

1 David S. Kupetz (CA Bar No. 125062)
dkupetz@sulmeyerlaw.com
2 Steven F. Werth (CA Bar No. 205434)
swerth@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

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

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

11 In re
12 PAUL CHIEU NGUYEN,
13 Reorganized Debtor.

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

14 In re
15 TRASK DEVELOPERS, LLC, a California
16 limited liability company,
17 Reorganized Debtor.
18 Tax I.D. No. 27-3331592
19

MOTION OF PAUL CHIEU NGUYEN FOR ORDER: (1) AUTHORIZING SALE OF REAL PROPERTY COMMONLY KNOWN AS 10552 TRASK AVENUE, GARDEN GROVE, CALIFORNIA 92843, FREE AND CLEAR OF LIENS, CLAIMS, AND INTERESTS; (2) DETERMINING THAT BUYER IS A GOOD FAITH PURCHASER; (3) AUTHORIZING PAYMENT OF COSTS OF SALE AND BROKER'S COMMISSION FROM ESCROW; (4) AUTHORIZING WITHHOLDING AND REMITTANCE OF ESTIMATED STATE INCOME TAXES ARISING FROM SALE; AND (5) WAIVING 14-DAY STAY UNDER FEDERAL RULE OF BANKRUPTCY PROCEDURE 6004(h); MEMORANDUM OF POINTS AND AUTHORITIES; DECLARATIONS OF PAUL CHIEU NGUYEN AND ANTONIO ALVES IN SUPPORT THEREOF

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

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

Date: November 9, 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

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

TABLE OF CONTENTS

Page

MEMORANDUM OF POINTS AND AUTHORITIES5
I. PREFATORY STATEMENT5
II. BACKGROUND6
 A. Case History6
 B. Prior Sales6
III. THE SALE IS IN THE BEST INTEREST OF THE ESTATE7
 A. Sound Business Purpose and Reasonable Price7
 B. The Sale and Distribution of Proceeds8
 C. Notice9
 D. Sale Made In Good Faith9
IV. THE SALE SHOULD BE APPROVED FREE AND CLEAR OF LIENS, CLAIMS
 AND INTERESTS PURSUANT TO 11 U.S.C. § 363(f).....9
V. THE SALE IS PROPOSED IN GOOD FAITH.....10
VI. THE COURT SHOULD WAIVE THE FOURTEEN DAY STAY PRESCRIBED BY
 RULE 6004(h) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE11
VII. CONCLUSION.....12
DECLARATION OF PAUL CHIEU NGUYEN13
DECLARATION OF ANTONIO ALVES15

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 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

In re Abbotts Dairies of Pennsylvania, Inc.
788 F.2d 143 (3rd Cir. 1986)..... 10

In re Continental Air Lines, Inc.
780 F.2d 1223 (5th Cir. 1986)..... 7

In re Elliot
94 B.R. 343 (Bankr. E.D. Pa. 1988)..... 10

In re Ewell
958 F.2d 276 (9th Cir. 1992)..... 10, 11

In re Gerwer
898 F.2d 730 (9th Cir. 1990)..... 10

In re Indus. Valley Refrigeration & Air Conditioning Supplies, Inc.
77 B.R. 15 (Bankr. E.D. Pa. 1987)..... 9, 11

In re Lahijani
325 B.R. 282 (B.A.P. 9th Cir. 2005)..... 8

In re Shary
152 B.R. 724 (Bankr. N.D. Ohio 1993) 10

In re Slates
2012 WL 5359489 (B.A.P. 9th Cir. Oct. 31, 2012) 7

In re Suchy
786 F.2d 900 (9th Cir. 1985)..... 11

In re Tabore, Inc.
175 B.R. 855 (Bankr. D. N.J. 1994)..... 10

In re Walter
83 B.R. 14 (B.A.P. 9th Cir. 1988)..... 8

In re Wilde Horse Enterprises, Inc.
136 B.R. 830 (Bankr. C.D. Cal. 1991)..... 7, 9

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

STATUTES

11 U.S.C. § 102(1) 7

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 11 U.S.C. § 363 7, 10

2 11 U.S.C. § 363(f) 9, 10

3 11 U.S.C. § 363(f)(1)-(5) 10

4 11 U.S.C. § 363(f)(3) 10

5 11 U.S.C. § 363(m) 2, 10

6 11 U.S.C. § 363(b)(1) 3, 7, 8, 9

7 11 U.S.C. § 365 3

8

9 **RULES**

10 Fed. R. Bank. P. Rules 6004(h) 4, 11

11 Fed. R. Bankr. P. Rules 6004 3

12 Fed. R. Bankr. P. Rules 6006 3

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

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

4 **MOTION**

5 By the “Motion of Paul Chieu Nguyen For Order: (1) Authorizing Sale of Real Property
6 Commonly Known as 10552 Trask Avenue, Garden Grove, California 92843, Free and Clear of
7 Liens, Claims, and Interests; (2) Determining that Buyer is Good Faith Purchaser; (3) Authorizing
8 Payment of Costs of Sale and Brokers’ Commission from Escrow; (4) Authorizing Withholding
9 and Remittance of Estimated State Income Taxes Arising from Sale; and (5) Waiving 14-Day Stay
10 Under Federal Rule of Bankruptcy Procedure 6004(h)” (“Motion”), Paul Chieu Nguyen, the
11 reorganized debtor in the above-captioned jointly-administered cases (“Debtor”), hereby seeks an
12 order authorizing the sale (“Sale”) of the Debtor's estate’s (“Estate”) right, title and interest in
13 industrial real property located at 10552 Trask Avenue, Garden Grove, California 92843 [APN
14 099-641-10] (“Property”), on the terms and conditions stated in the written offer titled “Standard
15 Offer, Agreement and Escrow Instructions for Purchase of Real Estate,” dated September 22, 2017
16 (“Purchase Agreement”), which is attached as **Exhibit 1** hereto, to Antonio Alves, or Assignee
17 (“Buyer”), for **\$992,500.00**, cash.

