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11 **UNITED STATES BANKRUPTCY COURT**
12 **CENTRAL DISTRICT OF CALIFORNIA**
13 **LOS ANGELES DIVISION**

14 In re:

15 PAUL S. SHEPHERD and
16 GIGI R. SHEPHERD,

17 Debtors and Debtors in Possession.

Case No.: 2:17-bk-17991-BB

Chapter 11 Case

**DEBTORS' NOTICE OF MOTION AND
MOTION FOR ENTRY OF AN ORDER
(1) APPROVING THE SALE OF REAL
PROPERTY FREE AND CLEAR OF ALL LIENS,
CLAIMS, ENCUMBRANCES, AND INTERESTS,
WITH THE EXCEPTION OF ENUMERATED
EXCLUSIONS, (2) AUTHORIZING AND
APPROVING THE PAYMENT OF CERTAIN
CLAIMS FROM SALE PROCEEDS, AND
(3) PROVIDING RELATED RELIEF;
MEMORANDUM OF POINTS AND
AUTHORITIES AND DECLARATIONS IN
SUPPORT THEREOF**

Hearing:

Date: May 30, 2018

Time: 10:00 a.m.

Place: Courtroom 1539

255 E. Temple Street

Los Angeles, California 90012

1 **PLEASE TAKE NOTICE** that a hearing will be held at the above-referenced date,
2 time, and location to consider this motion (the “Motion”) by Paul S. Shepherd and Gigi R.
3 Shepherd, the chapter 11 debtors and debtors in possession herein (the “Debtors”), for the entry
4 of an order (the “Sale Order”):

5 (1) pursuant to 11 U.S.C. §§ 363(b) and (f), approving the sale of *only* the
6 Debtors’ real property located at 2375 Sunset Plaza Drive, Los Angeles, CA 90069
7 (APN 5563-031-012) (the “Lower Lot”), an approximately 1 acre lot of undeveloped
8 land, and *not* the Debtor’s contiguous neighboring real property located at 2460 Sunset
9 Plaza Drive, Los Angeles, CA 90069 (APN 5563-031-011) (the “Upper Lot” and, with
10 the Lower Lot, the “Property”) to a buyer (the “Buyer”) free and clear of any and all
11 liens, claims, encumbrances, and interests, with the exception of Items 1-27, 29 and 30
12 set forth in the combined preliminary title report for the Property (the “Title Report”)
13 attached hereto as **Exhibit “1”** and any alleged rights under that certain Mobilization
14 Agreement between the Debtors and James Wecker II (the “Excepted Items”), for a
15 purchase price of \$2.1 million (the “Purchase Price”), pursuant to the Residential
16 Purchase Agreement and Joint Escrow Instructions and related agreements (the
17 “Purchase Agreement”), a true and correct copy of which is attached hereto as **Exhibit**
18 “**2.**”¹

19 (2) pursuant to 11 U.S.C. § 363(m) finding that the Buyer is a “good faith”
20 purchaser entitled to the protections afforded under 11 U.S.C. § 363(m);

21 (3) authorizing and directing the Debtors to pay from the proceeds of the sale
22 of the Lower Lot (a) any pre-closing real property taxes secured by the Lower Lot

23
24 ¹ As further discussed in the annexed Memorandum of Points and Authorities in support of this Motion, at this
25 time, the Debtors are not disclosing the identity of the Buyer and have made redactions to the Purchase Agreement
26 to keep the identity of the Buyer and its agent confidential. The Debtors are keeping such information confidential
27 because the contingencies for the proposed sale of the Lower Lot have not yet lifted and the Debtors are concerned
28 that publication of the Buyer’s information could jeopardize the proposed sale. The contingencies for the proposed
sale are scheduled to lift on May 21, 2018. Once the contingencies have lifted, the Debtors will lodge an
unredacted copy of the Purchase Agreement with the Court and serve it on parties in interest.

1 allocated to the Debtors, (b) any commission owed to the Debtors' broker, Pacific Union
2 International, Inc. ("Pacific Union"), and any cooperating broker, pursuant to the
3 Purchase Agreement and the Debtors' application to employ Pacific Union, which was
4 previously approved by the Court, (c) any other customary escrow closing fees and
5 charges, and (d) the balance, in the estimated approximate amount of \$1.970 million, to
6 Thrasher NK, LLC ("Thrasher") to fund the majority of the settlement amount owed to
7 Thrasher pursuant to, and as required by, the Debtors' Court-approved amended
8 settlement (the "Amended Keros Settlement"), with Thrasher and its principal, Nicholas
9 Keros ("Keros");

10 (4) authorizing the Debtors to enter into, execute, and record the easement
11 agreement regarding the Lower Lot's use of the private road shared by the Upper Lot
12 and Lower Lot as described in more detail below;

13 (5) waiving the 14-day stay period set forth in Rule 6004(h) of the Federal
14 Rules of Bankruptcy Procedure ("FRBP") to enable the sale of the Lower Lot to close as
15 quickly as possible, particularly because the Purchase Agreement has a closing date of
16 May 31, 2018;

17 (6) in the event the Court does not approve the Purchase Agreement and the
18 sale of the Lower Lot to the Buyer pursuant to the terms thereof for any reason unrelated
19 to the Buyer's breach of the Purchase Agreement, approving an expense reimbursement
20 to be paid to the Buyer for all costs related to the Buyer's due diligence and inspections,
21 not to exceed \$10,000 and provided that, in return for the reimbursement, the Buyer
22 shall provide the Debtors with all reports the Buyer has completed; and

23 (7) providing such other relief as is appropriate under the circumstances.

24 **PLEASE TAKE FURTHER NOTICE** that the terms and conditions of the proposed
25 sale to the Buyer include the following:²

26 _____
27 ² This is a summary only. To the extent there is any inconsistency between this summary and the terms of the
28 Purchase Agreement, the terms of the Purchase Agreement shall govern.

- 1 • Name of Buyer: To be disclosed when contingencies lift.
- 2 • Asset: The Lower Lot.
- 3 • Purchase Price: \$2.1 million.
- 4 • Deposit: \$63,000.00, currently held in escrow.
- 5 • Estimated Costs of Sale: Total of approximately 6.2% comprised of (a) a
- 6 5% commission in the amount of \$105,000 to be split between the Debtor's broker,
- 7 Pacific Union, and the cooperating Buyer broker, and (b) approximately 1.2% in
- 8 prorated real property taxes secured by the Lower Lot allocated to the Debtors and other
- 9 customary fees and costs of sale in the approximate amount of \$24,689, leaving a net of
- 10 approximately \$1.970 million to the estate to be paid to Thrasher as required by the
- 11 Amended Keros Settlement.
- 12 • Overbid: The proposed sale is *not* subject to overbid,
- 13 because (a) the Debtors, in consultation with their broker, Pacific Union, determined that
- 14 marketing the Lower Lot as a sale seeking a stalking horse bid subject to overbid would
- 15 make a property that is already difficult to sell (given the amount of due diligence and
- 16 infrastructure required) unnecessarily difficult to sell, so the Debtors, in consultation
- 17 with Pacific Union, decided to list the property for a straight sale only subject to the
- 18 approval of the Court,³ (b) based on the foregoing and negotiations with the Buyer, the
- 19 Purchase Agreement does not provide for the sale to be subject to overbid, (c) there are
- 20 no claims secured by the Lower Lot, (d) the Purchase Price allows the Debtors to pay
- 21 commissions and other closing costs in full and to fund the majority of the settlement
- 22 amount owed to Thrasher pursuant to, and as required by, the Amended Keros

23 _____

24 ³ While the proposed sale is not subject to overbid, the Debtors understand that the Court may consider overbids

25 proposals in connection with approving a sale of the Lower Lot. The Debtors believe that any overbid would have

26 to be on substantially the same terms, include a materially higher price, not be subject to any contingencies, and

27 be accompanied by a large, non-refundable deposit. Given how long the Lower Lot has been on the market and

28 the extent of due diligence that was required by the Buyer, it would seem that within the tight time frame under

the Purchase Agreement the only possible overbidder who could make a binding, non-contingent offer would be RND/Flaxman. If RND/Flaxman or any other party receiving notice wants to offer more for the Lower Lot, that will be known by the time of the hearing on the Motion and the Debtors will duly inform the Court and other parties in interest.

1 Settlement, and (e) the remaining Upper Lot has sufficient value to pay all allowed
2 claims in full with a distribution to the Debtors of surplus funds when sold, which sale
3 the Debtors are pursuing, such that the Debtors are the only parties that would ultimately
4 benefit from overbid.

5 • Contingencies: The Purchase Agreement contains customary
6 inspection contingencies. In addition, the Purchase Agreement is subject to the
7 contingency that the Debtors and the Buyer reaching a mutually agreeable easement
8 agreement regarding the Lower Lot's use of the private road shared by the Upper Lot
9 and Lower Lot whereby the Lower Lot would have rights to use the private road. The
10 Debtors are also seeking authority to enter into, execute, and record the agreed upon
11 easement agreement (a copy of which will be provided to the Court prior to the hearing).
12 The foregoing contingencies are expected to lift on May 21, 2018. Therefore, if this
13 Sale Motion is proceeding before the Court at the above-referenced hearing date and
14 time, all contingencies will have been removed by such date, other than the requirement
15 of the entry of the Sale Order approving the sale of the Property to the Buyer.

16 • Expense Reimbursement: In the event the Court does not approve the
17 Purchase Agreement and the sale of the Lower Lot to the Buyer pursuant to the terms
18 thereof for any reason unrelated to the Buyer's breach of the Purchase Agreement, in
19 addition to the deposit being returned, any and all costs related to the Buyer's due
20 diligence and inspections shall be reimbursed to the Buyer, not to exceed \$10,000; in
21 return for the reimbursement, the Buyer shall provide the Debtors with all reports the
22 Buyer has completed (the "Expense Reimbursement").

23 • Other Terms: The Debtors' sale of the Lower Lot shall be free
24 and clear of any and all liens, claims, encumbrances, and interests, other than the
25 Excepted Items, which non-excepted liens, claims, encumbrances, and interests the
26 Debtors believe are limited to (a) Keros' *lis pendens* against the Lower Lot (pursuant to
27 the Amended Keros Settlement, Keros cannot object to the sale of the Lower Lot free
28

1 and clear of the *lis pendens* provided that Thrasher receives from the sale proceeds at
2 least \$1,800,000 of the settlement amount under the Amended Keros Settlement) and (b)
3 the unrecorded licenses granted by the Debtors in favor of John Powell, David Leon,
4 Thomas Nickel, Rozae Nichols, and Alan Diamond.

5 • Potential Tax Consequences: The Debtors will have to pay applicable
6 capital gains taxes stemming from the sale of the Property after applicable deductions
7 and exemptions.

8 **PLEASE TAKE FURTHER NOTICE** that the Motion is based upon 11 U.S.C. §§
9 105(a), 363(b), (f), and (m), FRBP 2002 and 6004, any applicable Local Bankruptcy Rules (the
10 “LBR”), this Notice of Motion and Motion, the annexed Memorandum and Declarations in
11 support of this Motion, as well as the exhibits thereto (together, the “Memorandum,
12 Declarations, and Exhibits”), all other evidence duly admitted by the Court in connection with
13 consideration of this Motion, the record in this case, and the arguments and statements of
14 counsel to be made at the hearing on this Motion.

15 **PLEASE TAKE FURTHER NOTICE** that, pursuant to LBR 9013-1(f), any
16 opposition to this Motion must (1) be in writing and include all reasons and evidence in support
17 of the opposition, (2) be filed at least fourteen (14) days prior to the hearing on this Motion, and
18 (3) be served on the United States Trustee and counsel for the Debtor.

19 **PLEASE TAKE FURTHER NOTICE** that, pursuant to LBR 9013-1(h), the Court
20 may deem the failure of any party to file a timely opposition to this Motion to constitute consent
21 to the granting of this Motion and the relief requested herein.

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WHEREFORE, the Debtors respectfully request that this Court enter a Sale Order granting this Motion and providing the relief requested in paragraphs (1) through (7) above of this Notice of Motion and Motion.

Dated: May 9, 2018

PAUL S. SHEPHERD and
GIGI R. SHEPHERD,

By: /s/ Todd M. Arnold
RON BENDER
TODD M. ARNOLD
LEVENE, NEALE, BENDER, YOO & BRILL L.L.P.
Attorneys for Debtors and Debtors in Possession

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1 **MEMORANDUM OF POINTS AND AUTHORITIES**⁴

2 **I.**

3 **INTRODUCTION**

4 The sale of the Lower Lot provides substantial benefits to the estate and its creditors by
5 enabling the Debtors to perform under the Amended Keros Settlement and thereby eliminating
6 the possibility that the Debtors bankruptcy case is dismissed due to a breach of the Amended
7 Keros Settlement. Such a breach and dismissal would require the Debtors to litigate the
8 pending state court action Keros initiated against the Debtors. In that case, the Debtors would
9 likely not be able to sell the Property (either the Upper Lot or the Lower Lot) until the Keros
10 litigation was resolved and the *lis pendens* recorded by Keros against the property in connection
11 with the litigation were expunged. That could take years and expose creditors to substantial
12 delays in the timing of their payments and risks that allowed claims are not paid in full. As
13 discussed below, the proposed sale of the Lower Lot will reduce delays in payments and
14 eliminates risks inherent in litigating the Keros action. Further, the proposed sale will allow the
15 Debtors to obtain a \$90,000 discount on the Keros Settlement Payment required under the
16 Amended Keros Settlement.

17
18 Importantly, after the sale of the Lower Lot, the Debtors will still have the Upper Lot.
19 The Debtors are continuing to work to sell the Upper Lot, which the Debtors estimate has
20 sufficient equity to pay all allowed claims in full.

21 Based on the foregoing and for other reasons discussed below, the Motion should be
22 granted.

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⁴ Any capitalized terms not otherwise defined herein have the same meanings as set forth in the preceding Notice
28 of Motion and Motion.

1 **II.**

2 **STATEMENT OF FACTS**

3 **A. GENERAL BACKGROUND AND CLAIMS AGAINST THE DEBTORS.**

4 On June 30, 2017 (the "Petition Date"), the Debtors commenced their bankruptcy case
5 by filing a voluntary petition under Chapter 11 of 11 U.S.C. § 101 et seq. (the "Bankruptcy
6 Code").⁵ The Debtors are operating their estate and managing their financial affairs as debtors
7 in possession pursuant to Sections 1107 and 1108. An Official Committee of Unsecured
8 Creditors has not been formed.

9 On July 7, 2017, the Debtors filed their Schedules of Assets and Liabilities (the
10 "Schedules"). A true and correct copy of the relevant pages of the Debtors' Schedules is
11 attached hereto as **Exhibit "3."** As set forth in the Schedules, as of the Petition Date,
12 excluding Keros' disputed claim, the Debtors had (1) a single secured claim in the approximate
13 principal amount of \$110,000 owed to Ellen Hargitay ("Hargitay") for a loan made by Hargitay
14 to the Debtors (the "Secured Hargitay Loan") which is secured by a first priority deed of trust
15 (the "Hargitay DOT") *only* on the Upper Lot, which is not the subject of the pending sale
16 discussed herein, and (2) \$1,297,424 in general unsecured claims for a total of approximately
17 \$1,407,424 in claims.

