokers to deliver a signed copy to Buyer.

NOTE: A PROPERTY INFORMATION SHEET IS REQUIRED TO BE DELIVERED TO BUYER BY SELLER UNDER THIS AGREEMENT.

BROKER:

SELLER:

The Wind Group - Randall A. Wind - Broker

Paul Chieu Nguyen / Trask Developers. LLC

Attn: Randall A. Wind
Title: Broker
Address: 11278 Los Alamitos Blvd., #210
Los Alamitos, CA, 90720
Telephone: (562) 314-8200
Facsimile: (562) 594-3735
Email: rwind@windgrp.com
Federal ID No.: _____

By: *Paul Chieu Nguyen*
Date: _____
Name Printed: Paul Chieu Nguyen
Title: Owner/Principal/Manager 4/13/17
Telephone: ()
Facsimile: ()
Email: _____

Broker/Agent BRE License #: 00970077

By: _____
Date: _____
Name Printed: _____
Title: _____
Address: 10532 Trask Ave.
Garden Grove, CA, 92843
Telephone: (714) 534-1444
Facsimile: (714) 534-4144
Email: _____
Federal ID No.: _____

NOTICE: These forms are often modified to meet changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most current form: AIR Commercial Real Estate Association, 500 N Brand Blvd, Suite 900, Glendale, CA 91203. Telephone No. (213) 687-8777. Fax No.: (213) 687-8616.

© Copyright 2003 By AIR Commercial Real Estate Association.
All rights reserved.

No part of these works may be reproduced in any form without permission in writing.

[Handwritten Signature]
INITIALS

[Handwritten Signature]
INITIALS

ADDITIONAL TERMS AND CLARIFICATIONS

Addendum to that PURCHASE and SALE AGREEMENT Dated: April 1, 2017

For that Property known as: 10632 A&B Trask Avenue, Garden Grove, CA, 92843

By and Between: Seller: Paul Chieu Nguyen Buyer: Cohen Family Trust, or Assignee

Buyer acknowledges the sale of the real property commonly known as 10632 A & B Trask Avenue, Garden Grove, California 92843 (the "Property") [APN 930-62-460 & 930-62-461] 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 (the "Sale").

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 "Bankruptcy Court"), in connection with the chapter 11 bankruptcy case, captioned *In re Paul Chieu Nguyen*, bearing Case No. 8:16-bk-11619-SC, and jointly administered with *In re Trask Developers, LLC*, bearing Case No. 8:16-bk-11621-SC, including opportunity for qualified overbids, if any, at a hearing to be set by the Bankruptcy Court to approve the Sale; and
2. The consent to the sale of the secured lender, American Plus Bank (the "Bank") or, in the event the Bank withholds such consent, pursuant to an order of the Bankruptcy Court otherwise approving the Sale over the Bank's objection.

Such approval shall be sought by way of a Motion, filed with the Bankruptcy Court by the Seller, with a hearing date scheduled for a date as soon as possible following the removal of all Buyer's contingencies and confirmation that Buyer is ready to proceed with the purchase of the property. Target Date is To be Announced, at 11:00 am, or as soon thereafter as reasonably practical. In the event Seller receives timely notice of an expression to submit an overbid, along with evidence of financial wherewithal to timely close the contemplated sale, the Court will then have an overbid process take place.

The Overbid and process is posted publically at the courthouse. A party may request to Overbid by Registering, provide a substantial Cash Deposit, and provide proof of Cash funds for the full purchase amount. The Overbid is a substantial amount over the current agreed price and continues in increments. All Qualified buyers may bid. The overbid is subject to Seller approval. Overbid is uncommon, but part of the Bankruptcy process.

Closing of the Sale shall occur as soon as possible after entry of an order of the Court approving the Sale, but in no event later than **three (3) business days** after the entry of such order.