18 As part of the Motion, the Debtor seeks an order approving the Sale free and clear of liens,
19 claims, and interests, with said liens, claims, and interests to attach to the sales proceeds in the
20 same manner and priority as under applicable law. The Property is being sold on an “as is, where
21 is” basis, with no warranties, recourse, contingencies or representations of any kind. The Debtor
22 also seeks an order: (i) authorizing and directing payment of a 4.5% broker's commission to the
23 Debtor's broker, real property taxes, general and special taxes and assessments, and any fees and
24 costs of the Sale chargeable to the Estate from the Sale proceeds; (ii) authorizing and directing the
25 withholding and remittance of estimated state income taxes arising from the Sale; (iii) finding the
26 Buyer to be a good faith purchaser under 11 U.S.C. § 363(m); (iv) waiving the 14-day stay
27 prescribed by Federal Rule of Bankruptcy Procedure 6004(h); (v) authorizing the Debtor or, if
28 necessary, **SulmeyerKupetz, A Professional Corporation (“SK”)**, to take any and all actions

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 necessary to perform in accordance with the Purchase Agreement; and (vi) authorizing and
2 directing escrow to distribute payment of all remaining net proceeds, after payment of the
3 foregoing claims and interests, via wire transfer directly from escrow, to SK's client trust account,
4 to assist Kirk Nguyen, the designated disbursing agent under the Joint Plan (defined below), to
5 distribute the sale proceeds to all remaining creditors in accordance with the Joint Plan and order
6 confirming that plan, and thereafter to distribute any surplus to the Debtor.

7 This Motion is made pursuant to 11 U.S.C. §§ 363(b)(1), 541, and Rules 6004 and 6006 of
8 the Federal Rules of Bankruptcy Procedure, on the grounds that the Sale is in the best interests of
9 the Estate as it will generate sufficient funds to satisfy all outstanding claims in full, and result in a
10 surplus Estate.

11 This Motion is based on the accompanying Memorandum of Points and Authorities, the
12 declarations of Paul Chieu Nguyen and Antonio Alves, the concurrently-filed Local Rule Form
13 6004-2, the record in this case, all facts and documents that are judicially noticeable and any other
14 or further evidence or argument presented to the Court prior to or at the hearing on the Motion.

15 **WHEREFORE**, the Debtor respectfully requests that the Court enter an order:

- 16 1. Granting the Motion;
- 17 2. Approving the Sale on the terms and conditions stated in the Purchase Agreement;
- 18 3. Authorizing the Debtor to execute and deliver all documents necessary in order to
19 effectuate the Sale;
- 20 4. Authorizing and directing payment of a 4.5% broker's commission to the Debtor's
21 broker (4.5% of the purchase price is \$44,662.50), real property taxes, general and special taxes
22 and assessments, and any fees and costs of the Sale chargeable to the Estate from the Sale
23 proceeds;
- 24 5. Authorizing and directing the withholding and remittance of estimated state income
25 taxes arising from the Sale;
- 26 6. Ordering that the Sale is on an "as is" "where is" basis, with no warranties,
27 recourse, contingencies or representations of any kind, and free and clear of existing liens, claims
28 and interests, with said liens, claims and interests to attach to the Sale proceeds in the same

1 manner and priority as under applicable law;

2 7. Finding the Buyer to be a good faith purchaser under 11 U.S.C. § 363(m);

3 8. Waiving the 14-day stay prescribed by Federal Rule of Bankruptcy Procedure
4 6004(h);


5 9. Authorizing the Debtor to execute all documents necessary to carry out the terms of
6 this Motion and the Purchase Agreement and, in the event the Debtor does not timely sign any
7 necessary documents to effectuate the Sale, authorizing SK to take any and all actions necessary to
8 otherwise perform in accordance with the terms and provisions of the Purchase Agreement;

9 10. Authorizing and directing escrow to distribute payment of all remaining net
10 proceeds, after payment of any secured claims or interests, via wire transfer directly from escrow,
11 to SK's client trust account, to assist Kirk Nguyen, the designated disbursing agent under the Joint
12 Plan, to distribute the sale proceeds to all remaining creditors in accordance with the Joint Plan
13 and thereafter to distribute any surplus to the Debtor; and

14 11. Granting such other relief as the Court deems just and proper.

15 DATED: October 5, 2017

SulmeyerKupetz
A Professional Corporation

17 By: 
18 David S. Kupetz
19 Steven F. Werth
20 Bankruptcy Counsel for Paul Chieu Nguyen,
21 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

28

1 **MEMORANDUM OF POINTS AND AUTHORITIES**¹

2 **I.**

3 **PREFATORY STATEMENT**

4 This is the Debtor's second motion seeking an order approving the sale of the Property. On
5 December 22, 2016, the Debtor filed a motion seeking to sell the Property to Patrick Kalashyan
6 (Docket No. 143). The Court approved that motion on January 25, 2017 (Docket No. 151). This
7 sale, however, did not close.

8 Since this time, the Debtor has been diligently searching for a replacement buyer for the
9 Property. Part of this delay has been caused by the need to obtain a Phase II environmental report
10 on the Property, which was a requirement of certain interested buyers. Thanks to the efforts of the
11 Debtor's broker, Randy Wind of The Wind Group Commercial Real Estate Advisors ("Broker"),
12 the Debtor received several offers relating to the Property, and ultimately entered into the
13 Purchase Agreement with the Buyer.