18 As further discussed below, Keros's disputed claim was resolved pursuant to, and
19 subject to the terms and conditions of, the Amended Keros Settlement, and the proposed sale of
20 the Lower Lot provides a means for discounting the \$2.125 million owed under the Amended
21 Keros Settlement (the "Keros Settlement Payment") by \$90,000 to \$2.035 million and paying
22 approximately \$1.970 million of the discounted Keros Settlement Payment from the net sale
23 proceeds (as required by the Amended Keros Settlement), with the approximately \$65,000
24 balance and other allowed claims to be paid in full from the future sale of the Upper Lot, which
25 the Debtors are pursuing.

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⁵ Unless otherwise stated, all Section references herein are to the Bankruptcy Code.
28

1 **B. THE DEBTORS' REAL PROPERTY AND ALLEGED LIENS, CLAIMS,**
2 **ENCUMBRANCES, AND INTERESTS RECORDED AGAINST THE**
3 **PROPERTY.**

4 The Debtors live on their Property, which is comprised of two contiguous parcels of
5 real property: (1) the Upper Lot located at 2460 Sunset Plaza Drive, Los Angeles, CA 90069
6 (APN 5563-031-011), which is an approximately 1.5 acre lot on which is located the Debtors'
7 principal residence (the "Residence"), and (2) the Lower Lot located at 2375 Sunset Plaza
8 Drive, Los Angeles, CA 90069 (APN 5563-031-012), which is an adjacent approximately 1
9 acre lot of undeveloped land. The Property was inherited by the Debtors from Mrs. Shepherd's
10 aunt, who purchased the Property in 1954 and tended after the Property until her passing in
11 2004, when title to the Property was transferred to the Debtors. Attached hereto as **Exhibit**
12 **"1"** is a combined Title Report for the Property.

13 As can be seen from the Title Report, the Property is encumbered by (1) various tax
14 liens for property taxes and special assessments all of which are current and any accrued
15 prorated amount of which is allocated to the Debtors pursuant to the Purchase Agreement for
16 the Lower Lot will be paid out of escrow on closing, and various easements and consents to
17 use land, all of which appear as Items 1-27 of the Title Report, (2) a *Lis Pendens* recorded by
18 Keros in connection with his State Court Action (as defined below) seeking specific
19 performance of the Keros Purchase Agreement (as defined below), which *Lis Pendens* appears
20 as Item 28 in regard to the Upper Lot and Item 29 in regard to the Lower Lot and (3) the
21 Hargitay DOT securing the Secured Hargitay Loan in the principal amount of \$109,744.90,
22 which Hargitay DOT appears as Item 30 on the Title Report and is only against the Upper Lot,
23 which is not part of the proposed sale discussed herein.

24 The proceeds from the Secured Hargitay Loan, together with an additional unsecured
25 loan from Hargitay in the amount of \$43,254.50, were used by the Debtors to fund certain legal
26 expenses arising from disputes by and between, among others, the Debtors, Keros, real estate
27 broker Douglas Elliman ("Douglas Elliman"), and Douglas Elliman real estate agent Josh
28 Altman ("Altman") regarding that certain Residential Purchase Agreement and Joint Escrow

1 Instructions (the “Keros Purchase Agreement”) entered into between the Debtors and Keros
2 that contemplated a prior potential sale of the Property to Keros that never consummated.

3 Pursuant to the Motion, the Debtors are *not* seeking to sell free and clear of (1) Items 1-
4 27, 29 and 30 of the Title Report or (2) any alleged rights under that certain Mobilization
5 Agreement⁶ between the Debtors and James Wecker II (collectively, the “Excepted Items”),
6 which will remain as encumbrances against the Property after the sale of the Lower Lot.

7 Pursuant to the Motion, the Debtors are seeking to sell free and clear only of (1) Item
8 28 for Keros’ *lis pendens* against the Lower Lot and (2) all other liens, claims, encumbrances,
9 and interests (other than the Excepted Items) pertaining to the Lower Lot, including, but not
10 limited to, licenses (the “Licenses”) allowing the limited use of the Property granted by the
11 Debtors in favor of John Powell, David Leon, Thomas Nickel, Rozae Nichols, and Alan
12 Diamond (the “License Parties”) insofar as the Licenses pertain to the Lower Lot, which
13 Licenses by their terms will automatically terminate upon the close of the sale of the entirety
14 of the Property, which will be effectuated once the Debtors sell the Upper Lot, which the
15 Debtors are pursuing.

16 **C. HISTORICAL LITIGATION REGARDING THE PROPERTY AND THE**
17 **DEBTORS INCURRENCE OF DEBT RELATED THERETO**

18 In 2013, Concerned Residents Sunset Plaza Drive, John Powell, David Leon, Thomas
19 Nickel, Rozae Nichols and Alan Diamond, as plaintiffs, filed an action against the Debtors,
20 Hargitay, Daniel Franklin, and Susanne Konigsberg, as defendants, regarding claims for
21 prescriptive easement, implied dedication, and declaratory relief related to, among other things,
22 the Property (the “Unrelated Easement Action”). In the Unrelated Easement Action, the
23 plaintiffs argued that they were entitled to use a private road that was owned by the defendants.
24 The Debtors and the other defendants ultimately successfully defended against the Unrelated
25 Easement Action, unfortunately at significant cost and expense.

26 ⁶ The Debtors believe that the Mobilization Agreement is no longer valid because, *inter alia*, the rights under the
27 Mobilization Agreement could not be transferred by Wecker without the Debtors express written consent and the
28 Debtors never provided such consent to Wecker, who sold his property.

1 While the Debtors live very modestly, the Debtors' ordinary monthly living expenses
2 far exceed their monthly income. Given that all their monthly income is already consumed by
3 ordinary living expenses, the Debtors had to resort to borrowing to fund, among other things,
4 the fees and costs associated with the Unrelated Easement Action. Indeed, in total, during the
5 years leading up to their bankruptcy filing, the Debtors had to borrow more than \$1,200,000 in
6 order to fund their negative cash flow, including to pay for the fees and costs associated with
7 the Unrelated Easement Action.

8 The Debtors could not indefinitely operate on a negative cash flow basis. To pay off
9 their debt and fund their future living expenses, the Debtors made the very difficult emotional
10 decision to sell their beloved Property. Unfortunately, as detailed further below, their effort to
11 sell and pay their creditors turned into a nightmare for the Debtors.

12 **D. DISPUTES REGARDING THE KEROS PURCHASE AGREEMENT AND**
13 **PUTATIVE PRIOR SALE OF THE PROPERTY.**

14 As noted, the Debtors made the difficult decision to sell the Property to pay their
15 existing creditors and fund their retirement and future living expenses. Consistent with this
16 goal, on the evening of March 5, 2017, the Debtors and Keros met concerning a potential sale
17 of the Property by the Debtors to Keros. The Debtors and Keros ultimately entered into the
18 Keros Purchase Agreement. Unfortunately, as has been discussed in detail in numerous other
19 pleadings filed with the Court, disputes arose between the Debtors, on one hand, and Keros,
20 Douglas Elliman, and Douglas Elliman real estate agent Altman, on the other hand, regarding
21 the Keros Purchase Agreement.

22 On March 17, 2017, Keros initiated an action in state court styled *Keros v. Paul*
23 *Shepherd et al.* (Case No. BC654456) (the "State Court Action") by filing a complaint against
24 the Debtors and others pertaining to the purported Keros Purchase Agreement. Also on March
25 17, 2017, in connection with filing the State Court Action, Keros recorded a Notice of
26 Pendency of Action (*Lis Pendens*) against the Property (the "Lis Pendens"). In the State Court
27 Action, Keros is seeking, *inter alia*, specific performance of the Keros Purchase Agreement.
28 The Debtors dispute the allegations made in the State Court Action.

1 **E. THE REASONS FOR THE FILING OF THE DEBTORS' BANKRUPTCY CASE.**

2 The restraint on alienation of the Property and the mounting legal bills resulting from
3 the State Court Action and related *Lis Pendens* were the primary reasons the Debtors filed their
4 bankruptcy case. More specifically, when the dispute with Keros arose, the Debtors did not
5 have funds to pay their living expenses for a protracted period of time, to pay legal expenses
6 and defend the State Court Action, and to repay the claims of their creditors, and Mr.
7 Shepherd's mother was no longer able to lend additional funds to the Debtors to pay such
8 expenses and claims. The Debtors sought conventional and hard money loans from, among
9 others, Wells Fargo, Bank of America, and Marquee Funding Group, but they were not able to
10 secure such loans due to the Keros *Lis Pendens* on the Property, as well as the fact that the
11 Debtors could not provide evidence of income.

12 Without any other viable source of funding, the Debtors asked their neighbor and
13 friend, Hargitay, to lend them money. Hargitay agreed to lend a limited amount of funds for a
14 short period of time. Ultimately, Hargitay loaned the Debtors approximately \$152,000 to fund
15 litigation costs pursuant to the loan referenced in the Debtors' Schedules. Given the foregoing,
16 and because the Debtors do not have a sufficient source of income to pay for their basic living
17 expenses, to fund their litigation, and to pay the claims of their creditors, the Debtors filed a
18 voluntary petition for relief under Chapter 11 of the Bankruptcy Code.

19 As set forth in other papers filed with the Court, the Debtors' intent has always been to
20 market and sell the Property in their bankruptcy case as soon as practicable to generate funds to
21 pay allowed claims in full and fund the Debtors' living expenses and retirement.

22 **F. KEROS' MOTION TO DISMISS THE BANKRUPTCY CASE.**

23 On October 25, 2017, Keros filed his *Motion of Nicholas Keros For Order Dismissing*
24 *Case Pursuant To Sections 305(a)(1) And 1112(b) Of The Bankruptcy Code* (the "Dismissal
25 Motion") [Dkt. 95], pursuant to which Keros was seeking, *inter alia*, an order dismissing the
26 Debtors' bankruptcy case. As further discussed below, the Dismissal Motion was ultimately
27 withdrawn pursuant to the terms of the settlement (the "Keros Settlement") by and among the
28

1 Debtors, on one hand, and Thrasher and Keros, on the other hand, the terms of which were set
2 forth in the *Order Approving Settlement: (1) Permitting Sale Of Property Free And Clear Of All*
3 *Claims, Liens, Encumbrances And Interests Of Nicholas Keros, And (2) Authorizing And*
4 *Directing The Payment Of Certain Sale Proceeds To Nicholas Keros* (the “Settlement
5 Agreement Order”) entered by the Court on December 12, 2017 [Dkt. 133] and which Keros
6 Settlement was amended by the *Amended Order Approving Settlement: (1) Permitting Sale Of*
7 *Property Free And Clear Of All Claims, Liens, Encumbrances And Interests Of Nicholas Keros,*
8 *And (2) Authorizing And Directing The Payment Of Certain Sale Proceeds To Nicholas Keros*
9 (the “Amended Settlement Agreement Order”) [Dkt. Pending with Court]. The terms of the
10 Keros Settlement, as amended by the Amended Settlement Agreement Order (defined herein as
11 the Amended Keros Settlement) are discussed below.

12 **G. THE PRIOR MOTION TO SELL THE PROPERTY TO RND**

13 In furtherance of the Debtors’ efforts to sell the Property and utilize the proceeds
14 thereof to pay all allowed claims in full, soon after the Petition Date, the Debtors filed an
15 application, and obtained the Court’s approval, to employ Hilton & Hyland (“H&H”) as their
16 real estate broker in connection with the marketing and sale of the Property [Dkts. 24 and 48],
17 pursuant to the terms of the H&H employment application and the Residential Listing
18 Agreement (Exclusive Authorization and Right to Sell) entered into between the Debtors and
19 H&H (the “H&H Listing Agreement”).

20 While H&H engaged in substantial marketing efforts to sell the Property, the Debtors
21 ultimately entered into a purchase agreement (the “RND Purchase Agreement”), with RND
22 Sunset Associates (“RND”) acting through Robert Flaxman (“Flaxman”), whom the Debtors
23 knew prior to the Petition Date and who was not introduced to the Debtors by H&H. The RND
24 Purchase Agreement provided for the sale of the Property to RND for a purchase price of \$8.5
25 million, subject to Court approval and overbid.

26 On October 30, 2017, the Debtors filed their motion (the “RND Sale Motion”) [Dkt.
27 99], seeking, *inter alia*, an order (1) to the extent the Keros Purchase Agreement was valid and
28

1 enforceable, approving the rejection of the Keros Purchase Agreement and (2) approving a sale
2 of the Property to RND pursuant to the RND Purchase Agreement. Keros filed an opposition
3 to the RND Sale Motion [Dkt. 116], and the Debtors filed a reply thereto [Dkt. 120].

4 A hearing on the RND Sale Motion was scheduled for November 29, 2017, shortly
5 before the hearing commenced, RND purported to terminate the RND Purchase Agreement
6 (the Debtors' assert that RND's actions to terminate and repudiate the RND Purchase
7 Agreement constitute a breach of RND's obligations thereunder).⁷ As a result, the Court did
8 not conduct a hearing on the RND Sale Motion and the Debtors withdrew it.

9 **H. THE KEROS SETTLEMENT AND AMENDED KEROS SETTLEMENT**

10 One positive result from the failed sale of the Property to RND was the settlement of the
11 claims between the Debtors, on one hand, and Thrasher and Keros on the other hand
12 (collectively, the "Parties"). After protracted, arms-length negotiations between the Parties, the
13 Parties agreed to settle all claims related to the Property, the Keros Purchase Agreement, the
14 State Court Action, the Debtors' bankruptcy filing, the Dismissal Motion, any new motion to
15 sell the Property.

16 In summary, under the Amended Keros Settlement,⁸

- 17 • Concurrently with and as part of the closing (the "Closing") of any sale
18 of the Property, and in full settlement and satisfaction of all claims, liens, encumbrances
19 and other interests asserted by Keros and Thrasher based on the Keros Purchase
20 Agreement or otherwise, including those alleged in the State Court Action, and the
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22
23 ⁷ The Debtor disputes that RND had any valid basis to terminate the RND Purchase Agreement or that the RND
24 Purchase Agreement was validly terminated. The Debtors reserve all rights, claims, causes of action, and
25 defenses related to the RND Purchase Agreement, RND's purported termination of the RND Purchase Agreement,
and the deposit under the RND Purchase Agreement.

26 ⁸ This summary is for informational purposes only. In the event of any inconsistency between the 9019 Motion,
27 the Memorandum in support of the 9019 Motion, the 9019 Amendment Motion, and this Memorandum in support
28 of the 9019 Amendment Motion, on one hand, and the Settlement Agreement Order, as amended by the
Settlement Amendment Order, on the other hand, the Settlement Order, as amended by the Settlement
Amendment Order, shall control.