In the event Court approval of the Sale is not obtained within **thirty (30) days** following the removal of all Buyer's contingencies, Buyer or Seller shall each have the right to terminate this agreement upon written notice of such termination. In the event of termination, Seller shall return Buyer's and neither party shall have any further rights or obligations as to the other party.

Acknowledged and Accepted:

Seller: Paul C. Nguyen

By: Paul C. Nguyen

Date: 4/13/17

Buyer: The Cohen Family Trust, or Assignee

By: [Signature]

Date: 4/13/17

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.: 217580676

Your Reference No: IRL25491

Property Address: 10632 Trask Avenue Unit A & B, Garden Grove, California

PRELIMINARY REPORT

Dated as of April 6, 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 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

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:

Parcel A:

PARCEL 1:

AN UNDIVIDED ONE-HALF INTEREST AS TENANT IN COMMON IN AND TO THE COMMON AREA OF LOT 9 OF [TRACT NO. 15940](#), IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN [BOOK 812, PAGES 9](#) THROUGH 13, INCLUSIVE, OF MISCELLANEOUS MAPS, RECORDS OF ORANGE COUNTY, CALIFORNIA, AS DESCRIBED ON THE CONDOMINIUM PLAN RECORDED FEBRUARY 16, 2001 AS [INSTRUMENT NO. 2001-87695](#) OF OFFICIAL RECORDS OF SAID ORANGE COUNTY.

EXCEPT THEREFROM ALL OIL, GAS, MINERALS AND HYDROCARBONS, BELOW A DEPTH OF 500 FEET, WITHOUT THE RIGHT OF SURFACE ENTRY, AS RESERVED IN INSTRUMENTS OF RECORD.

PARCEL 2:

UNIT NO. 9A, AS SHOWN AND DESCRIBED ON THE CONDOMINIUM PLAN.

EXCEPT THEREFROM ALL OIL, GAS, MINERALS AND HYDROCARBONS, BELOW A DEPTH OF 500 FEET, WITHOUT THE RIGHT OF SURFACE ENTRY, AS RESERVED IN INSTRUMENTS OF RECORD.

PARCEL 3:

EASEMENTS AND RIGHTS, AS SET FORTH IN THE SECTIONS ENTITLED "CREATION OF EASEMENTS TO BENEFIT OWNERS* AND "EASEMENT OF 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 1\$, 2001 AS [INSTRUMENT NO. 2001-87694 OF OFFICIAL RECORDS](#) OF ORANGE COUNTY, 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.

PARCEL B:

PARCEL 1:

AN UNDIVIDED ONE-HALF INTEREST AS TENANT IN COMMON IN AND TO THE COMMON AREA OF LOT 9 OF [TRACT NO. 15940](#), IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN [BOOK 812, PAGES 9](#) THROUGH 13, INCLUSIVE, OF MISCELLANEOUS MAPS, RECORDS OF ORANGE COUNTY, CALIFORNIA, AS DESCRIBED ON THE CONDOMINIUM PLAN RECORDED FEBRUARY 16, 2001 AS [INSTRUMENT NO. 2001-87695](#) OF OFFICIAL RECORDS OF SAID ORANGE COUNTY.

EXCEPT THEREFROM ALL OIL, GAS, MINERALS AND HYDROCARBONS, BELOW A DEPTH OF 500 FEET, WITHOUT THE RIGHT OF SURFACE ENTRY, AS RESERVED IN INSTRUMENTS OF RECORD.

PARCEL 2:

UNIT NO. 9B, AS SHOWN AND DESCRIBED ON THE CONDOMINIUM PLAN.

EXCEPT THEREFROM ALL OIL, GAS, MINERALS AND HYDROCARBONS, BELOW A DEPTH OF 500 FEET, WITHOUT THE RIGHT OF SURFACE ENTRY, AS RESERVED IN INSTRUMENTS OF RECORD.