14 If approved, the proposed Sale will generate more than sufficient funds to satisfy all
15 remaining claims of the Estate as well as all remaining claims of the jointly-administered estate of
16 Trask Developers, LLC's ("Trask"), and result in a surplus Estate. As of the date of this Motion,
17 all secured claims of this Estate, and the Trask estate, have been paid in full. General unsecured
18 claims have not yet received any payment, but the Sale will generate sufficient proceeds to pay
19 those claims in full, in addition to administrative claims and costs of Sale. The total amount of
20 general unsecured claims which remain to be paid is \$333,902.65 (for this Estate) and \$14,725.06
21 (for the Trask estate), which claims are also accruing interest at the rate of 5% per annum.² The
22 Internal Revenue Service's ("IRS") claim against the Debtor for unpaid income tax in the amount
23 of \$160,523.88 also remains to be paid. For this reason, the Debtor submits that creditors will not
24 be prejudiced if the Court approves the Sale without an opportunity for overbids.

25 _____
26 ¹ 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.

27 ² See "First Amended Joint Chapter 11 Plan Of Reorganization (As Modified November 4, 2016)",
28 Docket No. 124 (the "Joint Plan"), which was approved by this Court by order dated December
19, 2016 (Docket No. 136).

1 The Property is being sold on an “as is, where is” basis, with no warranties, recourse,
2 contingencies, or representations of any kind, except as otherwise stated in the Purchase
3 Agreement. The Buyer has waived all conditions to sale other than title (See Declaration of
4 Antonio Alves, ¶6. The Debtor is not aware of any existing leases with respect to any tenancy of
5 the Property. Further, the Debtor believes all prerequisites for approval of the Sale under
6 applicable provisions of the Bankruptcy Code have been satisfied.

7 **II.**

8 **BACKGROUND**

9 **A. Case History**

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

15 On May 23, 2016, the Court entered an Order authorizing the joint administration of the
16 Debtor's case with the related case of Trask, bearing case no. 8:16-bk-11621-SC. The Debtor's
17 case has been designated as the lead case. On May 23, 2016, the Court entered an order
18 authorizing the Debtor's employment of Voit Real Estate Services (“Voit”) to serve as his broker
19 for the purpose of marketing the Property for sale.

20 On December 19, 2016, the Court entered an order confirming the Joint Plan. The Joint
21 Plan provides for payment in full of all allowed claims of the Debtor's and Trask's estates,
22 generated from the sale the Debtors' real property, including the Property.

23 **B. Prior Sales**

24 On December 16, 2016, Trask obtained an order of this Court approving its motion to sell
25 its property located at 10592 Trask Avenue in Garden Grove, California [Docket No. 134].
26 Escrow closed in early January, 2017, and Trask used the net proceeds to pay down the secured
27 claims of the Orange County Tax Collector and American Plus Bank (“Bank”).

28 Following the Effective Date of the Joint Plan, the Debtor retained Broker to replace Voit

1 as the listing agent for the Property and for two of the Debtor's other properties. On March 30,
2 2017, the Debtor filed a motion to approve the sale of his property located 10532 A & B Trask
3 Avenue, Garden Grove, California (Docket No. 162) which the Court approved on April 28, 2017
4 (Docket No. 175) and escrow subsequently closed on May 1, 2017.

5 On April 20, 2017, the Debtor filed a motion to approve the sale of his property located at
6 10632 A & B Trask Avenue, Garden Grove, California (Docket No. 169), and the Court approved
7 this motion on May 11, 2017 (Docket No. 180). Escrow subsequently closed on May 16, 2017.
8 The proceeds from the sale of the 10632 Property generated sufficient funds to satisfy the Bank's
9 outstanding claim in full, as well as the outstanding secured claims against the 10632 Property,
10 SK's administrative and post-confirmation claims through close of escrow, and generated
11 additional funds. As the sale of the 10632 Property did not result in proceeds sufficient to make a
12 100% payment on all general unsecured claims, SK has been holding the additional funds from the
13 sale of that property, until the Property can be sold which will result in proceeds sufficient to pay
14 all general unsecured claims in full, with interest, as required by the Joint Plan.

15 III.

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

17 Under section 363, a debtor in possession is empowered to sell assets of the estate "after
18 notice and a hearing." 11 U.S.C. § 363(b); 11 U.S.C. §102(1). The standards for approval of a
19 sale pursuant to section 363(b)(1) require that the proponent of the sale establish that: "(1) a sound
20 business purpose exists for the sale; (2) the sale is in the best interest of the estate, i.e., the sale
21 price is fair and reasonable; (3) notice to creditors was proper; and (4) the sale is made in good
22 faith." In re Slates, 2012 WL 5359489 (B.A.P. 9th Cir. Oct. 31, 2012) (unpublished) (citing In re
23 Wilde Horse Enters., Inc., 136 B.R. 830, 841 (Bankr. C.D. Cal. 1991). As discussed more fully
24 below, the Debtor's proposed Sale of the Property meets each of these requirements.

25 A. **Sound Business Purpose and Reasonable Price**

26 The decision to sell property out of the ordinary course of a debtor's business must be
27 based on the reasonable business judgment of the debtor. In re Continental Air Lines, Inc., 780
28 F.2d 1223, 1226 (5th Cir. 1986). In determining whether the business purpose is justified under §

1 363(b)(1), bankruptcy courts apply a flexible, case-by-case approach. See In re Walter, 83 B.R.
2 14, 19 (B.A.P. 9th Cir. 1988) (“the bankruptcy judge should consider all salient factors pertaining
3 to the proceeding and, accordingly, act to further the diverse interests of the debtor, creditors and
4 equity holders, alike.”). The court should approve a sale of property under § 363(b)(1) if the
5 debtor in possession has established a sound business purpose for the proposed transaction. In re
6 Walter, 83 B.R. 14, 16 (9th Cir. BAP 1988). The business judgment standard is deferential. In re
7 Lahijani, 325 B.R. 282, 289 (B.A.P. 9th Cir. 2005).