1 Dismissal Motion, the Debtors shall pay Thrasher the Keros Settlement Payment in the
2 amount of \$2,125,000.

3 • Provided Thrasher receives the Keros Settlement Payment by July 31,
4 2018, the amount of the Keros Settlement Payment is reduced by \$90,000 from
5 \$2,125,000 to \$2,035,000. If Thrasher does not receive the Keros Settlement Payment by
6 July 31, 2018, then the amount of the Keros Settlement Payment shall remain \$2,125,000.
7 If Thrasher receives the reduced Keros Settlement Payment of \$2,035,000 by July 31,
8 2018, Keros agrees that any and all obligations of the Debtors to Keros under the Keros
9 Purchase Agreement and the Settlement Agreement Order have been fully and completely
10 and irrevocably satisfied, and the Debtors will have no further obligations or liability to
11 Keros.

12 • If by July 31, 2018, the Debtors consummate a sale of a portion of the
13 Property and Keros receives from the closing of the sale less than \$2,035,000 but more
14 than \$1,800,000, the Keros Settlement Payment shall be deemed to have been received by
15 Thrasher, provided that the difference between \$2,035,000 and the net amount actually
16 received by Thrasher (the "Remaining Deficiency") will remain outstanding and shall be
17 received by Thrasher from the closing of the next sale of some or all of the remaining
18 Property consummated by the Debtors. If Thrasher does not receive the Remaining
19 Deficiency by July 31, 2019, then, commencing August 1, 2019, the Remaining
20 Deficiency shall accrue interest at the rate of 9% per annum, non-compounding until
21 received by Thrasher.

22 • If Thrasher does not receive at least \$1,800,000 by July 31, 2018, then
23 Keros may file a declaration with the Bankruptcy Court that a Closing did not occur and
24 Thrasher did not receive at least \$1,800,000 by July 31, 2018, and Keros shall
25 concurrently lodge a proposed order dismissing the Debtors' bankruptcy case, with
26 prejudice (the "Dismissal Order").

1 • If the Dismissal Order is entered, all rights, claims, arguments, defenses,
2 etc. of Keros (and Thrasher) and the Debtors regarding the Property, the State Court
3 Action, the Keros Purchase Agreement and otherwise shall be the same as they were at the
4 time of the filing of the Debtors bankruptcy case.

5 • Pending the entry of the Dismissal Order on or after August 1, 2018,
6 neither Keros nor Thrasher nor any of their affiliates may take any action to interfere with,
7 oppose or impede any efforts by the Debtors to sell the Property free and clear of any and
8 all claims, liens, encumbrances and interests, including any claims, liens, encumbrances,
9 interests (including the existing *lis pendens* on the Property) provided that any such sale
10 shall provide for the payment of the Keros Settlement Payment (or if applicable the
11 Remaining Deficiency) to Thrasher from the sale proceeds in connection with the Closing
12 of such sale. Further, pending the entry of the Dismissal Order on or after August 1, 2018,
13 neither Keros nor Thrasher nor any of their affiliates may take any hostile action towards
14 the Debtors, their bankruptcy estate or the Bankruptcy Case, including, but not limited to,
15 seeking (1) relief from the automatic stay, (2) a dismissal of the Bankruptcy Case, (3) the
16 appointment of a chapter 11 trustee, or (4) seeking a conversion of the Bankruptcy Case
17 from chapter 11 to chapter 7. If Thrasher receives at least \$1,800,000 by July 31, 2018,
18 then Keros permanently waives the right to file the Dismissal Order. Keros and Thrasher
19 further agree that concurrently with the receipt of at least \$1,800,000 by July 31, 2018
20 they will (via the escrow of the closing of a sale of all or part of the Property) withdraw
21 and expunge any *lis pendens* recorded against all or part of the Property.

22 **I. EFFORTS TO MARKET THE PROPERTY.**

23 As discussed in detail in the RND Sale Motion [Dkt. 99], H&H engaged in substantial
24 efforts to market the Property prior to the Debtor's entering into the RND Purchase Agreement.
25 Those efforts included the following: (1) photographing the Property and creating a drone
26 video of the Property, (2) internally marketing the Property among H&H's agents and
27 affiliates, (3) following up on previous expressions of interest in the Property, (4) preparing a
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1 database of reports and due diligence materials regarding the Property, (5) preparing seller
2 transfer disclosure statements and other statutory disclosures, and (6) preparing the MLS listing
3 for the Property and, on August 17, 2017, listed the Property with a listing price of \$10.5
4 million. [See Dkt. 99]

5 As also discussed in detail in the RND Sale Motion [Dkt. 99], in addition to the
6 foregoing, H&H (1) in addition to the MLS listing, listed the Property on six real property
7 marketing websites, (2) published numerous print ads and sent numerous email blasts
8 marketing the Property, (3) reached out to known developers and owner users that may be
9 interested in the Property, (4) responded to inquiries regarding the Property, and (5) conducted
10 11 private showings of the Property and three separate showings with a single interested
11 potential buyer. [See Dkt. 99]

12 Unfortunately, H&H's efforts did not result in any buyers that executed purchase
13 agreements for the Property other than RND, with whom the Debtors were familiar prior to
14 H&H's engagement. As discussed, the sale of the Property to RND was ultimately
15 unsuccessful. In the absence of the sale of the Property to RND and because of the need to
16 fund the Keros Settlement Payment and other payments to creditors, the Debtors desired to
17 continue to (1) market the Property and (2) pursue a sale of the Property as expeditiously as
18 possible to fund the payment required by the Amended Keros Settlement

19 In consideration of the foregoing, and in order to bring new expertise to the table
20 possessed by Pacific Union, with Neville Graham and Elizabeth Donovan as the lead sales
21 agents, the Debtors decided to terminate the H&H Listing Agreement and to employ Pacific
22 Union as their new broker to market the Property for sale. On December 7, 2017, the Debtors
23 filed an application to employ Pacific Union [Dkt. 131] and, on January 3, 2018, the Court
24 entered an order approving the application [Dkt. 139]. The terms of the Debtors' employment
25 of Pacific Union approved by the Court provide for a commission of 5% on the proposed sale
26 of the Lower Lot to the Buyer.

1 To date, Pacific Union has taken the following and other actions to market and sell the
2 Property (both the Upper Lot and the Lower Lot): (1) photographed the Property and created
3 video of the Property, (2) internally marketed the Property among its agents and affiliates, (3)
4 followed up on previous expressions of interest in the Property, (4) prepared a database of
5 reports and due diligence materials regarding the Property, (5) prepared seller transfer
6 disclosure statements and other statutory disclosures, (6) prepared the MLS listing for the
7 Lower Lot and, on January 8, 2018, listed the Property with a listing price of \$2,388,000; and
8 (7) created depictions of what a home might look like on the Lower Lot, which is a vacant lot
9 of land.

10 In addition to the foregoing, Pacific Union has (1) in addition to the MLS listing, listed
11 the Property on a variety real property marketing websites, (2) published numerous print ads
12 and sent numerous email blasts marketing the Property and advising the buying public about
13 the settlement reached with the Los Angeles Conservancy (the "Conservancy Settlement") and
14 approved by the Court regarding the Upper Lot, which settlement is described in the motion to
15 approve the settlement and the order thereon [Dkts. 149 and 152], (3) reached out to known
16 developers and owner users that may be interested in the Property, (4) responded to inquiries
17 regarding the Property, and (5) conducted many private showings of the Property.

18 Pacific Union's marketing efforts have been successful and resulted in the Debtors
19 executing the Purchase Agreement for the sale of the Lower Lot that is the subject of the
20 instant Motion. The \$2.1 million Purchase Price is the highest, written, executed offer the
21 Debtors have received for the Lower Lot. Pacific Union and the Debtors believe that the \$2.1
22 million Purchase price is a fair price based on substantial marketing of the Property and are of
23 the opinion that the proposed buyers are well-qualified and well-informed.

24 Pacific Union will continue to market the Property in accordance with the foregoing
25 through the time both the Upper Lot and Lower Lot are sold.

1 **J. THE PROPOSED SALE OF THE LOWER LOT UNDER THE PURCHASE**
2 **AGREEMENT.**

3 On March 12, 2018, the Buyer made an offer for the Lower Lot. Subsequently, the
4 Debtors and the Buyer engaged in protracted arms-length negotiations, including the exchange
5 of various counteroffers, which resulted in the Purchase Agreement being fully executed on
6 March 22, 2018. A true and correct copy of the Purchase Agreement is attached hereto as
7 **Exhibit “2.”**⁹

8 Prior to the proposed sale of the Lower Lot and the negotiation of the Purchase
9 Agreement, (1) the Debtors did not know of, and had no business or other dealings with, the
10 Buyer and (2) to the best of the Debtors’ knowledge, the Debtors did not know of, and had no
11 business or other dealings with, any entities related to the Buyer. Further, the Buyer is not an
12 “insider” of the Debtors as defined in Section 101(31)(A) in that the Buyer is not a relative of
13 the Debtors or a general partner of the Debtors, a partnership in which either of the Debtors is a
14 general partner, a general partner of either of the Debtors, or a corporation of which either of the
15 Debtors is a director, officer, or person in control.

16 In summary, the Purchase Agreement includes the following terms:¹⁰

- 17 • Name of Buyer: To be disclosed when contingencies lift.
- 18 • Asset: The Lower Lot.
- 19 • Purchase Price: \$2.1 million.
- 20 • Deposit: \$63,000.00, currently held in escrow.
- 21 • Estimated Costs of Sale: Total of approximately 6.2% comprised of (a) a
22 5% commission in the amount of \$105,000 to be split between the Debtor’s broker,
23 Pacific Union, and the cooperating Buyer broker, and (b) 1.2% in prorated real property

24 ⁹ The Purchase Agreement has been redacted to keep the identity of the Buyer and its agent confidential. The
25 Debtors are keeping such information confidential because the contingencies for the proposed sale of the Lower
26 Lot have not yet lifted and concern that disclosure could jeopardize the proposed sale. The contingencies for the
27 proposed are scheduled to lift on May 21, 2018. Once the contingencies have lifted, the Debtors will lodge an
28 unredacted copy of the Purchase Agreement with the Court and serve it on parties in interest.

¹⁰ This is a summary only. To the extent there is any inconsistency between this summary and the terms of the
Purchase Agreement, the terms of the Purchase Agreement shall govern.

1 taxes secured by the Lower Lot allocated to the Debtors and other customary fees and
2 costs of sale in the approximate amount of \$24,689, leaving a net of approximately
3 \$1.970 million to the estate to be paid to Thrasher as required by the Amended Keros
4 Settlement.

5 • Overbid: The proposed sale is *not* subject to overbid,
6 because (a) the Debtors, in consultation with their broker, Pacific Union, determined that
7 marketing the Lower Lot as a sale seeking a stalking horse bid subject to overbid would
8 make a property that is already difficult to sell (given the amount of due diligence and
9 infrastructure required) unnecessarily difficult to sell, so the Debtors, in consultation
10 with Pacific Union, decided to list the property for a straight sale only subject to the
11 approval of the Court,¹¹ (b) based on the foregoing and negotiations with the Buyer, the
12 Purchase Agreement does not provide for the sale to be subject to overbid, (c) there are
13 no claims secured by the Lower Lot, (d) the Purchase Price allows the Debtors to pay
14 commissions and other closing costs in full and to fund the majority of the settlement
15 amount owed to Thrasher pursuant to, and as required by, the Amended Keros
16 Settlement, and (e) the remaining Upper Lot has sufficient value to pay all allowed
17 claims in full with a distribution to the Debtors of surplus funds when sold, which sale
18 the Debtors are pursuing, such that the Debtors are the only parties that would ultimately
19 benefit from overbid.

20 • Contingencies: The Purchase Agreement contains customary
21 inspection contingencies. In addition, the Purchase Agreement is subject to the
22 contingency that the Debtors and the Buyer reaching a mutually agreeable easement

23
24 ¹¹ While the proposed sale is not subject to overbid, the Debtors understand that the Court may consider overbids
25 proposals in connection with approving a sale of the Lower Lot. The Debtors believe that any overbid would have
26 to be on substantially the same terms, include a materially higher price, not be subject to any contingencies, and
27 be accompanied by a large, non-refundable deposit. Given how long the Lower Lot has been on the market and
28 the extent of due diligence that was required by the Buyer, it would seem that within the tight time frame under
the Purchase Agreement the only possible overbidder who could make a binding, non-contingent offer would be
RND/Flaxman. If RND/Flaxman or any other party receiving notice wants to offer more for the Lower Lot, that
will be known by the time of the hearing on the Motion and the Debtors will duly inform the Court and other
parties in interest.

1 agreement regarding the Lower Lot's use of the private road shared by the Upper Lot
2 and Lower Lot whereby the Lower Lot would have rights to use the private road. The
3 Debtors are also seeking authority to enter into, execute, and record the agreed upon
4 easement agreement (a copy of which will be provided to the Court prior to the hearing).
5 The foregoing contingencies are expected to lift on May 21, 2018. Therefore, if this
6 Sale Motion is proceeding before the Court at the above-referenced hearing date and
7 time, all contingencies will have been removed by such date, other than the requirement
8 of the entry of the Sale Order approving the sale of the Property to the Buyer.

9 • Expense Reimbursement: In the event the Court does not approve the
10 Purchase Agreement and the sale of the Lower Lot to the Buyer pursuant to the terms
11 thereof for any reason unrelated to the Buyer's breach of the Purchase Agreement, in
12 addition to the deposit being returned, any and all costs related to the Buyer's due
13 diligence and inspections shall be reimbursed to the Buyer not to exceed \$10,000; in
14 return for the reimbursement, the Buyer shall provide the Debtors with all reports the
15 Buyer has completed.

16 • Other Terms: The Debtors' sale of the Lower Lot shall be free
17 and clear of any and all liens, claims, encumbrances, and interests, other than the
18 Excepted Items, which non-excepted liens, claims, encumbrances, and interests the
19 Debtors believe are limited to (a) Keros' *lis pendens* against the Lower Lot (pursuant to
20 the Amended Keros Settlement, Keros cannot object to the sale of the Lower Lot free
21 and clear of the *lis pendens* provided that Thrasher receives at least \$1,800,000 of the
22 settlement amount under the Amended Keros Settlement in which case Keros is required
23 to terminate the *lis pendens*) and (b) the unrecorded licenses granted by the Debtors in
24 favor of John Powell, David Leon, Thomas Nickel, Rozae Nichols, and Alan Diamond.

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III.

DISCUSSION

A. THE COURT SHOULD APPROVE THE SALE OF THE DEBTORS' LOWER LOT TO THE BUYER.

1. The Debtors Have Or Will Have Complied With All Applicable Notice Requirements.

Section 363(b)(1) provides that the Debtors, “after notice and a hearing, may use, sell or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). Section 102(1) defines “after notice and a hearing” as after such notice as is appropriate in the particular circumstances, and such opportunity for hearing as is appropriate in the particular circumstances. 11 U.S.C. § 102(1)(A).