PARCEL 3:

EASEMENTS AND RIGHTS, AS SET FORTH IN THE SECTIONS ENTITLED "CREATION OF EASEMENTS TO BENEFIT OWNERS" AND "EASEMENT OF 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. 2001-87694 OF OFFICIAL RECORDS](#) OF ORANGE COUNTY, WHICH INCLUDE, WITHOUT LIMITATION, THE NON- EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS OVER THE ACCESS EASEMENT AREA DESCRIBED THEREIN WHICH PROVIDES ACCESS TO THE PROPE

SCHEDULE B

At the date hereof Exceptions to coverage in addition to the printed exceptions and exclusions in

- 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.: 930-62-460
Fiscal Year: 2016-2017
1st Installment: \$6,314.20, Open (Delinquent after December 10)
Penalty: \$631.42
2nd Installment: \$6,314.20, Open (Delinquent after April 10)
Penalty and Cost: \$654.42
Homeowners Exemption: \$-0-
Code Area: 18-377

- C. Said property has been declared tax defaulted for non-payment of delinquent taxes for the fiscal year 2010-2011.

APN No: 930-62-460
Default Date: July 1, 2011

Amounts to redeem by (Not Set Out) for the above-stated fiscal year (and subsequent years if any) are: Not Set Out

The delinquent taxes for this parcel are the subject of a 5-Year pay plan. The amounts necessary to complete the 5-year pay plan or bring it current are estimated by the County Tax Collector and are subject to audit.

- D. Property taxes, including any personal property taxes and any assessments collected with taxes, are as follows:

Tax Identification No.: 930-62-461
Fiscal Year: 2016-2017
1st Installment: \$61418.29, Open (Delinquent after December 10)
Penalty: \$641.82
2nd Installment: \$6,418.29, Open (Delinquent after April 10)
Penalty and Cost: \$664.82
Homeowners Exemption: \$-0-
Code Area: 18-377

- E. Said property has been declared tax defaulted for non-payment of delinquent taxes for the fiscal year 2010-2011.

APN No: 930-62-461
Default Date: July 1, 2011

Amounts to redeem by (Not Set Out) for the above-stated fiscal year (and subsequent years if any) are: Not Set Out

The delinquent taxes for this parcel are the subject of a 5-Year pay plan. The amounts necessary to complete the 5-year pay plan or bring it current are estimated by the County Tax Collector and are subject to audit.

- F. The herein described Land is within the boundaries of the Mello-Roos Community Facilities District(s). The annual assessments, if any, are collected with the county property taxes. Failure to pay said taxes prior to the delinquency date may result in the above assessment being removed from the county tax roll and subjected to Accelerated Judicial Bond Foreclosure. Inquiry should be made with said District for possible stripped assessments and prior delinquencies.
- G. 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. 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. 2001-87694 of Official Records](#)

Said instrument also provides for the levy of assessments, the lien of which is stated to be subordinate to the lien of certain mortgages or deeds of trust made in good faith and for value.

3. 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 shown
Recording Date: January 24, 2012
Recording No: As [Instrument No. 2012000037198 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. 2015000637937 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. 2015000637938 of Official Records](#)

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

Executed by: Default Resolution Network
Time and Place of Sale: April 19, 2016 at 12:00 PM at the North Front entrance to the County Courthouse, 700 Civic Center Drive west, Santa Ana Ca
Recording Date: March 24, 2016
Recording No: As [Instrument No. 2016000123112 of Official Records](#)

4. 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. 2012000037199 of Official Records](#)
Assigned to: American Plus Bank, N.A.

5. Hazardous Substances Certificate and indemnity Agreement

Recording Date: January 24, 2012
Recording No.: As [Instrument No. 2012000037200 of Official Records](#)

6. 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 C. Nguyen
Lessee: Pacific Aerospace Machine Inc.
Recording Date: January 24, 2012
Recording No: As [Instrument No. 2012000037201 of Official Records](#)

7. The present ownership of the leasehold created by said lease and other matters affecting the interest of the lessee are not shown herein.
8. Non-exclusive easements over and through the common area for ingress, egress, public utility, enjoyment, support and repair of the common area and each unit, as provided in the above mentioned declaration and as disclosed by various deeds of record.