8 The Joint Plan requires the Debtor to sell the Property. The Debtor has received numerous
9 offers for the Property and has chosen the Buyer as the highest and best offer for the Property.
10 While the Buyer does not agree to a Sale subject to overbid, the Buyer's offer is the highest offer
11 received for the Property, and as the Sale will generate sufficient proceeds to pay all claims
12 against the Estate and the Trask estate in full with the surplus to be transferred to the Debtor.

13 **B. The Sale and Distribution of Proceeds³**

14 Subject to Court approval, the Debtor seeks approval for the Sale of the Property to the
15 Buyer, free and clear of all liens, claims, and encumbrances.

16 As of the filing of the Motion, the secured claims of the Bank and Internal Revenue
17 Service have been satisfied in full from prior sales in this case. Accordingly, the Debtor believes
18 the only outstanding secured claims against the Property are property tax claims. A true and
19 correct copy of a preliminary title report relating to the Property (“Title Report”) is attached hereto
20 as **Exhibit 2**.

21 Any net sales proceeds remaining after payment in full of the foregoing claims and
22 interests shall be paid via wire transfer directly from escrow to SK’s client trust account, to assist
23 Kirk Nguyen, the designated disbursing agent under the Joint Plan, to distribute the sales proceeds
24 to all remaining creditors in accordance with the Joint Plan and order confirming that plan, and
25 thereafter to distribute any surplus to the Debtor.

26 _____
27 ³ The amounts of the liens to be paid through escrow are estimates. If there is a dispute with respect to the
28 amount of any lien, the Debtor will pay the undisputed portion of the claim and segregate the disputed
portion pending further order of the Court.

1 **C. Notice**

2 The Debtor must give notice of any sale of property of the estate. 11 U.S.C. § 363(b)(1).
3 In the instant matter, the Debtor will give notice to the United States Trustee and all known
4 creditors. Service of the Motion is proper and constitutes reasonable notice.

5 **D. Sale Made In Good Faith**

6 “Good faith encompasses fair value, and further speaks to the integrity of the transaction.”
7 In re Wilde Horse Enterprises, Inc., 136 B.R. 830, 842 (Bankr. C.D. Cal. 1991) (internal quotation
8 marks omitted). Bad faith includes collusion between buyer and seller or otherwise taking unfair
9 advantage of other potential purchasers, such as a collusive insider transaction. id.; see also In re
10 Indus. Valley Refrigeration & Air Conditioning Supplies, Inc., 77 B.R. 15, 17 (Bankr. E.D. Pa.
11 1987).

12 The proposed Sale of the Property was negotiated at arm's length. The Buyer is not an
13 insider or affiliate of the Debtor. The Buyer received no special treatment or consideration, and
14 the Debtor selected the Buyer's offer to acquire the Property because it was the highest offer for
15 the Property. While there is a family connection between the Buyer and the Broker (See
16 Declaration of Antonio Alves, ¶4), the Buyer is not an insider of the Debtor or Trask. As a result,
17 the Sale is made in good faith.

18 **IV.**

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

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

- 25 (1) Applicable non-bankruptcy law permits a sale of such
26 property free and clear of such interest;
27 (2) Such entity consents;
28 (3) Such interest is a lien and the price at which such property is
to be sold is greater than the aggregate value of all liens on
such property;

- 1 (4) Such interest is in bona fide dispute; or
2 (5) Such entity could be compelled, in a legal or equitable
3 proceeding, to accept money satisfaction of such interest.

4 11 U.S.C. § 363(f)(1)-(5).

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

8 Here, the Debtor believes that only liens against the Property are property tax liens, which
9 are in an amount which will permit those liens to be paid in full from the Sale, and still permit the
10 payment in full of all claims against the Estate and the Trask estate. As such, the Sale price
11 exceeds the value of all liens against the Property and satisfies the requirements of 11 U.S.C. §
12 363(f)(3).

13 Further, the Debtor intends to notify parties entitled to notice of the Sale. Any party
14 objecting the Sale may file an opposition to the Motion. If there are no objections, the Court may
15 deem parties to have consented to the Sale—thus satisfying the requirements of 11 U.S.C. §
16 363(f)(2). See Veltman v. Whetzal, 93 F.3d 517 (8th Cir. 1996) (failure to object to proposed sale,
17 coupled with agreement authorizing sale free of interest, constituted consent); In re Elliot, 94 B.R.
18 343, 345 (Bankr. E.D. Pa. 1988) (implied consent found); In re Tabore, Inc., 175 B.R. 855 (Bankr.
19 D. N.J. 1994) (failure to object to notice of sale or attend hearing deemed consent to sale for
20 purposes of section 363); In re Shary, 152 B.R. 724 (Bankr. N.D. Ohio 1993) (state’s failure to
21 object to transfer of liquor license constituted consent to sale).

22 V.

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

24 The proposed Buyer is a good faith purchaser entitled to the protections of § 363(m).
25 “Though the Bankruptcy Code and Rules do not provide a definition of good faith, courts
26 generally have followed traditional equitable principles in holding that a good faith purchaser is
27 one who buys ‘in good faith’ and ‘for value.’” In re Ewell, 958 F.2d 276, 281 (9th Cir. 1992)
28 (citing In re Abbotts Dairies of Pennsylvania, Inc., 788 F.2d 143, 147 (3rd Cir. 1986). Lack of

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

7 As set forth in the declaration of Antonio Alves, the Buyer is not an insider or affiliate of
8 the Debtor or Trask, and did not have any connection to the Debtor or Trask prior to entering into
9 the Purchase Agreement with the Debtor. While the Broker and the Buyer are connected by way
10 of a family relationship, and there is no fraud or collusion in connection with the Sale. See
11 Declaration of Antonio Alves, ¶4. Based upon the foregoing, the Debtor submits that the Motion
12 satisfies the standards for approval of a sale of the Property outside of the ordinary course of
13 business pursuant to section 363(b), and good cause exists to find that the Buyer is a “good faith”
14 purchaser deserving of the protections of section 363(m).