FRBP 6004(a) provides, in pertinent part, that notice of a proposed sale not in the ordinary course of business must be given pursuant to FRBP 2002(a)(2), (c)(1), (i) and (k), and, if applicable, in accordance with Section 363(b)(2). Fed. R. Bankr. P. 6004(a). FRBP 2002(a)(2) requires at least 21 days’ notice by mail of a proposed sale of property of the estate other than in the ordinary course of business, unless the Court for cause shown shortens the time or directs another method of giving notice. Fed. R. Bankr. P. 2002(a)(2). FRBP 2002(c)(1) requires that the notice of a proposed sale include the date, time and place of any public sale, the terms and conditions of any private sale, and the time fixed for filing objections. It also provides that the notice of sale or property is sufficient if it generally describes the property. Fed. R. Bankr. P. 2002(c)(1). FRBP 2002(k) requires that the notice be given to the United States Trustee. Fed. R. Bankr. P. 2002(k).

In addition, LBR 6004-1 requires that the notice contain the information specified in LBR 6004-1(c)(3) and that an additional copy of the notice be submitted to the Clerk of the Bankruptcy Court together with a Form F 6004-2.NOTICE.SALE at the time of filing for purposes of publication. LBR 6004-1(c)(3) and (f).

The Debtors have or will have complied with all of the above provisions of the Bankruptcy Code, the FRBP and the LBR. The Debtors have complied with FRBP 6004(a)

1 and 2002(a)(2), (c)(1), (i) and (k), as well as LBR 6004-1(c)(3), because the Notice of the
2 Motion and Motion and this Memorandum, Declarations, and Exhibits includes all of the
3 required information, including, without limitation, the date, time, and place of the hearing on
4 the Motion to approve the proposed sale of the Property to the Buyer, the deadline for objecting
5 to the Motion, and the Notice of Motion and Motion have been served on the Office of the
6 United States Trustee, the Debtors, all of the Debtors' known creditors, all parties appearing on
7 the Title Report (even parties to the Excepted Items where addresses are available), and all
8 parties requesting special notice.

9 Based on the foregoing, all applicable notice requirements have been satisfied.

10 **2. The Sale Of The Lower Lot To The Buyer Should Be Approved, Because**
11 **Good Business Reasons For The Sale Exist, The Purchase Price For The**
12 **Property Is Fair And Reasonable, And The Proposed Sale Is In The Best**
Interests Of The Estate And Creditors.

13 As a general matter, a Court considering a motion to approve a sale under Section
14 363(b) should determine from the evidence presented before it that a "good business reason"
15 exists to grant such a motion. *In re Lionel Corp.*, 722 F.2d 1063, 1071 (2d Cir. 1983). In
16 addition, the Court must further find that the sale is in the best interest of the estate. To make
17 this determination, a Court should consider whether:

- 18 (1) the sale is fair and reasonable, *i.e.*, the price to be paid is adequate;
- 19 (2) the property has been given adequate marketing;
- 20 (3) the sale is in good faith, *i.e.*, there is an absence of any lucrative deals
with insiders, and
- 21 (4) adequate notice has been provided to creditors.

22 *In re Wilde Horse Enterprises, Inc.*, 136 B.R. 830, 841-2 (Bankr. C.D. Cal. 1991); *In re*
23 *The Landing*, 156 B.R. 246, 249 (Bankr. E.D. Mo. 1993); *In re Mama's Original Foods, Inc.*,
24 234 B.R. 500, 502-505 (C.D. Cal. 1999). Here, the proposed sale of the Lower Lot to the Buyer
25 pursuant to the terms of the Purchase Agreement satisfies each of these requirements.

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a. Sound Business Purpose.

The Ninth Circuit Bankruptcy Appellate Panel in *Walter v. Sunwest Bank (In re Walter)*, 83 B.R. 14, 19 (B.A.P. 9th Cir. 1988) has adopted a flexible case-by-case test to determine whether the business purpose for a proposed sale justifies disposition of property of the estate under Section 363(b). The facts pertaining to the sale at issue here amply substantiate the Debtors’ business decision that the contemplated sale of the Lower Lot to the Buyer pursuant to the terms of the Purchase Agreement serves the best interests of the estate and merits the approval of this Court.

The sale of the Property is the only viable means for the Debtors to generate funds to pay allowed claims in full. The sale of the Lower Lot for the Purchase Price of \$2.1 million is estimated to provide the Debtors with sufficient funds to pay all costs of sale with a net of approximately \$1.970 million to the estate as follows:

Purchase Price:	\$ 2,100,000.00
Less 5% Commission:	\$ (105,000.00)
Less Estimated Prorated Real Property Taxes secured by the Lower Lot Allocated to the Debtors and Other Customary Costs of Sale:	\$ (24,989.00)
	\$ 1,970,011.00

In turn, the net proceeds from the sale of the Lower Lot in the approximate amount of \$1.9 million would be paid to Thrasher as required by the terms of the Amended Keros Settlement. Assuming that the foregoing payment is made by no later than July 31, 2018, which is likely because the Purchase Agreement provides for a closing date of May 31, 2018, pursuant to the Amended Keros Settlement, (1) the Debtors and the estate will benefit from a \$90,000 discount in the Keros Settlement Payment amount, which would be reduced from \$2.125 million to \$2.035 million, (2) Keros will be left with a Remaining Deficiency of approximately \$65,000 to be paid from the proceeds from the sale of the Upper Lot, (3) Keros will withdraw his *Lis Pendens* against the Upper Lot and Lower Lot, which enhances the value of the Upper Lot and makes it more marketable, (4) all claims between the Debtors and Keros will be settled

1 and resolved (other than the Debtors' obligation to pay the Remaining Deficiency and any
2 interest thereon as provided by the Amended Keros Settlement), and (5) the Debtors and the
3 estate will not face the threat of breaching the payment terms of the Amended Keros Settlement
4 and Keros filing a Dismissal Order based on such breach.

5 Such a dismissal would drastically prejudice the Debtors' creditors, because, in the
6 absence of the proposed sale and the resolution of Keros' claims against the Debtors (other than
7 the Debtors' obligation to pay the Remaining Deficiency and any interest thereon), the Debtors
8 and Keros would revert to their prepetition positions in the State Court Action. In that case, the
9 Debtors likely would not be able to sell the Property and generate funds to pay allowed claims
10 unless and until Keros' pending State Court Action was resolved and the *Lis Pendens* was
11 removed, which could take years. The foregoing delays and risks to creditors are avoided by
12 the proposed sale.

13 Furthermore, upon consummation of the proposed sale of the Lower Lot, the Debtors
14 will be left with the Upper Lot, which has more than enough equity to pay all allowed claims in
15 full.

16 Based on the foregoing, the Debtors submit that the proposed sale of the Property is
17 overwhelmingly in the best interests of the estate and their creditors and, therefore, represents a
18 sound exercise of the Debtors' business judgment.

19 **b. Fair and Reasonable Price.**

20 In order for a sale to be approved under Section 363(b), the purchase price must be fair
21 and reasonable. *See generally, In re Canyon Partnership*, 55 B.R. 520 (Bankr. S.D. Cal. 1985).
22 The trustee is given substantial discretion in this regard. *Id.* In addition, Courts have broad
23 discretion with respect to matters under section 363(b). *See Big Shanty Land Corp. v. Comer*
24 *Properties, Inc.*, 61 B.R. 272, 278 (Bankr. N.D. Ga. 1985).

25 The Property has been extensively marketed by both H&H and Pacific Union. To date,
26 the \$2.1 million Purchase Price is the highest, written, executed offer the Debtors have received
27 for the Lower Lot. As discussed, the proposed sale is *not* subject to overbid, because (1) the
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1 Debtors, in consultation with Pacific Union, determined that marketing the Lower Lot as a sale
2 seeking a stalking horse bid subject to overbid would make a property that is already difficult
3 to sell (given the amount of due diligence and infrastructure required) unnecessarily difficult to
4 sell, so the Debtors, in consultation with Pacific Union, decided to list the property for a straight
5 sale only subject to the approval of the Court, (2) based on the foregoing and negotiations with
6 the Buyer, the Purchase Agreement does not provide for the sale to be subject to overbid, (3)
7 there are no claims secured by the Lower Lot, (4) the Purchase Price allows the Debtors to pay
8 commissions and other closing costs in full and to fund the majority of the settlement amount
9 owed to Thrasher pursuant to, and as required by, the Amended Keros Settlement, and (5) the
10 remaining Upper Lot has sufficient value to pay all allowed claims in full with a distribution to
11 the Debtors of surplus funds when sold, which sale the Debtors are pursuing, such that the
12 Debtors are the only parties that would ultimately benefit from overbid.

13 In consideration of the foregoing, the Debtors submit that the \$2.1 million Purchase
14 Price is fair and reasonable under the circumstances.

15 **c. Adequate Marketing.**

16 The intensive marketing efforts undertaken by H&H and Pacific Union after the Petition
17 Date are set forth in detail in Paragraph II.I above and are not repeated here. In consideration of
18 the foregoing marketing efforts, the Property has been adequately marketed.

19 **d. Good Faith.**

20 When a Bankruptcy Court authorizes a sale of assets pursuant to Section 363(b)(1), it is
21 required to make a finding with respect to the “good faith” of the purchaser. *In re Abbotts*
22 *Dairies*, 788 F.2d at 149. Such a procedure ensures that Section 363(b)(1) will not be employed
23 to circumvent creditor protections. *Id.* at 150. With respect to the Debtors’ conduct in
24 conjunction with the proposed sale of the Lower Lot, the good faith requirement focuses
25 principally on whether there is any evidence of “fraud, collusion between the purchaser and
26 other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders.”
27 *Abbotts Dairies*, 788 F.2d at 147; *Wilde Horse Enterprises*, 136 B.R. at 842.

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1 Here, as discussed above, after the Buyer made an offer for the Lower Lot, the Debtors
2 and the Buyer engaged in protracted arms-length negotiations, including the exchange of
3 various counteroffers, which resulted in the Purchase Agreement. Prior to the proposed sale of
4 the Lower Lot and the negotiation of the Purchase Agreement, (1) the Debtors did not know of,
5 and had no business or other dealings with, the Buyer and (2) to the best of the Debtors'
6 knowledge, the Debtors did not know of, and had no business or other dealings with, any
7 entities related to the Buyer.

8 Based on the foregoing, and because the Buyer has no affiliation with the Debtors other
9 than as set forth above and is not an "insider" of the Debtors as that term is defined in Section
10 101(31), the Debtors submit that there has been no fraud or collusion in connection with the
11 proposed sale of the Lower Lot. Thus, the Debtors submit that the good faith requirement has
12 been satisfied and that the Buyer should be deemed a "good faith" purchaser under Section
13 363(m) and entitled to the benefits under Section 363(m).

14 e. **Accurate and Reasonable Notice.**

15 The purpose of the notice is to provide an opportunity for objections and hearing before
16 the Court if there are objections. *In re Karpe*, 84 B.R. 926, 930 (Bankr. M.D.Pa. 1988). A
17 notice is sufficient if it includes the terms and conditions of the sale and if it states the time for
18 filing objections. *Id.*

19 As set forth in detail in Paragraph III.A.1 above, the Debtors have complied with all of
20 the applicable notice provisions of the Bankruptcy Code, the FRBP and the LBR. Thus, the
21 Notice of the Motion (and proposed sale of the Lower Lot) should be deemed adequate,
22 accurate, and reasonable by the Court.

23 **B. THE COURT SHOULD APPROVE THE SALE OF THE DEBTORS' LOWER**
24 **LOT FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND**
25 **INTERESTS, OTHER THAN THE EXCEPTED ITEMS, TO THE BUYER.**

26 The Bankruptcy Court has the power to authorize the sale of property free and clear of
27 liens, claims, or interests. *See* 11 U.S.C. § 363(f); *In re Gerwer*, 898 F.2d 730, 733 (9th Cir.
28 1990).

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

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

13 11 U.S.C. § 363(f). Section 363(f) is written in the disjunctive; thus, satisfaction of any one of
14 the five conditions is sufficient to sell property free and clear of liens. *See e.g., Citicorp*
15 *Homeowners Services, Inc. v. Elliot (In re Elliot)*, 94 B.R. 343, 345 (Bankr. E.D. Pa. 1988);
16 *Mutual Life Ins. Co. of New York v. Red Oak Farms, Inc. (In re Red Oak Farms, Inc.)*, 36 B.R.
17 856, 858 (Bankr. W.D. Mo. 1984).

18 In regard to Section 363(f)(2), the “consent” of an entity asserting an interest in the
19 property sought to be sold, as referenced in 11 U.S.C. § 363(f)(2), can be implied if such entity
20 fails to make a timely objection to the sale after receiving notice of the sale. *In re Eliot*, 94 B.R.
21 343, 345 (E.D. Pa. 1988); *see also, In re Ex-Cel Concrete Company, Inc.*, 178 B.R. 198, 203
22 (B.A.P. 9th Cir. 1995) (“The issue here is whether there was consent or non-opposition by
23 Citicorp.”); *In re Paddlewheels, Inc.*, 2007 WL 1035151 (Bankr. E.D.La. April 2, 2007) (“The
24 Sale Motion complies with section 363(f) of the Bankruptcy Code, in that the Trustee either
25 obtained the consent of Whitney to the sale of the Vessel to Purchaser or Whitney had no
26 objection to the Sale.”); *In re Gabel*, 61 B.R. 661 (Bankr. W.D. La. 1985) (implied consent is
27 sufficient to authorize a sale under § 363(f)(2)).
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1 Here, as discussed above, after excluding the Excepted Items, which the Debtors are not
2 trying to sell free and clear of, the only purported remaining liens, claims, encumbrances, and
3 interests against the Property (1) the *Keros Lis Pendens* and (2) the Licenses of the License
4 Parties, which Licenses by their terms will automatically terminate upon the close of the sale of
5 the Property, which will be accomplished when the Upper Lot is sold.

6 **1. The Debtors Can Sell Free And Clear Of The Keros Lis Pendens.**

7 Pursuant to the Amended Keros Settlement, provided that the Debtors pay at least \$1.8
8 of the Keros Settlement Payment to Thrasher upon closing and such closing and payment occur
9 before July 31, 2018, which is likely based on the May 31, 2018 closing date under the Purchase
10 Agreement, Keros (1) is barred from objecting to the sale of the Lower Lot and, in effect, is
11 deemed to have consented to the sale, and (2) is required to withdraw and expunge his *Lis*
12 *Pendens* against both the Upper Lot and the Lower Lot.

13 Based on the foregoing, the Lower can be sold free and clear of the *Keros Lis Pendens*
14 pursuant to Section 363(f)(2).