Affects: Common area

9. Matters which may be disclosed by an inspection and/or by a correct ALTA/ACSM Land Title Survey of said Land that is satisfactory to the Company, and/or by inquiry of the parties in possession thereof.
10. 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.

11. Any easements not disclosed by the public records as to matters affecting title to real property, whether or not said easements are visible and apparent.
12. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters which a correct survey would disclose and which are not shown by the public records.

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.

Req. No. 2: The Company will require that it be provided with either (i) a complete copy of the trust agreement and any amendments thereto certified by the trustee(s) to be a true and complete copy with respect to the hereinafter named trust, or (ii) a Certification, pursuant to California Probate Code Section 18100.5, executed by all of the current trustee(s) of the hereinafter named trust, a form of which is attached.

Trust: Cohen Family Trust

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: 10632 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: The 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 the 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 the 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 the check has cleared the bank (unless a copy of the cancelled check is provided, in which case there will be no hold).

Processor: RJRII
Date Typed: April 20, 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[or T]his policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

[PART I

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

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

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

PART II

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

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

EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 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. 217580676

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.

FIDELITY NATIONAL FINANCIAL
PRIVACY NOTICE

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.

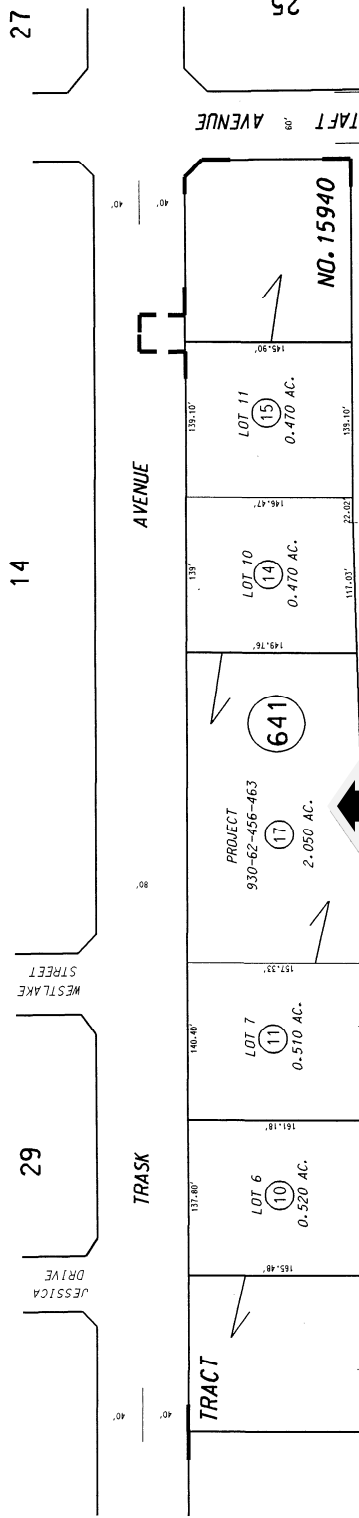
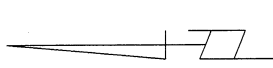
Accessing and Correcting Information; Contact Us