15 **VI.**

16 **THE COURT SHOULD WAIVE THE FOURTEEN DAY STAY PRESCRIBED BY RULE**

17 **6004(h) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE**

18 Under Rule 6004(h) of the Federal Rules of Bankruptcy Procedure, an order authorizing
19 the sale of property, other than cash collateral, is stayed for fourteen days after entry of the order
20 unless the Court orders otherwise. In this case, cause exists to waive the stay because waiver will
21 expedite the consummation of the Sale and the infusion of the net sale proceeds into the Estate,
22 which will permit payments to be made to general unsecured creditors faster.

23 ///

24 ///

25 ///

26 ///

27 ///

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


VII.

CONCLUSION

The Debtor respectfully requests that the Motion be granted.

DATED: October 5, 2017

SulmeyerKupetz
A Professional Corporation

By: 

David S. Kupetz
Steven F. Werth
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 NGUYEN

I, Paul Chieu Nguyen, declare:

1. I am an individual over the age of eighteen and the reorganized in the above-captioned case of *In re Paul Chieu Nguyen*, bearing case no. 8:16-bk-11619-SC, and 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 10552 Trask Avenue, Garden Grove, California 92843, Free And Clear Of Liens, Claims, And Interests; (2) Determining That Buyer Is A Good Faith Purchaser; (3) Authorizing Payment Of Costs Of Sale And Broker's Commission From Escrow; (4) Authorizing Withholding And Remittance Of Estimated State Income Taxes Arising From Sale; And (5) Waiving 14-Day Stay Under Federal Rule Of Bankruptcy Procedure 6004(h)" (the "Motion"). Capitalized terms have the meanings given them in the Motion.

3. I have been working diligently with the Broker to market and sell the Property. I have received several offers to acquire the Property, and have selected the Buyer's offer, memorialized in the Purchase Agreement, a true and correct copy of which is attached hereto as **Exhibit 1**, as the highest and best offer for the Property. The Buyer required as one of his conditions of making an offer on the Property, that no overbidding would be permitted.

4. The Property is my last property to be sold as set forth in the Joint Plan. The proposed Sale will generate sufficient sale proceeds to satisfy all remaining claims, in full, and result in a surplus Estate.

5. As of the filing of the Motion, the secured claims of the Bank and Internal Revenue Service have been satisfied in full from prior sales in this case. Accordingly, I believe the only outstanding secured claims against the Property are property tax claims. A true and correct copy of a preliminary title report relating to the Property is attached hereto as **Exhibit 2**. I am in the process of obtaining an updated title report for the Property and will file a supplement to the Motion attaching that updated title report which I obtain it.

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 ANTONIO ALVES

I, Antonio Alves, 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 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 10552 Trask Avenue, Garden Grove, California 92843, Free And Clear Of Liens, Claims, And Interests; (2) Determining That Buyer Is A Good Faith Purchaser; (3) Authorizing Payment Of Costs Of Sale And Broker's Commission From Escrow; (4) Authorizing Withholding And Remittance Of Estimated State Income Taxes Arising From Sale; And (5) Waiving 14-Day Stay Under Federal Rule Of Bankruptcy Procedure 6004(h)" (the "Motion"). Capitalized terms have the meanings given them in the Motion.

3. I am the Buyer as identified in the Purchase Agreement and Motion. I am the party who signed the Purchase Agreement attached as Exhibit 1 to the Motion.

4. To the best of my knowledge, I have no relation to Paul Chieu Nguyen 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. I have not done business with the Debtor or Trask prior to entering into the Purchase Agreement. I have entered into no other agreement with the Debtor or Trask other than as set forth in the Purchase Agreement.

5. I have received a Disclosure Regarding Real Estate Agency Relationship from the Broker, a true and correct copy of which is attached hereto as **Exhibit 3** (the "Disclosure"). The Disclosure contains a statement regarding the Broker's connection to my family, and is a correct statement of that relationship.

//

//

ALBA

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

September 22, 2017

(Date for Reference Purposes)

1. Buyer.

1.1 Antonio Alves, 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 the later of 30 from opening escrow or (5) 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 7373 square feet of improved building area as part of a larger Business Park. is located in the City of Garden Grove, County of Orange, State of California, is commonly known by the street address of 10552 Trask Ave., Garden Grove, CA, 92843 and is legally described as: To be provided by escrow (APN: 099-641-10).

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 - Upon Close of Escrow the 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 all of 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 \$992,500.00, 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): \$992,500.00

Initials

Initials

(Strike if not 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,

(Strike if not applicable) including interest at the rate of % per annum until paid (and/or the entire unpaid balance is due on).

(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: \$992,500.00

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 \$30,000.00. 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 \$ 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.

ABC INITIALS

INITIALS

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

~~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 10 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 10 days following the Date of Agreement. Seller has 10 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 10 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");

Randall A. Wind - The Wind Group 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.

ABA
INITIALS

[Signature]
INITIALS

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 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. [No Contingencies other than Seller Information, Disclosures, and Clear and Marketable Title to Buyer's Approval.]

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 10 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 10 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 10 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 10 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 10 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,


INITIALS


INITIALS

articles of incorporation, current budget and financial statement. Buyer has 10 days from the receipt of such documents to satisfy itself with regard to 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).

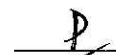
(c) If applicable, the Existing Leases and Other Agreements together with duly executed assignments thereof by Seller and Buyer. The assignment of Existing Leases shall be on the most recent Assignment and Assumption of Lessor's Interest in Lease form published by the AIR or its equivalent.