15 **2. The Debtors Can Sell Free And Clear Of The Licenses of the License**
16 **Parties.**

17 The Licenses¹² granted by the Debtors to the License Parties, who were served with the
18 Motion and the instant Memorandum, Declarations, and Exhibits, provide the License Parties
19 with rights for limited use of the Property. Since the Licenses by their terms will automatically
20 terminate upon the close of the sale of the Property, which will be effectuate upon the close of
21 the sale of the Upper Lot that the Debtors are pursuing, the Debtors do not expect any of the
22 License Parties to object to the sale of the Lower Lot free and clear of the Licenses. In that
23 case, the License Parties' consent to the sale of the Lower Lot free and clear of the Licenses can
24 be inferred and the Lower Lot can be sold free and clear of the Licenses pursuant to Section
25 363(f)(2).

26 _____
27 ¹² Due to confidentiality provisions in agreements with the License Parties, the Debtors are unable to disclose the
28 terms of the agreements or provide copies thereof to the Court.

1 In addition, the Debtors could reject the agreements underlying the Licenses, which
2 would eliminate any specific performance rights the License Parties may have had and compel
3 them to accept money satisfaction of any interests they have in the Lower Lot pursuant to the
4 Licenses. Therefore, the Lower Lot can also be sold free and clear of the Licenses pursuant to
5 Section 363(f)(5).

6 C. **THE COURT SHOULD APPROVE THE PAYMENT OF CERTAIN**
7 **CLAIMS FROM SALE PROCEEDS UPON THE CLOSE OF THE SALE**
8 **OF THE PROPERTY.**

8 LBR 6004-1(h) provides as follows:

9 A disbursement of proceeds [from a sale of estate property] must
10 not be made without a specific order of the court authorizing the
11 disbursement, *except* for payment to secured creditors, payment to
12 a debtor of exempt proceeds, and payment for expenses of sale.
13 Proceeds may be disbursed to pay auctioneer's fees and brokers'
14 commissions without additional order of the court if payment is
15 consistent with the terms of the order approving the sale or
16 authorizing the employment of the auctioneer or broker.

14 LBR 6004-1(h).

15 Here, pursuant to the Motion, the Debtors are requesting authority for the Debtors to pay
16 from the proceeds of the sale of the Lower Lot (1) any prorated real property taxes secured by
17 the Lower Lot allocated to the Debtors, (2) any commission owed to the Debtors' broker,
18 Pacific Union, and any cooperating broker, pursuant to the Pacific Union employment
19 application and the order of the Court approving the same [Dkts. 131 and 139], and (3) any
20 other customary escrow closing fees and charges. All of the foregoing payments are consistent
21 with allowed disbursements of sale proceeds under LBR 6004-1(h).

22 In addition, the Debtors are seeking authority to pay net proceeds in the estimated
23 approximate amount of \$1.970 million to Thrasher, which is required by the Amended Keros
24 Settlement and the Court orders approving the same [Dkts. 133 and Pending With Court.]
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1 **D. THE COURT SHOULD WAIVE THE 14-DAY STAY PERIOD SET**
2 **FORTH IN BANKRUPTCY RULE 6004(h).**

3 FRBP 6004(h) provides, among other things, that an order authorizing the ... sale ... of
4 property ... is stayed until the expiration of fourteen days after entry of the court order, unless
5 the court orders otherwise.

6 As discussed above, the proposed sale of the Lower Lot provides substantial benefits to
7 the estate and its creditors. It is imperative that the sale close in order for the estate and its
8 creditors to realize such benefits. Based on the foregoing, and because the Purchase Agreement
9 provides for a closing date of May 31, 2018, a waiver of the stay under FRBP 6004(h) is
10 warranted, as it will allow for an expedited, timely closing of the proposed sale decreasing the
11 chances that the Buyer fails to close due to the passage of time. Based on the foregoing, the
12 Debtors request that the Court waive the stay under FRBP 6004(h) and that the Sale Order be
13 effective immediately upon entry.

14 **IV.**

15 **CONCLUSION**

16 **WHEREFORE**, the Debtors respectfully request that this Court enter a Sale Order
17 granting the Motion and providing the relief requested in paragraphs (1) through (7) above of
18 this Notice of Motion and Motion.

19 Dated: May 9, 2018

PAUL S. SHEPHERD and
GIGI R. SHEPHERD,

By: /s/ Todd M. Arnold

RON BENDER
TODD M. ARNOLD
LEVENE, NEALE, BENDER, YOO
& BRILL L.L.P.

Attorneys for Debtors and Debtors in Possession

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DECLARATION OF PAUL S. SHEPHERD

I, Paul S. Shepherd, hereby declare as follows:

1. I am over 18 years of age. Except where otherwise stated, I have personal knowledge of the facts set forth herein, and, if called as a witness, could and would testify competently with respect thereto.

2. I make this declaration in support of the Motion and Memorandum to which this declaration is attached. Unless otherwise stated, all capitalized terms herein have the same meanings as in the Motion and Memorandum.

3. My wife, Gigi R. Shepherd, and I (“we” or “us”), are the Chapter 11 debtors and debtors in possession in the above-captioned Chapter 11 case.

4. On June 30, 2017 (the “Petition Date”), we commenced our bankruptcy case by filing a voluntary petition under Chapter 11. We are operating our estate and managing our financial affairs as debtors in possession. An Official Committee of Unsecured Creditors has not been formed.

5. On July 7, 2017, we filed our Schedules of Assets and Liabilities (the “Schedules”). A true and correct copy of the relevant pages of the Schedules is attached hereto as **Exhibit “3.”** As set forth in the Schedules, as of the Petition Date, excluding Keros’ disputed claim, we had (1) a single secured claim in the approximate principal amount of \$110,000 owed to Ellen Hargitay (“Hargitay”) for a loan Hargitay made to us (the “Secured Hargitay Loan”) which is secured by a first priority deed of trust (the “Hargitay DOT”) *only* on the Upper Lot, which is not the subject of the pending sale discussed herein, and (2) \$1,297,424 in general unsecured claims for a total of approximately \$1,407,424 in claims.

6. Keros’s disputed claim was resolved pursuant to, and subject to the terms and conditions of, the Amended Keros Settlement, and the proposed sale of the Lower Lot provides a means for discounting the \$2.125 million owed under the Amended Keros Settlement (the “Keros Settlement Payment”) by \$90,000 to \$2.035 million and paying approximately \$1.970 million of the discounted Keros Settlement Payment from the net sale proceeds (as required by

1 the Amended Keros Settlement), with the approximately \$65,000 balance and other allowed
2 claims to be paid in full from the future sale of the Upper Lot, which we are pursuing.

3 7. We live on our Property, which is comprised of two contiguous parcels of real
4 property: (1) the Upper Lot located at 2460 Sunset Plaza Drive, Los Angeles, CA 90069 (APN
5 5563-031-011), which is an approximately 1.5 acre lot on which is located our principal
6 residence (the "Residence"), and (2) the Lower Lot located at 2375 Sunset Plaza Drive, Los
7 Angeles, CA 90069 (APN 5563-031-012), which is an adjacent approximately 1 acre lot of
8 undeveloped land. The Property was inherited by us from my wife's aunt, who purchased the
9 Property in 1954 and tended after the Property until her passing in 2004, when title to the
10 Property was transferred to us. Attached hereto as **Exhibit "1"** is a combined Title Report for
11 the Property.

12 8. As can be seen from the Title Report, the Property is encumbered by (1) various
13 tax liens for property taxes and special assessments all of which are current and any accrued
14 prorated amount of which is allocated to us pursuant to the Purchase Agreement for the Lower
15 Lot will be paid out of escrow on closing, and various easements and consents to use land, all of
16 which appear as Items 1-27 of the Title Report, (2) a *Lis Pendens* recorded by Keros in
17 connection with his State Court Action (as defined below) seeking specific performance of the
18 Keros Purchase Agreement (as defined below), which *Lis Pendens* appears as Item 28 in regard
19 to the Upper Lot and Item 29 in regard to the Lower Lot and (3) the Hargitay DOT securing the
20 Secured Hargitay Loan in the principal amount of \$109,744.90, which Hargitay DOT appears as
21 Item 30 on the Title Report and is only against the Upper Lot, which is not part of the proposed
22 sale discussed herein.

23 9. The proceeds from the Secured Hargitay Loan, together with an additional
24 unsecured loan from Hargitay in the amount of \$43,254.50, were used by us to fund certain legal
25 expenses arising from disputes by and between, among others, us, Keros, real estate broker
26 Douglas Elliman ("Douglas Elliman"), and Douglas Elliman real estate agent Josh Altman
27 ("Altman") regarding that certain Residential Purchase Agreement and Joint Escrow Instructions
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1 (the “Keros Purchase Agreement”) entered into between us and Keros that contemplated a prior
2 potential sale of the Property to Keros that never consummated.

3 10. Pursuant to the Motion, we are *not* seeking to sell free and clear of (1) Items 1-27,
4 29 and 30 of the Title Report or (2) any alleged rights under that certain Mobilization Agreement
5 between us and James Wecker II (collectively, the “Excepted Items”), which will remain as
6 encumbrances against the Property after the sale of the Lower Lot.

7 11. We believe that the Mobilization Agreement is no longer valid because, *inter*
8 *alia*, the rights under the Mobilization Agreement could not be transferred by Wecker without
9 our express written consent and we never provided such consent to Wecker, who sold his
10 property.

11 12. Pursuant to the Motion, we are seeking to sell free and clear only of (1) Item 28
12 for Keros’ *lis pendens* against the Lower Lot and (2) all other liens, claims, encumbrances, and
13 interests (other than the Excepted Items) pertaining to the Lower Lot, including, but not limited
14 to, licenses (the “Licenses”) allowing the limited use of the Property granted by the Debtors in
15 favor of John Powell, David Leon, Thomas Nickel, Rozae Nichols, and Alan Diamond (the
16 “License Parties”) insofar as the Licenses pertain to the Lower Lot, which Licenses by their terms
17 will automatically terminate upon the close of the sale of the entirety of the Property, which will
18 be effectuated once we sell the Upper Lot, which we are pursuing.

19 13. In 2013, Concerned Residents Sunset Plaza Drive, John Powell, David Leon,
20 Thomas Nickel, Rozae Nichols and Alan Diamond, as plaintiffs, filed an action against us,
21 Hargitay, Daniel Franklin, and Susanne Konigsberg, as defendants, regarding claims for
22 prescriptive easement, implied dedication, and declaratory relief related to, among other things,
23 the Property (the “Unrelated Easement Action”). In the Unrelated Easement Action, the
24 plaintiffs argued that they were entitled to use a private road that was owned by the defendants.
25 We and the other defendants ultimately successfully defended against the Unrelated Easement
26 Action, unfortunately at significant cost and expense.

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1 14. While we live very modestly, our ordinary monthly living expenses far exceed
2 our monthly income. Given that all our monthly income is already consumed by ordinary living
3 expenses, we had to resort to borrowing to fund, among other things, the fees and costs
4 associated with the Unrelated Easement Action. Indeed, in total, during the years leading up to
5 our bankruptcy filing, we had to borrow more than \$1,200,000 in order to fund our negative cash
6 flow, including to pay for the fees and costs associated with the Unrelated Easement Action.

7 15. We could not indefinitely operate on a negative cash flow basis. To pay off our
8 debt and fund our future living expenses, we made the very difficult emotional decision to sell
9 our beloved Property to pay our existing creditors and fund our retirement and future living
10 expenses. Consistent with this goal, on the evening of March 5, 2017, we met with Joshua
11 Altman and Keros concerning a potential sale of the Property to Keros. We ultimately entered
12 into the Keros Purchase Agreement. Unfortunately, as has been discussed in detail in numerous
13 other pleadings filed with the Court, disputes arose between us, Keros, Douglas Elliman, and
14 Douglas Elliman real estate agent Altman regarding the Keros Purchase Agreement.

15 16. On March 17, 2017, Keros initiated an action in state court styled *Keros v. Paul*
16 *Shepherd et al.* (Case No. BC654456) (the “State Court Action”) by filing a complaint against us
17 and others pertaining to the purported Keros Purchase Agreement. Also on March 17, 2017, in
18 connection with filing the State Court Action, Keros recorded a Notice of Pendency of Action
19 (Lis Pendens) against the Property (the “Lis Pendens”). In the State Court Action, Keros is
20 seeking, *inter alia*, specific performance of the Keros Purchase Agreement. We dispute the
21 allegations made in the State Court Action.

22 17. The restraint on alienation of the Property and the mounting legal bills resulting
23 from the State Court Action and related *Lis Pendens* were the primary reasons we filed our
24 bankruptcy case. More specifically, when the dispute with Keros arose, we did not have funds to
25 pay our living expenses for a protracted period of time, to pay legal expenses and defend the
26 State Court Action, and to repay the claims of our creditors, and my mother was no longer able to
27 lend us additional funds to pay such expenses and claims. We sought conventional and hard
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1 money loans from, among others, Wells Fargo, Bank of America, and Marquee Funding Group,
2 but we were not able to secure such loans due to the *Keros Lis Pendens* on the Property, as well
3 as the fact that we could not provide evidence of income.

4 18. Without any other viable source of funding, we asked our neighbor and friend,
5 Hargitay, to lend us money. Hargitay agreed to lend a limited amount of funds for a short period
6 of time. Ultimately, Hargitay loaned us approximately \$152,000 to fund litigation costs pursuant
7 to the loan referenced in the Schedules. Given the foregoing, and because we do not have a
8 sufficient source of income to pay for our basic living expenses, to fund litigation, and to pay the
9 claims of our creditors, we filed a voluntary petition for relief under Chapter 11 of the
10 Bankruptcy Code.

11 19. Our intent has always been to market and sell the Property in our bankruptcy case
12 as soon as practicable to generate funds to pay allowed claims in full and fund our living
13 expenses and retirement.

14 20. On October 25, 2017, Keros filed his *Motion of Nicholas Keros For Order*
15 *Dismissing Case Pursuant To Sections 305(a)(1) And 1112(b) Of The Bankruptcy Code* (the
16 “Dismissal Motion”) [Dkt. 95], pursuant to which Keros was seeking, *inter alia*, an order
17 dismissing our bankruptcy case. As further discussed below, the Dismissal Motion was
18 ultimately withdrawn pursuant to the terms of the settlement (the “Keros Settlement”) by and
19 among us, on one hand, and Thrasher and Keros, on the other hand, the terms of which were set
20 forth in the *Order Approving Settlement: (1) Permitting Sale Of Property Free And Clear Of All*
21 *Claims, Liens, Encumbrances And Interests Of Nicholas Keros, And (2) Authorizing And*
22 *Directing The Payment Of Certain Sale Proceeds To Nicholas Keros* (the “Settlement
23 Agreement Order”) entered by the Court on December 12, 2017 [Dkt. 133] and which Keros
24 Settlement was amended by the *Amended Order Approving Settlement: (1) Permitting Sale Of*
25 *Property Free And Clear Of All Claims, Liens, Encumbrances And Interests Of Nicholas Keros,*
26 *And (2) Authorizing And Directing The Payment Of Certain Sale Proceeds To Nicholas Keros*
27 (the “Amended Settlement Agreement Order”) [Dkt. Pending with Court].