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

099-64

200 DPI



63

42



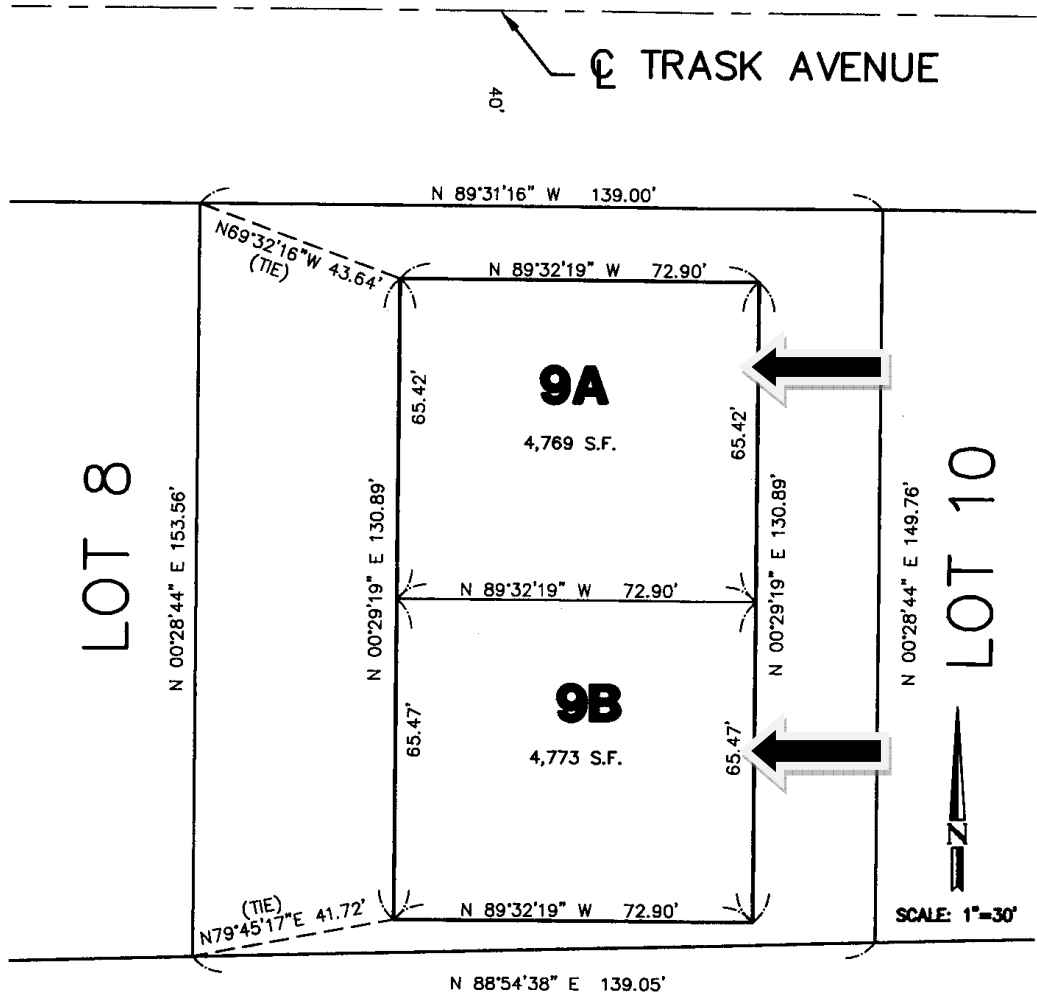
NOTE - ASSESSOR'S BLOCK & PARCEL NUMBERS SHOWN IN CIRCLES

ASSESSOR'S MAP BOOK 099 PAGE 64 COUNTY OF ORANGE

TRACT NO. 15940 M.M. 812-09 to 13 inc.

MARCH 1973

LOT 9
TRACT 15940
CONDOMINIUM PLAN



SCALE: 1"=30'

DRC Development Resource Consultants, Inc.
Civil Engineering • Land Surveying • Environmental
8175 E. KAISER BLVD.
ANAHEIM, CA 92808 (714) 985-0060

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 10632 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 PHILIP COHEN 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) April 20, 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) April 20, 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) April 20, 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.

<u>April 20, 2017</u>	<u>Maria R. Viramontes</u>	<u>/s/Maria R. Viramontes</u>
Date	Printed Name	Signature