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



INITIALS

PAGE 5 OF 11



INITIALS

(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 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


INITIALS


INITIALS

leases or other agreements affecting the Property, without Buyer's written approval, which approval will not be unreasonably withheld.

(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.



INITIALS



INITIALS

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

Garden Grove, CA on the date of 5 business days from signature

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 \$30,000.00 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.

ABA Buyer Initials

P 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.

ABA Buyer Initials

P 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

ABA INITIALS

P INITIALS

Property is located.

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 30. (If there are no additional provisions write "NONE".)

Addendum 'ONE' - Additional Terms and Clarifications - Bankruptcy Court Approval. Buyer is entering into this agreement with NO OVERBID PROCEEDINGS.

27. Buyer acknowledges there are No Contingencies other than Seller Information, Seller and Property Disclosure, and Delivery of Clear and Marketable Title Clear from any Bankruptcy, Title, Liens, or any other prior issues or matters - to Buyers Satisfaction.

ABD
INITIALS

[Signature]
INITIALS

28. On close of escrow the property is being sold AS-IS/WHERE-IS. Buyer is aware of the FLOOR/pit, No Office, Restrooms, or HVAC. Seller will provide any/all studies they have. Any studies required by Buyer will be at Buyer's cost.

29. No Passive Waiver of Contingencies. Any and All Contingencies must be Actively Satisfied and Waived by the Buyer in Writing. No item will be deemed waived until released in writing by the Buyer.

30. The Property is subject to Bankruptcy Court Approval. If Clear and Marketable Title cannot be delivered to Buyer's Satisfaction, then Buyer shall have the right to cancel and Seller shall reimburse Buyer's Reasonable Costs, at a minimum of \$10,000.

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:

The Wind Group - Randall A. Wind-Broker

Antonio Alves, or Assignee

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

By: Antonio B. Alves
Date: 9/25/17
Name Printed: Antonio B. Alves
Title: Principal/Trustee
Telephone:()
Facsimile:()
Email:

By:
Date:
Name Printed:
Title:
Address: 607 14th Street
Huntington Beach, CA, 92648
Telephone:()
Facsimile:()
Email:
Federal ID No.

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 4.5 % of the Purchase Price to be divided between the Brokers as follows: Seller's Broker 4.5 % and Buyer's Broker.

ABR

Handwritten initials and signatures in the bottom right corner.

INITIALS

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 Nguyen
Date: 9/29/17
Name Printed: Paul Chieu Nguyen
Title: Owner/Principal/Manager
Telephone: (____) _____
Facsimile: (____) _____
Email: _____

Broker/Agent BRE License #: 00970077

By: _____
Date: _____
Name Printed: _____
Title: _____
Address: _____
Telephone: (714) _____
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.

CBCE
INITIALS

P
INITIALS

ADDITIONAL TERMS AND CLARIFICATIONS

Addendum to that PURCHASE and SALE AGREEMENT Dated: September 22, 2017

For that Property known as: 10552 Trask Avenue, Garden Grove, CA, 92843

By and Between: Seller: Paul Chieu Nguyen Buyer: Antonio Alves, or Assignee

Buyer acknowledges the sale of the real property commonly known as 10552 Trask Avenue, Garden Grove, California 92843 (the "Property") [APN 099-641-10] is strictly on an "AS-IS/WHERE-IS" basis 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.

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.

Seller Agrees to sell with **NO OVERBID PROCEEDINGS**.



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 **Five (5) 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

Buyer: Antonio Alves, or Assignee

By: Paul C. Nguyen

By: Antonio B. Alves

Date: 9/29/17

Date: 9/25/17

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.: 217581806

Your Reference No: IRL28298

Property Address: 10552 Trask Avenue, City of Garden Grove, California

PRELIMINARY REPORT

Dated as of September 27, 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 as to Parcel A;
AN EASEMENT more fully described below as to Parcel B**

Title to said estate or interest at the date hereof is [vested in:](#)

Paul 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:

LOT 6 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 TO 13 INCLUSIVE, OF MISCELLANEOUS MAPS, RECORDS OF ORANGE COUNTY, CALIFORNIA.

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

PARCEL B:

EASEMENTS AND RIGHTS AS SET FORTH IN THE SECTIONS ENTITLED "CREATION OF EASEMENTS TO BENEFIT OWNERS" AND "EASEMENT FOR CONSTRUCTION OF IMPROVEMENTS" OF THE ARTICLE ENTITLED "EASEMENTS" OF THE GROVE INDUSTRIAL PARK DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND RESERVATION OF EASEMENTS" RECORDED FEBRUARY 16, 2001 AS INSTRUMENT NO. 2001-0087694 OF OFFICIAL RECORDS OF ORANGE COUNTY (THE "DECLARATION"), WHICH INCLUDE, WITHOUT LIMITATION, THE NONEXCLUSIVE EASEMENT FOR INGRESS AND EGRESS OVER THE ACCESS EASEMENT AREA DESCRIBED THEREIN WHICH PROVIDES ACCESS TO THE PROPERTY.

[APN: 099-641-10](#)

SCHEDULE B

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

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

<u>Tax Identification No.:</u>	099-641-10
Fiscal Year:	2017-2018
1 st Installment:	\$4,580.54, Open (Delinquent after December 10)
Penalty:	\$458.05
2 nd Installment:	\$4,580.54, Open (Delinquent after April 10)
Penalty and Cost:	\$481.05
Homeowners Exemption:	\$-0-
Code Area:	18-377

- B. Said property has been declared tax defaulted for non-payment of delinquent taxes for the fiscal year 2016-2017.

APN No: 099-641-10

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

Amount:	\$10,135.12, by October 31, 2017
Amount:	\$10,265.68, by November 30, 2017

- C. 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. The ownership of said Land does not include rights of access to or from the street, highway, or freeway abutting said Land, such rights having been relinquished by said [map/plat](#).