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1 21. In furtherance of our efforts to sell the Property and utilize the proceeds thereof to
2 pay all allowed claims in full, soon after the Petition Date, we filed an application, and obtained
3 the Court's approval, to employ Hilton & Hyland ("H&H") as our real estate broker in
4 connection with the marketing and sale of the Property [Dkts. 24 and 48], pursuant to the terms
5 of the H&H employment application and a Residential Listing Agreement (Exclusive
6 Authorization and Right to Sell) (the "H&H Listing Agreement").

7 22. While H&H engaged in substantial marketing efforts to sell the Property, we
8 ultimately entered into the RND Purchase Agreement, with RND acting through Flaxman, whom
9 we knew prior to the Petition Date and who was not introduced to us by H&H. The RND
10 Purchase Agreement provided for the sale of the Property to RND for a purchase price of \$8.5
11 million, subject to Court approval and overbid.

12 23. On October 30, 2017, we filed our motion (the "RND Sale Motion") [Dkt. 99],
13 seeking, *inter alia*, an order (1) to the extent the Keros Purchase Agreement was valid and
14 enforceable, approving the rejection of the Keros Purchase Agreement and (2) approving a sale
15 of the Property to RND pursuant to the RND Purchase Agreement. Keros filed an opposition to
16 the RND Sale Motion [Dkt. 116], and we filed a reply thereto [Dkt. 120].

17 24. A hearing on the RND Sale Motion was scheduled for November 29, 2017,
18 shortly before the hearing commenced, RND purported to terminate the RND Purchase
19 Agreement (we assert that RND's actions to terminate and repudiate the RND Purchase
20 Agreement constitute a breach of RND's obligations thereunder). As a result, the Court did not
21 conduct a hearing on the RND Sale Motion and we withdrew it.

22 25. One positive result from the failed sale of the Property to RND was the settlement
23 of the claims between us, on one hand, and Thrasher and Keros on the other hand (collectively,
24 the "Parties"). After protracted, arms-length negotiations between the Parties, the Parties agreed
25 to settle all claims related to the Property, the Keros Purchase Agreement, the State Court Action,
26 our bankruptcy filing, the Dismissal Motion, any new motion to sell the Property.

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1 26. In summary, under the Amended Keros Settlement,

2 • Concurrently with and as part of the closing (the “Closing”) of any sale
3 of the Property, and in full settlement and satisfaction of all claims, liens, encumbrances
4 and other interests asserted by Keros and Thrasher based on the Keros Purchase
5 Agreement or otherwise, including those alleged in the State Court Action, and the
6 Dismissal Motion, we shall pay Thrasher the Keros Settlement Payment in the amount of
7 \$2,125,000.

8 • Provided Thrasher receives the Keros Settlement Payment by July 31,
9 2018, the amount of the Keros Settlement Payment is reduced by \$90,000 from
10 \$2,125,000 to \$2,035,000. If Thrasher does not receive the Keros Settlement Payment by
11 July 31, 2018, then the amount of the Keros Settlement Payment shall remain \$2,125,000.
12 If Thrasher receives the reduced Keros Settlement Payment of \$2,035,000 by July 31,
13 2018, Keros agrees that any and all obligations of us to Keros under the Keros Purchase
14 Agreement and the Settlement Agreement Order have been fully and completely and
15 irrevocably satisfied, and we will have no further obligations or liability to Keros.

16 • If by July 31, 2018, we consummate a sale of a portion of the Property
17 and Keros receives from the closing of the sale less than \$2,035,000 but more than
18 \$1,800,000, the Keros Settlement Payment shall be deemed to have been received by
19 Thrasher, provided that the difference between \$2,035,000 and the net amount actually
20 received by Thrasher (the “Remaining Deficiency”) will remain outstanding and shall be
21 received by Thrasher from the closing of the next sale of some or all of the remaining
22 Property. If Thrasher does not receive the Remaining Deficiency by July 31, 2019, then,
23 commencing August 1, 2019, the Remaining Deficiency shall accrue interest at the rate of
24 9% per annum, non-compounding until received by Thrasher.

25 • If Thrasher does not receive at least \$1,800,000 by July 31, 2018, then
26 Keros may file a declaration with the Bankruptcy Court that a closing did not occur and
27 Thrasher did not receive at least \$1,800,000 by July 31, 2018, and Keros shall
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1 concurrently lodge a proposed order dismissing our bankruptcy case, with prejudice (the
2 “Dismissal Order”).

3 • If the Dismissal Order is entered, all rights, claims, arguments, defenses,
4 etc. of Keros (and Thrasher) and us regarding the Property, the State Court Action, the
5 Keros Purchase Agreement and otherwise shall be the same as they were at the time of the
6 filing of the bankruptcy case.

7 • Pending the entry of the Dismissal Order on or after August 1, 2018,
8 neither Keros nor Thrasher nor any of their affiliates may take any action to interfere with,
9 oppose or impede any efforts by us to sell the Property free and clear of any and all
10 claims, liens, encumbrances and interests, including any claims, liens, encumbrances,
11 interests (including the existing *lis pendens* on the Property) provided that any such sale
12 shall provide for the payment of the Keros Settlement Payment (or if applicable the
13 Remaining Deficiency) to Thrasher from the sale proceeds in connection with the Closing
14 of such sale. Further, pending the entry of the Dismissal Order on or after August 1, 2018,
15 neither Keros nor Thrasher nor any of their affiliates may take any hostile action towards
16 us, our bankruptcy estate or the Bankruptcy Case, including, but not limited to, seeking (1)
17 relief from the automatic stay, (2) a dismissal of the Bankruptcy Case, (3) the appointment
18 of a chapter 11 trustee, or (4) seeking a conversion of the Bankruptcy Case from chapter
19 11 to chapter 7. If Thrasher receives at least \$1,800,000 by July 31, 2018, then Keros
20 permanently waives the right to file the Dismissal Order. Keros and Thrasher further
21 agree that concurrently with the receipt of at least \$1,800,000 by July 31, 2018 they will
22 (via the escrow of the closing of a sale of all or part of the Property) withdraw and
23 expunge any *lis pendens* recorded against all or part of the Property.

24 27. As discussed in detail in the RND Sale Motion [Dkt. 99], H&H engaged in
25 substantial efforts to market the Property prior to us entering into the RND Purchase
26 Agreement. Those efforts included the following: (1) photographing the Property and creating
27 a drone video of the Property, (2) internally marketing the Property among H&H’s agents and
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1 affiliates, (3) following up on previous expressions of interest in the Property, (4) preparing a
2 database of reports and due diligence materials regarding the Property, (5) preparing seller
3 transfer disclosure statements and other statutory disclosures, and (6) preparing the MLS listing
4 for the Property and, on August 17, 2017, listed the Property with a listing price of \$10.5
5 million. [See Dkt. 99]

6 28. As also discussed in detail in the RND Sale Motion [Dkt. 99], in addition to the
7 foregoing, H&H (1) in addition to the MLS listing, listed the Property on six real property
8 marketing websites, (2) published numerous print ads and sent numerous email blasts
9 marketing the Property, (3) reached out to known developers and owner users that may be
10 interested in the Property, (4) responded to inquiries regarding the Property, and (5) conducted
11 11 private showings of the Property and three separate showings with a single interested
12 potential buyer. [See Dkt. 99]

13 29. Unfortunately, H&H's efforts did not result in any buyers that executed
14 purchase agreements for the Property other than RND, with whom we were familiar prior to
15 H&H's engagement. As discussed, the sale of the Property to RND was ultimately
16 unsuccessful. In the absence of the sale of the Property to RND and because of the need to
17 fund the Keros Settlement Payment and other payments to creditors, we desired to continue to
18 (1) market the Property and (2) pursue a sale of the Property as expeditiously as possible to
19 fund the payment required by the Amended Keros Settlement.

20 30. In consideration of the foregoing, and in order to bring new expertise to the
21 table possessed by Pacific Union, with Neville Graham and Elizabeth Donovan as the lead
22 sales agents, we decided to terminate the H&H Listing Agreement and to employ Pacific
23 Union as our new broker to market the Property for sale. On December 7, 2017, we filed an
24 application to employ Pacific Union [Dkt. 131] and, on January 3, 2018, the Court entered an
25 order approving the application [Dkt. 139]. The terms of our employment of Pacific Union
26 approved by the Court provide for a commission of 5% on the proposed sale of the Lower Lot
27 to the Buyer.

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1 31. I am informed by Pacific Union that, to date, Pacific Union has taken the
2 following and other actions to market and sell the Property (both the Upper Lot and the Lower
3 Lot): (1) photographed the Property and created video of the Property, (2) internally marketed
4 the Property among its agents and affiliates, (3) followed up on previous expressions of interest
5 in the Property, (4) prepared a database of reports and due diligence materials regarding the
6 Property, (5) prepared seller transfer disclosure statements and other statutory disclosures, (6)
7 prepared the MLS listing for the Lower Lot and, on January 8, 2018, listed the Property with a
8 listing price of \$2,388,000; and (7) created depictions of what a home might look like on the
9 Lower Lot, which is a vacant lot of land.

10 32. I am informed by Pacific Union that, in addition to the foregoing, Pacific Union
11 has (1) in addition to the MLS listing, listed the Property on a variety real property marketing
12 websites, (2) published numerous print ads and sent numerous email blasts marketing the
13 Property and advising the buying public about the settlement reached with the Los Angeles
14 Conservancy (the "Conservancy Settlement") and approved by the Court regarding the Upper
15 Lot, which settlement is described in the motion to approve the settlement and the order
16 thereon [Dkts. 149 and 152], (3) reached out to known developers and owner users that may be
17 interested in the Property, (4) responded to inquiries regarding the Property, and (5) conducted
18 many private showings of the Property.

19 33. Pacific Union's marketing efforts have been successful and resulted in us
20 executing the Purchase Agreement for the sale of the Lower Lot that is the subject of the
21 instant Motion. The \$2.1 million Purchase Price is the highest, written, executed offer we have
22 received for the Lower Lot. Based on consultation with Pacific Union, I believe that the \$2.1
23 million Purchase price is a fair price based on substantial marketing of the Property and am of
24 the opinion that the proposed buyers are well-qualified and well-informed.

25 34. I am informed by Pacific Union that Pacific Union will continue to market the
26 Property in accordance with the foregoing through the time both the Upper Lot and Lower Lot
27 are sold.

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1 35. On March 12, 2018, the Buyer made an offer for the Lower Lot. Subsequently,
2 we and the Buyer engaged in protracted arms-length negotiations, including the exchange of
3 various counteroffers, which resulted in the Purchase Agreement being fully executed on
4 March 22, 2018. A true and correct copy of the Purchase Agreement is attached hereto as
5 **Exhibit “2.”**

6 36. Prior to the proposed sale of the Lower Lot and the negotiation of the Purchase
7 Agreement, (1) we did not know of, and had no business or other dealings with, the Buyer and
8 (2) to the best of my knowledge, we did not know of, and had no business or other dealings
9 with, any entities related to the Buyer. Further, the Buyer is not an “insider” in that the Buyer
10 is not a relative of ours or a general partner of us, a partnership in which either of us is a
11 general partner, a general partner of either of us, or a corporation of which either of us is a
12 director, officer, or person in control.

13 37. The Purchase Agreement contains customary inspection contingencies. In
14 addition, the Purchase Agreement is subject to the contingency that we and the Buyer reach a
15 mutually agreeable easement agreement regarding the Lower Lot’s use of the private road
16 shared by the Upper Lot and Lower Lot whereby the Lower Lot would have rights to use the
17 private road. The foregoing contingencies are expected to lift on May 21, 2018.

18 38. In the event the Court does not approve the Purchase Agreement and the sale of
19 the Lower Lot to the Buyer pursuant to the terms thereof for any reason unrelated to the
20 Buyer’s breach of the Purchase Agreement, in addition to the deposit being returned, any and
21 all costs related to the Buyer’s due diligence and inspections shall be reimbursed to the Buyer
22 not to exceed \$10,000; in return for the reimbursement, the Buyer shall provide us with all
23 reports the Buyer has completed. We believe that the expense reimbursement is fair and
24 reasonable, particularly because the reports we receive will provide value in connection with
25 any alternate sale of the Lower Lot.

26 39. The sale of the Property is the only viable means for us to generate funds to pay
27 allowed claims in full. I estimate that the sale of the Lower Lot for the Purchase Price of \$2.1
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1 million will provide us with sufficient funds to pay all costs of sale with a net of approximately
2 \$1.970 million to the estate as follows:

3	Purchase Price:	\$ 2,100,000.00
4	Less 5% Commission:	\$ (105,000.00)
5	Less Estimated Prorated Real Property Taxes secured by the 6 Lower Lot Allocated to the Debtors and Other Customary 7 Costs of Sale:	\$ (24,989.00)
		\$ 1,970,011.00

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9 40. In turn, the net proceeds from the sale of the Lower Lot in the approximate
10 amount of \$1.9 million would be paid to Thrasher as required by the terms of the Amended
11 Keros Settlement. Assuming that the foregoing payment is made by no later than July 31, 2018,
12 which is likely because the Purchase Agreement provides for a closing date of May 31, 2018,
13 pursuant to the Amended Keros Settlement, (1) our estate, and our creditors will benefit from a
14 \$90,000 discount in the Keros Settlement Payment amount, which would be reduced from
15 \$2.125 million to \$2.035 million, (2) Keros will be left with a Remaining Deficiency of
16 approximately \$65,000 to be paid from the proceeds from the sale of the Upper Lot, (3) Keros
17 will withdraw his *Lis Pendens* against the Upper Lot and Lower Lot, which enhances the value
18 of the Upper Lot and makes it more marketable, (4) all claims between us and Keros will be
19 settled and resolved (other than our obligation to pay the Remaining Deficiency and any interest
20 thereon as provided by the Amended Keros Settlement), and (5) our estate, and our creditors
21 will not face the threat of breaching the payment terms of the Amended Keros Settlement and
22 Keros filing a Dismissal Order based on such breach.

23 41. Such a dismissal would drastically prejudice us, our estate, and our creditors,
24 because, in the absence of the proposed sale and the resolution of Keros' claims against us
25 (other than our obligation to pay the Remaining Deficiency and any interest thereon), we and
26 Keros would revert to our prepetition positions in the State Court Action. In that case, we likely
27 would not be able to sell the Property and generate funds to pay allowed claims unless and until
28 Keros' pending State Court Action was resolved and the *Lis Pendens* was removed, which

1 could take years. The foregoing delays and risks to creditors are avoided by the proposed sale.

2 42. Furthermore, upon consummation of the proposed sale of the Lower Lot, we will
3 be left with the Upper Lot, which has more than enough equity to pay all allowed claims in full.

4 43. Based on the foregoing, I submit that the proposed sale of the Property is
5 overwhelmingly in the best interests of the estate and our creditors and, therefore, represents a
6 sound exercise of our business judgment.

7 44. The Property has been extensively marketed by both H&H and Pacific Union.
8 To date, the \$2.1 million Purchase Price is the highest, written, executed offer we have received
9 for the Lower Lot. The proposed sale is *not* subject to overbid, because (a) we, in consultation
10 with our broker, Pacific Union, determined that marketing the Lower Lot as a sale seeking a
11 stalking horse bid subject to overbid would make a property that is already difficult to sell
12 (given the amount of due diligence and infrastructure required) unnecessarily difficult to sell, so
13 we, in consultation with Pacific Union, decided to list the property for a straight sale only
14 subject to the approval of the Court, (b) based on the foregoing and negotiations with the Buyer,
15 the Purchase Agreement does not provide for the sale to be subject to overbid, (c) there are no
16 claims secured by the Lower Lot, (d) the Purchase Price allows us to pay commissions and
17 other closing costs in full and to fund the majority of the settlement amount owed to Thrasher
18 pursuant to, and as required by, the Amended Keros Settlement, and (e) the remaining Upper
19 Lot has sufficient value to pay all claims in full with a distribution to us of surplus funds when

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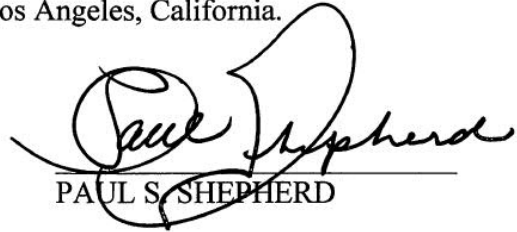
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1 sold, which sale we are pursuing, such that we are the only parties that would ultimately benefit
2 from overbid. In consideration of the foregoing, we submit that the \$2.1 million Purchase Price
3 is fair and reasonable under the circumstances.

4 I declare under penalty of perjury that the foregoing is true and correct to the best of my
5 knowledge.

6 Executed this 9th day of May 2018, at Los Angeles, California.

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9 PAUL S. SHEPHERD

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1 **DECLARATION OF NEVILLE GRAHAM**

2 I, Neville Graham, hereby declare as follows:

3 1. I am over 18 years of age. Except where otherwise stated, I have personal
4 knowledge of the facts set forth below and, if called to testify, would and could competently
5 testify thereto.

6 2. I am a licensed real estate agent in the State of California contracting with
7 Pacific Union International, Inc. ("Pacific Union"), where I am an associate partner.

8 3. I make this declaration in support of the Motion and Memorandum to which this
9 declaration is attached. Unless otherwise stated, all capitalized terms herein have the same
10 meanings as in the Motion and Memorandum.

11 4. On December 7, 2017, the Debtors filed an application to employ Pacific Union
12 [Dkt. 131] and, on January 3, 2018, the Court entered an order approving the application [Dkt.
13 139]. The terms of our employment of Pacific Union approved by the Court provide for a
14 commission of 5% on the proposed sale of the Lower Lot to the Buyer.

15 5. To date, Pacific Union has taken the following and other actions to market and
16 sell the Property (both the Upper Lot and the Lower Lot): (1) photographed the Property and
17 created video of the Property, (2) internally marketed the Property among its agents and
18 affiliates, (3) followed up on previous expressions of interest in the Property, (4) prepared a
19 database of reports and due diligence materials regarding the Property, (5) prepared seller
20 transfer disclosure statements and other statutory disclosures, (6) prepared the MLS listing for
21 the Lower Lot and, on January 8, 2018, listed the Property with a listing price of \$2,388,000; and
22 (7) created depictions of what a home might look like on the Lower Lot, which is a vacant lot of
23 land.

24 6. In addition to the foregoing, Pacific Union has (1) in addition to the MLS listing,
25 listed the Property on a variety real property marketing websites, (2) published numerous print
26 ads and sent numerous email blasts marketing the Property and advising the buying public about
27 the settlement reached with the Los Angeles Conservancy (the "Conservancy Settlement") and
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1 approved by the Court regarding the Upper Lot, (3) reached out to known developers and owner
2 users that may be interested in the Property, (4) responded to inquiries regarding the Property,
3 and (5) conducted many private showings of the Property.

4 7. Pacific Union's marketing efforts have been successful and resulted in us
5 executing the Purchase Agreement for the sale of the Lower Lot that is the subject of the instant
6 Motion. The \$2.1 million Purchase Price is the highest, written, executed offer we have received
7 for the Lower Lot. I believe that the \$2.1 million Purchase price is a fair price based on
8 substantial marketing of the Property and am of the opinion that the proposed buyers are well-
9 qualified and well-informed.

10 8. Pacific Union will continue to market the Property in accordance with the
11 foregoing through the time both the Upper Lot and Lower Lot are sold.

12 9. On March 12, 2018, the Buyer made an offer for the Lower Lot. Subsequently,
13 the Debtors, with the assistance of Pacific Union and others, engaged in protracted arms-length
14 negotiations, including the exchange of various counteroffers, which resulted in the Purchase
15 Agreement being fully executed on March 22, 2018.

16 10. To date, the \$2.1 million Purchase Price is the highest, written, executed offer
17 received for the Lower Lot. The proposed sale is *not* subject to overbid, because, *inter alia*, (a)
18 Pacific Union, in consultation with the Debtors, determined that marketing the Lower Lot as a
19 sale seeking a stalking horse bid subject to overbid would make a property that is already
20 difficult to sell (given the amount of due diligence and infrastructure required) unnecessarily

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1 difficult to sell, so the Debtors, in consultation with Pacific Union, decided to list the property for
2 a straight sale only subject to the approval of the Court and (b) based on the foregoing and
3 negotiations with the Buyer, the Purchase Agreement does not provide for the sale to be subject
4 to overbid.

5 I declare under penalty of perjury that the foregoing is true and correct to the best of my
6 knowledge.

7 Executed this 9th day of May 2018, at Los Angeles, California.

8  DocuSigned by:
Neville Graham
9 46070C77DC6040F...

10 NEVILLE GRAHAM

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EXHIBIT "1"



Issuing Policies of Chicago Title Insurance Company

ORDER NO.: **00069646-994-X49-DB**

Escrow/Customer Phone: **(213) 488-4300**

7/16/17

Chicago Title Company -NBU
725 S. Figueroa St.200
Los Angeles, CA 90017
ATTN: Marley Harrill
Email: harrillm@ctt.com
Ref: NBU# 69637-MH

Title Officer: **Dave Balassi (LA/Comm)**
Title Officer Phone: **(213) 488-4394**
Title Officer Fax: **(213) 488-4360**
Title Officer Email: **DL-CTI-LosAngeles-UnitX49@ctt.com**

PROPERTY: **2460 SUNSET PLAZA & 2375 SUNSET PLAZA, LOS ANGELES, CA**

PRELIMINARY REPORT

*In response to the application for a policy of title insurance referenced herein, **Chicago 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. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

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.

The policy(s) of title insurance to be issued hereunder will be policy(s) of Chicago Title Insurance Company, a Florida corporation.

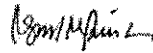

Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be 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.

Chicago Title Company

By: 
Authorized Signature



By: 
Randy Quirk, President
Attest: 
Michael Gravello, Secretary



PRELIMINARY REPORT

EFFECTIVE DATE: July 11, 2017 at 7:30 a.m.

ORDER NO.: 00069646-994-X49-DB

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

Extended

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

**A Fee as to Parcel(s) 1 and 2
Easement(s) more fully described below as to Parcel(s) 1A and 2A**

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

Paul Shepherd and Gigi Shepherd, husband and wife as community property with the right of survivorship, subject to proceedings pending in the bankruptcy court where a petition for relief was filed, a certified copy of the petition being recorded July 5, 2017 as Instrument No. 2017-0746036 of Official Records.

**Name of Debtor: Paul Stuart Shepherd and GiGi Renee Shepherd
Date of Filing: June 30, 2017
U.S. District Court: Central District of California
Case No: 2:17-bk-17991-BB**

3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

See Exhibit A attached hereto and made a part hereof.

EXHIBIT "A"

LEGAL DESCRIPTION

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

PARCEL 1:

THAT PORTION OF LOT "D" OF LOOKOUT MOUNTAIN PARK, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 14 PAGE 88 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AN ANGLE POINT ON THE SOUTHEASTERLY RIGHT-OF-WAY OF CRESCENT DRIVE AS SHOWN ON THE MAP OF TRACT NO. 1649, RECORDED IN BOOK 20 PAGE 141 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID POINT BEING THE NORTHEASTERLY TERMINUS OF THAT CERTAIN COURSE SHOWN ON SAID MAP AS HAVING A BEARING AND DISTANCE OF "SOUTH 71° 17' 15" WEST 144.79 FEET"; THENCE ALONG SAID RIGHT-OF-WAY, SOUTH 71° 17' 19" WEST 7.05 FEET; THENCE LEAVING SAID RIGHT-OF-WAY, SOUTH 59° 35' 46" EAST 95.85 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 35.00 FEET; THENCE SOUTHEASTERLY AND NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 78° 55' 00", AN ARC DISTANCE OF 48.21 FEET; THENCE NORTH 41° 29' 14" EAST 11.23 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 63.66 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 10° 15' 54", AN ARC DISTANCE OF 11.41 FEET; THENCE NORTH 31° 13' 20" EAST 29.25 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 126.34 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 32° 38' 05", AN ARC DISTANCE OF 71.96 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 81.34 FEET; THENCE NORTHEASTERLY AND SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 59° 26' 26", AN ARC DISTANCE OF 84.38 FEET; THENCE SOUTH 56° 42' 09" EAST 50.78 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 256.34 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 05° 03' 53", AN ARC DISTANCE OF 22.66 FEET; THENCE SOUTH 51° 38' 16" EAST 19.15 FEET TO THE EASTERLY BOUNDARY OF DEED RECORDED DECEMBER 26, 2006 AS INSTRUMENT NO. 2006-2867024, IN OFFICIAL RECORDS; THENCE ALONG SAID EASTERLY BOUNDARY THE FOLLOWING COURSES:

1. NORTH 23° 22' 58" EAST 37.92 FEET TO AN ANGLE POINT;
2. NORTH 41° 00' 00" EAST 116.00 FEET TO AN ANGLE POINT;
3. NORTH 25° 00' 00" WEST 182.00 FEET TO THE MOST EASTERLY CORNER OF LOT 752 OF TRACT NO. 1371, AS PER MAP RECORDED IN BOOK 18 PAGES 138 AND 139 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY;

THENCE ALONG THE SOUTHEASTERLY LINE OF SAID LOT AND OF LOTS 751 AND 750 OF SAID TRACT, THE FOLLOWING COURSES:

1. SOUTH 22° 05' 29" WEST 32.57 FEET;
2. SOUTH 21° 50' 54" WEST 31.70 FEET;
3. SOUTH 21° 13' 50" WEST 30.38 FEET TO THE SOUTHERLY CORNER OF SAID LOT 750;

THENCE ALONG THE SOUTHWESTERLY LINE OF SAID LOT, NORTH 55° 09' 42" WEST 95.36 FEET TO SAID SOUTHEASTERLY RIGHT-OF-WAY OF CRESCENT DRIVE; THENCE ALONG SAID RIGHT-OF-WAY, THE FOLLOWING COURSES:

EXHIBIT A
(Continued)

1. SOUTH 48° 36' 20" WEST 62.94 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 103.86 FEET;
2. SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 32° 47' 00" AN ARC DISTANCE OF 59.43 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 40.00 FEET;
3. SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 82° 43' 30", AN ARC DISTANCE OF 57.75 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 69.70 FEET;
4. SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 59° 37' 15", AN ARC DISTANCE OF 72.53 FEET;
5. SOUTH 58° 17' 05" WEST 97.66 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 20.00 FEET;
6. SOUTHWESTERLY AND SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 76° 59' 46", AN ARC DISTANCE OF 26.88 FEET TO THE POINT OF BEGINNING.

SAID LAND IS SHOWN AS PARCEL 1 ON THE CERTIFICATE OF COMPLIANCE FOR LOT-LINE ADJUSTMENT, PARCEL MAP EXEMPTION NO. AA-2013-0041-PMEX, RECORDED OCTOBER 18, 2013 AS INSTRUMENT NO. 2013-1496913, OFFICIAL RECORDS.

PARCEL 1A:

A NON-EXCLUSIVE EASEMENT OVER THOSE PORTIONS OF LOT "D" OF LOOKOUT MOUNTAIN PARK, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 14 PAGE 88 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED IN THOSE CERTAIN DEEDS RECORDED NOVEMBER 6, 2013 AS INSTRUMENT NO. 2013-1581204, AND MAY 2, 2016 AS INSTRUMENT NO. 2016-496596, BOTH OF OFFICIAL RECORDS.

PARCEL 2:

THAT PORTION OF LOT "D" OF LOOKOUT MOUNTAIN PARK, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 14 PAGE 88 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT AN ANGLE POINT ON THE SOUTHEASTERLY RIGHT-OF-WAY OF CRESCENT DRIVE AS SHOWN ON THE MAP OF TRACT NO. 1649, RECORDED IN BOOK 20 PAGE 141 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID POINT BEING THE NORTHEASTERLY TERMINUS OF THAT CERTAIN COURSE SHOWN ON SAID MAP AS HAVING A BEARING AND DISTANCE OF "SOUTH 71° 17' 15" WEST 144.79 FEET"; THENCE ALONG SAID RIGHT-OF-WAY, SOUTH 71° 17' 19" WEST 7.05 FEET TO THE TRUE POINT OF BEGINNING; THENCE LEAVING SAID RIGHT-OF-WAY, SOUTH 59° 35' 46" EAST 95.85 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 35.00 FEET; THENCE SOUTHEASTERLY AND NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 78° 55' 00" AN ARC DISTANCE OF 48.21 FEET; THENCE NORTH 41° 29' 14" EAST 11.23 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 63.66 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 10° 15' 54", AN ARC DISTANCE OF 11.41 FEET; THENCE NORTH 31° 13' 20" EAST 29.25 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 126.34 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 32° 38' 05", AN ARC DISTANCE OF 71.96 FEET TO

EXHIBIT A
(Continued)

THE BEGINNING OF A COMPOUND CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 81.34 FEET; THENCE NORTHEASTERLY AND SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 59° 26' 26", AN ARC DISTANCE OF 84.38 FEET; THENCE SOUTH 56° 42' 09" EAST 50.78 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 256.34 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 05° 03' 53", AN ARC DISTANCE OF 22.66 FEET; THENCE SOUTH 51° 38' 16" EAST 19.15 FEET TO A POINT ON THE EASTERLY BOUNDARY OF DEED RECORDED DECEMBER 26, 2006 AS INSTRUMENT NO. 2006-2867024, IN OFFICIAL RECORDS; THENCE ALONG SAID BOUNDARY, SOUTH 23° 22' 58" WEST 18.04 FEET TO THE MOST EASTERLY CORNER OF DEED RECORDED DECEMBER 26, 2006 AS INSTRUMENT NO. 2006-2867023, IN OFFICIAL RECORDS; THENCE ALONG THE SOUTHEASTERLY BOUNDARY OF SAID LAST MENTIONED DEED, SOUTH 23° 22' 58" WEST 81.03 FEET TO AN ANGLE POINT THEREOF; THENCE SOUTH 44° 59' 16" EAST 9.00 FEET TO THE MOST NORTHERLY CORNER OF LOT 21 OF TRACT NO. 23753, AS PER MAP RECORDED IN BOOK 630 PAGES 57 THROUGH 63 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG THE NORTHERLY BOUNDARY OF SAID LOT, SOUTH 45° 00' 44" WEST 100.00 FEET TO AN ANGLE POINT THEREOF; THENCE SOUTH 88° 23' 26" WEST 74.90 FEET TO THE MOST SOUTHERLY SOUTHWESTERLY CORNER OF SAID LAST MENTIONED DEED; THENCE LEAVING SAID NORTHERLY BOUNDARY AND ALONG THE WESTERLY AND SOUTHWESTERLY BOUNDARY OF SAID LAST MENTIONED DEED THE FOLLOWING COURSES:

1. NORTH 01° 31' 55" WEST 67.21 FEET TO AN ANGLE POINT;
2. NORTH 84° 29' 31" WEST 57.93 FEET TO AN ANGLE POINT;
3. NORTH 59° 35' 46" WEST 171.98 FEET TO AN ANGLE POINT;
4. SOUTH 77° 09' 42" WEST 86.05 FEET TO AN ANGLE POINT;
5. NORTH 15° 46' 30" WEST 2.56 FEET TO SAID SOUTHEASTERLY RIGHT-OF-WAY OF CRESCENT DRIVE;

THENCE ALONG SAID RIGHT-OF-WAY, NORTH 71° 17' 19" EAST 112.22 FEET TO THE TRUE POINT OF BEGINNING.