Affects: Trask Avenue, except at street intersections and driveways shown, Tract Nos. 7441 and 6973

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

Recording No: In Book 9755, Page 881 of Official Records

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

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

Recording Date: August 26, 1970
Recording No: In Book 9386, Page 630 of Official Records

5. The matters contained in a document entitled "**Affidavit Regarding Acceptance and Conditions of Approval for Planned Unit Development No. PUD-102-71**" recorded August 10, 1971 in Book 9755, Page 819 of Official Records.

Reference is made to said document for full particulars.

6. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters shown on

Map: Record of Survey
Recording No: In Book 182, Pages 45 to 48 of Record of Surveys

7. Easement(s) for the purpose(s) shown below and rights incidental thereto as delineated or as offered for dedication, on the map of said [tract/plat](#);

Purpose: Rights to underground water without the right of surface entry
Affects: As shown on said Map

8. 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. 2001-0087694 of Official Records

9. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Grove Industrial Park Association
Purpose: Ingress and egress and maintenance
Recording Date: March 6, 2001
Recording No: As Instrument No. 2001-0124974 of Official Records

The exact location and extent of said easement is not disclosed of record.

10. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters shown on

Map: Record of Survey 2003-1079
Recording No: In Book 201, Page 19 of Record of Surveys

11. 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 Nguyen, a married man, as his sole and separate property
Trustee: American Plus Bank, N.A.
Beneficiary: American Plus Bank, N.A.
Loan No.: Not set out
Recording Date: January 24, 2012
Recording No: AIn 2012000037194 of Official Records

The effect of a full reconveyance recorded June 27, 2017 as [Instrument No. 2017000265026](#) of Official Records, which purports to reconvey the above-mentioned Deed of Trust.

No statement is made hereto as to the effect or validity of said reconveyance.

The requirement that this Company be furnished with confirmation from the lender that the Deed of Trust has been released prior to issuance of a policy of title insurance.

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

Amount: \$877,000.00
Dated: January 12, 2012
Trustor/Grantor: Paul Nguyen, a married man, as his sole and separate property
Trustee: American Plus Bank, N.A.
Beneficiary: American Plus Bank, N.A.
Loan No.: Not set out
Recording Date: January 24, 2012
Recording No: As [Instrument No. 2012000037218](#) of Official Records

The effect of a full reconveyance recorded January 30, 2017 as [Instrument No. 2017000040969](#) of Official Records, which purports to reconvey the above-mentioned Deed of Trust.

No statement is made hereto as to the effect or validity of said reconveyance.

The requirement that this Company be furnished with confirmation from the lender that the Deed of Trust has been released prior to issuance of a policy of title insurance.

13. The matters contained in a document entitled "**Notice of Non-Compliance (for Buildings, Structures, or Premises Deemed Substandard, Hazardous, or that are the Subject of Nuisance Abatement Proceedings)**" recorded May 22, 2017 as Instrument No. 2017000207878 of Official Records.

Reference is made to said document for full particulars.

14. 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.

15. 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.

16. 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.
17. 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.

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: Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.
- Note No. 5: 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. 6: 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: commercial/industrial property
Known as: 10552 Trask Avenue, City of Garden Grove, California
- Note No. 7: There are no conveyances affecting said Land recorded within 24 months of the date of this report.
- Note No. 8: 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: slc
Date Typed: October 5, 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. 217581806

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, 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.

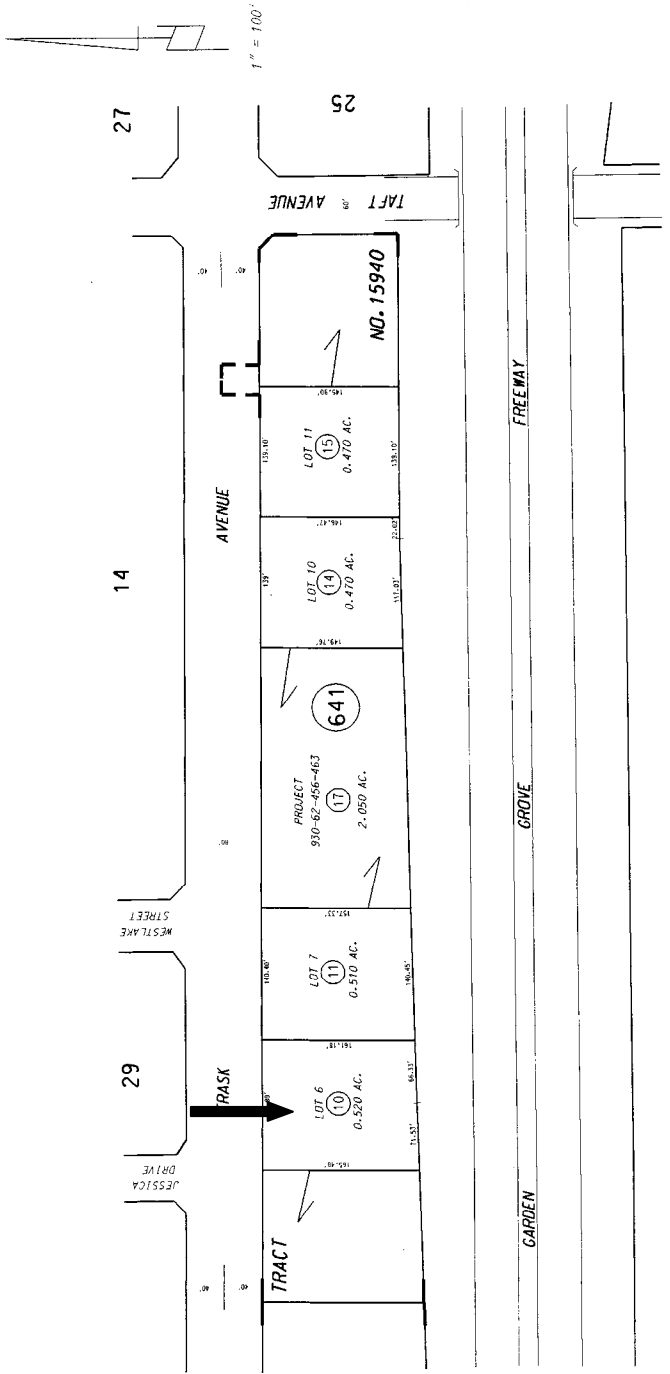
Accessing and Correcting Information; Contact Us

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 DP1

THIS MAP SHOULD BE USED FOR REFERENCE PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE DATA SHOWN. PARCELS MAY NOT COMPLY WITH LOCAL SUBDIVISION OR BUILDING ORDINANCES.



1" = 100'

27

14

29

25

63

42



ASSESSOR'S MAP
BOOK 099 PAGE 64
COUNTY OF ORANGE

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

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

MARCH 1973

EXHIBIT 3



ADDENDUM TO THE DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP STANDARD OFFER, AGREEMENT AND ESCROW INSTRUCTIONS FOR PURCHASE OF REAL ESTATE

Dated: September 22, 2017

By and Between (Buyer) Antonio Alves, or Assignee
(Seller) Paul Chieu Nguyen, Trask Developers, LLC

Regarding: 10552 Trask Ave, Garden Grove, CA, 92843

This is an Additional Information in Regards to the DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP for the above mentioned Property, and Parties.

Buyer and Seller are aware of and consent to Randall A. Wind representing both Buyer and Seller in a Dual Agency capacity.

Additional Disclosure.

The Offer and Purchase is by Antonio Alves, or Assignee. This includes The Alves Family Trust, and/or an LLC Entity to be named. The Alves Family are Long time Real Estate Investors, Developers, Contractors, and have been involved with all types and kinds of Real Estate from Residential to Commercial for over Thirty Years. This venture may include one or more family members including Antonio Alves Jr, with the Financial help of Antonio Alves Sr.

Seller has been informed of a connection between Buyer, Antonio Alves, and Broker, Randall A. Wind. Antonio Alves has been an occasional Business Partner on a couple of Real Estate Projects over the years with Harm Wind, Father to Randall Wind. Harm Wind passed away in 2010, and Antonio Alves Sr. wife passed away in 2013. Subsequently, Antonio Alves Sr. and Julia Wind, mother of Randall Wind, met, and eventually married in 2015. The Property is being purchased by Antonio Alves, the Alves Family, the Alves Family Trust as their Sole and Separate property.

Randall Wind is not a party to any dealings, partnerships, ownerships, or any other matters with any member, or entity of the Alves Family. Randall Wind's sole association with the Alves Family is as a Real Estate Broker presenting properties and Real Estate Opportunities for their consideration. Randall Wind has no interest in this property or transaction except as a Real Estate Broker.

Broker, Randall Wind, makes such disclosure to the Seller, Paul C. Nguyen, and Paul C. Nguyen Acknowledges, Accepts, and Consents to the same. The Seller, Paul C. Nguyen agrees to indemnify and Hold Harmless the Broker, Randall A Wind, The Wind Group, or any parties associated thereto, for this purchase or any concerns with the Real Estate Broker relationship with The Alves Family, Antonio Alves Sr., Antonio Alves Jr., or any party associated thereto.

Acknowledged, Agreed, and Accepted:
Paul C, Nguyen, Trask Developers

Randall A. Wind - Broker

Antonio Alves, or Assignee

Paul Nguyen
9/29/17

RRW
9/20/17

Antonio B. Alves
9/25/17

This Addendum is attached and made part of the above-referenced Agreement (said Agreement and the Addendum are hereinafter collectively referred to as the "Agreement"). In the event of any conflict between the provisions of this Addendum and the printed provisions of the Agreement, this Addendum shall control.

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 10552 TRASK AVENUE, GARDEN GROVE, CALIFORNIA 92843, FREE AND CLEAR OF LIENS, CLAIMS, AND INTERESTS; (2) DETERMINING THAT BUYER IS A GOOD FAITH PURCHASER; (3) AUTHORIZING PAYMENT OF COSTS OF SALE AND BROKER'S COMMISSION FROM ESCROW; (4) AUTHORIZING WITHHOLDING AND REMITTANCE OF ESTIMATED STATE INCOME TAXES ARISING FROM SALE; AND (5) WAIVING 14-DAY STAY UNDER FEDERAL RULE OF BANKRUPTCY PROCEDURE 6004(h); MEMORANDUM OF POINTS AND AUTHORITIES; DECLARATIONS OF PAUL CHIEU NGUYEN AND ANTONIO ALVES 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) October 5, 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:

Natalie B. Daghbandan on behalf of Interested Party Cohen Family Trust
natalie.daghbandan@bryancave.com, raul.morales@bryancave.com;theresa.macaulay@bryancave.com

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)
ustregion16.sa.ecf@usdoj.gov

Jessica Vogel on behalf of Attorney Courtesy NEF
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) October 5, 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

Orange County Treasurer Tax Collector
11 Civic Center Plz
Santa Ana CA 92701-4063

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

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) October 5, 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.

VIA PERSONAL DELIVERY

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

VIA EMAIL

Randall A. Wind
Wind~Group Commercial Real Estate
11278 Los Alamitos Blvd., #210
Los Alamitos, CA 90720
randy@windgrp.com

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>October 5, 2017</u>	<u>Maria R. Viramontes</u>	<u>/s/Maria R. Viramontes</u>
<i>Date</i>	<i>Printed Name</i>	<i>Signature</i>