SAID LAND IS SHOWN AS PARCEL 2 ON THE CERTIFICATE OF COMPLIANCE FOR LOT-LINE ADJUSTMENT, PARCEL MAP EXEMPTION NO. AA-2013-0041-PMEX, RECORDED OCTOBER 18, 2013 AS INSTRUMENT NO. 2013-1496913, OFFICIAL RECORDS.

PARCEL 2A:

A NON-EXCLUSIVE EASEMENT OVER THOSE PORTIONS OF LOT "D" OF LOOKOUT MOUNTAIN PARK, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 14 PAGE 88 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED IN THOSE CERTAIN DEEDS RECORDED NOVEMBER 6, 2013 AS INSTRUMENT NO. 2013-1581203, AND MAY 2, 2016 AS INSTRUMENT NO. 2016-496597, BOTH OF OFFICIAL RECORDS.

APN: **5563-031-011, 5563-031-012**

EXCEPTIONS

AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2017-2018.

2. An assessment by the improvement district shown below:

Assessment
(or Bond) No: Not Set Out
Series: AD#1
District: County of Los Angeles
For: MRCA Brush Fire Clear'g Dist #1
Bond issued: August 6, 2003
Original Amount: Not Set Out

Said assessment is collected with the county/city property taxes.

3. Any liens or other assessments, bonds, or special district liens including without limitation, Community Facility Districts, that arise by reason of any local, City, Municipal or County Project or Special District.

4. 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.

5. Water rights, claims or title to water, whether or not disclosed by the public records.

6. Easement(s) in favor of the public over any existing roads lying within said Land.

7. Easement(s) or right(s) of way for the purpose(s) shown below and rights incidental thereto, as granted and/or reserved in various deeds of record:

Purpose: Ingress and egress, pipelines, drainage and/or public utilities and incidental purposes thereto over, under, along and across the easement parcel(s) herein described
Affects: Parcels 1A and 2A

8. 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.

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

Purpose: public utilities
Recording No: Book 5907, Page 36 of Deeds
Affects: said land as more particularly described herein

10. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: public utilities
Recording Date: July 6, 1962
Recording No: 5435, of Official Records
Affects: said land as more particularly described herein

EXCEPTIONS
(Continued)

11. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:
- Purpose: line or lines of pipe, vaults and manholes, together with appurtenant structures and equipment for conveying and distributing water
Recording Date: October 1, 1971
Recording No: 3250. of Official Records
Affects: said land as more particularly described herein
12. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:
- Purpose: line or lines of pipes, vaults and manholes, together with appurtenant structures and equipment for conveying and distributing water
Recording Date: October 8, 1971
Recording No: 2544. of Official Records
Affects: said land as more particularly described herein
13. Matters contained in that certain document
- Entitled: Notice of Consent to Use Land
Recording Date: December 29, 2004
Recording No: 04-3375894. of Official Records
- Reference is hereby made to said document for full particulars.
14. Matters contained in that certain document
- Entitled: Notice of Consent to Use Land
Recording Date: December 29, 2004
Recording No: 04-3375895. of Official Records
- Reference is hereby made to said document for full particulars.
15. Matters contained in that certain document
- Entitled: Notice of Consent to Use Land
Recording Date: March 7, 2006
Recording No: 06-0485777. of Official Records
- Reference is hereby made to said document for full particulars.
- Matters contained in that certain document
- Entitled: Partial Revocation of Consent to Use Land
Recording Date: October 12, 2007
Recording No: 20072334048. of Official Records
- Reference is hereby made to said document for full particulars.

EXCEPTIONS
(Continued)

16. An instrument entitled Covenant and Agreement for Community Driveway

Executed by: Paul Shepherd, Gigi Shepherd and James Wecker II
In favor of: City of Los Angeles
Recording Date: August 13, 2007
Recording No: 20071892972, of Official Records

Which among other things provides: as provided therein

Reference is hereby made to said document for full particulars.

This covenant and agreement provides that it shall be binding upon any future owners, encumbrancers, their successors or assigns, and shall continue in effect until the advisory agency approves termination.

17. An instrument entitled Covenant and Agreement for Community Driveway

Executed by: Paul Shepherd, Gigi Shepherd and James Wecker II
In favor of: City of Los Angeles
Recording Date: August 13, 2007
Recording No: 20071892973, of Official Records

Which among other things provides: as provided therein

Reference is hereby made to said document for full particulars.

This covenant and agreement provides that it shall be binding upon any future owners, encumbrancers, their successors or assigns, and shall continue in effect until the advisory agency approves termination.

18. Matters contained in that certain document

Entitled: Memorandum of Easement Agreement
Recording Date: August 13, 2007
Recording No: 20071892974, of Official Records

Reference is hereby made to said document for full particulars.

19. Matters contained in that certain document

Entitled: Easement Deed for Ingress and Egress
Recording Date: November 6, 2013
Recording No: 20131581205, of Official Records
(Parcel 2)

Reference is hereby made to said document for full particulars.

20. Matters contained in that certain document

Entitled: Easement Deed for Ingress and Egress
Recording Date: November 6, 2013
Recording No: 20131581206, of Official Records
(Parcel 1)

Reference is hereby made to said document for full particulars.

EXCEPTIONS
(Continued)

21. An instrument entitled Covenant and Agreement Regarding Private Sewer Easement

Executed by: Ellen, Hargitay, Mickey Hargitay, Paul Shepherd and Gigi Shepherd
In favor of: City of Los Angeles
Recording Date: September 25, 2013
Recording No: 20131392258, of Official Records

Which among other things provides: as provided therein

Reference is hereby made to said document for full particulars.

This covenant and agreement provides that it shall be binding upon any future owners, encumbrancers, their successors or assigns, and shall continue in effect until the advisory agency approves termination.

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

Granted to: Mickey Hargitay and Ellen Hargitay
Purpose: ingress and egress
Recording Date: May 2, 2016
Recording No: 2016-496594, of Official Records
Affects: said land as more particularly described herein
(Parcel 1)

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

Granted to: Mickey Hargitay and Ellen Hargitay
Purpose: ingress and egress
Recording Date: May 2, 2016
Recording No: 2016-496595, of Official Records
Affects: said land as more particularly described herein
(Parcel 2)

24. This exception has been intentionally deleted.

25. 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.

EXCEPTIONS
(Continued)

26. If the Land is located within the area affected by a Geographic Targeting Order issued by FinCEN (California counties of Los Angeles, San Diego, San Francisco, Santa Clara and San Mateo), the Company must be supplied with a completed ALTA Information Collection Form ("ICF").

27. Matters contained in that certain document

Entitled: Notice of Special Tax Lien
Dated: January 11, 2017
Recording Date: January 13, 2017
Recording No: 2017-0055098, of Official Records

Reference is hereby made to said document for full particulars.

This property, along with all other parcels in the CFD, is liable for an annual special tax. This special tax is included with and payable with the general property taxes of the City of Los Angeles, County of Los Angeles. The tax may not be prepaid.

28. A pending court action as disclosed by a recorded notice:

Plaintiff: Nicholas Keros, an individual
Defendant: Paul Shepherd, an individual; GiGi Shepherd, an individual; Judy Nagler, an individual; and Force-Nagler, LLC, a California limited liability company
County: Los Angeles
Court: Superior Court
Case No.: BC654456
Nature of Action: as described therein
Recording Date: March 17, 2017
Recording No: 2017-0309121 of Official Records

Affects: Parcel 2

An examination of said proceedings has been ordered. Upon completion the Company reserves the right to except additional items and/or make additional requirements.

29. A pending court action as disclosed by a recorded notice:

Plaintiff: Nicholas Keros, an individual
Defendant: Paul Shepherd, an individual; GiGi Shepherd, an individual; Judy Nagler, an individual; and Force-Nagler, LLC, a California limited liability company
County: Los Angeles
Court: Superior Court
Case No.: BC654456
Nature of Action: as described therein
Recording Date: March 17, 2017
Recording No: 2017-0309123 of Official Records

Affects: Parcel 1

An examination of said proceedings has been ordered. Upon completion the Company reserves the right to except additional items and/or make additional requirements.

EXCEPTIONS
(Continued)

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

Amount: \$109,744.90
Dated: June 14, 2017
Trustor/Grantor: Paul and Gigi Shepherd as husband and wife
Trustee: 1st American Title Company, a California Corporation
Beneficiary: Ellen Hargitay
Recording Date: June 15, 2017
Recording No: 2017-0661700 of Official Records

This Company will require that the original note, the original deed of trust and a properly executed request for full reconveyance together with appropriate documentation (i.e., copy of trust, partnership agreement or corporate resolution) be in this office prior to the close of this transaction if the above-mentioned item is to be paid through this transaction or deleted from a policy of title insurance.

Any demands submitted to us for payoff must be signed by all beneficiaries as shown on said deed of trust, and/or any assignments thereto. In the event said demand is submitted by an agent of the beneficiary(s), we will require the written approval of the demand by the beneficiary(s). Servicing agreements do not constitute approval for the purposes of this requirement.

If no amounts remain due under the obligation a zero balance demand will be required along with the reconveyance documents.

In addition, we require the written approval of said demand by the trustor(s) on said deed of trust or the current owners if applicable.

PLEASE REFER TO THE "INFORMATIONAL NOTES" AND "REQUIREMENTS" SECTIONS WHICH FOLLOW FOR INFORMATION NECESSARY TO COMPLETE THIS TRANSACTION.

END OF EXCEPTIONS

REQUIREMENTS SECTION

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.

2. In order to complete this report, the Company requires a Statement of Information to be completed by the following party(s),

Party(s): Paul Shepherd

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.

3. The Company will require an affidavit signed by the seller/mortgagor certifying that there are no matters that could give rise to any defects, liens, encumbrances, adverse claims or other matters that would attach to the Land between the effective date of the report and the recording of the instruments creating the estate to be insured.

END OF REQUIREMENTS

INFORMATIONAL NOTES SECTION

1. Note: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.
2. Note: Property taxes, including any personal property taxes and any assessments collected with taxes, are paid. For proration purposes the amounts were:

Tax Identification No.: 5563-031-011
Fiscal Year: 2016-2017
1st Installment: \$6,886.60
2nd Installment: \$6,886.59
Exemption: None
Code Area: 00067
3. Note: Property taxes, including any personal property taxes and any assessments collected with taxes, are paid. For proration purposes the amounts were:

Tax Identification No.: 5563-031-012
Fiscal Year: 2016-2017
1st Installment: \$1,992.74
2nd Installment: \$1,992.73
Exemption: None
Code Area: 00067
4. None of the items shown in this report will cause the Company to decline to attach CLTA Endorsement Form 100 to an Extended Coverage Loan Policy, when issued.
5. The Company is not aware of any matters which would cause it to decline to attach CLTA Endorsement Form 116 indicating that there is located on said Land Single Family Residential properties, known as 2460 Sunset Plaza & 2375 Sunset Plaza, located within the city of Los Angeles, California, , to an Extended Coverage Loan Policy.
6. Note: Please contact your Title Officer to obtain the current recording fees. Chicago Title Company will pay Chicago Title Insurance Company 12% of the title premium, as disclosed on lines 1107 and 1108 of the HUD-1.
7. Note: The policy of title insurance will include an arbitration provision. The Company or the insured may demand arbitration. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. Please ask your escrow or title officer for a sample copy of the policy to be issued if you wish to review the arbitration provisions and any other provisions pertaining to your Title Insurance coverage.

END OF INFORMATIONAL NOTES

Dave Balassi (LA/Comm)/jk9

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.
PRIVACY NOTICE**

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

Types of Information Collected

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

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

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

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

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

How Information is Collected

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

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

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

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

Use of Collected Information

Information collected by FNF is used for three main purposes:

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

When Information Is Disclosed

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

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

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

- other third parties for whom you have given us written authorization to disclose your Personal Information.

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

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

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

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

Choices With Your Information

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

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

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

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

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

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

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

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

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

Information From Children

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

Privacy Outside the Website

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

International Users

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

The California Online Privacy Protection Act

FNF Privacy Statement (Eff. 5/1/2015) Last Updated March 1, 2017
MISC0219 (DSI Rev. 3/2/17)

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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

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 field 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 each discount. These discounts only apply to transaction 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

CTC - Chicago Title Company

FNF Underwriter

CTIC - Chicago Title Insurance Company

Available Discounts

CREDIT FOR PRELIMINARY REPORTS AND/OR COMMITMENTS ON SUBSEQUENT POLICIES (CTIC)

Where no major change in the title has occurred since the issuance of the original report or commitment, the order may be reopened within 12 months and all or a portion of the charge previously paid for the report or commitment may be credited on a subsequent policy charge within the following time period from the date of the report.

DISASTER LOANS (CTIC)

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.

CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (CTIC)

On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be 50% to 70% of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be 40% to 50% of the appropriate title insurance rate, depending on the type of coverage selected.

EMPLOYEE RATE (CTC and CTIC)

No charge shall be made to employees (including employees on approved retirement) of the Company or its underwritten, subsidiary 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.

ATTACHMENT ONE

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:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
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.)

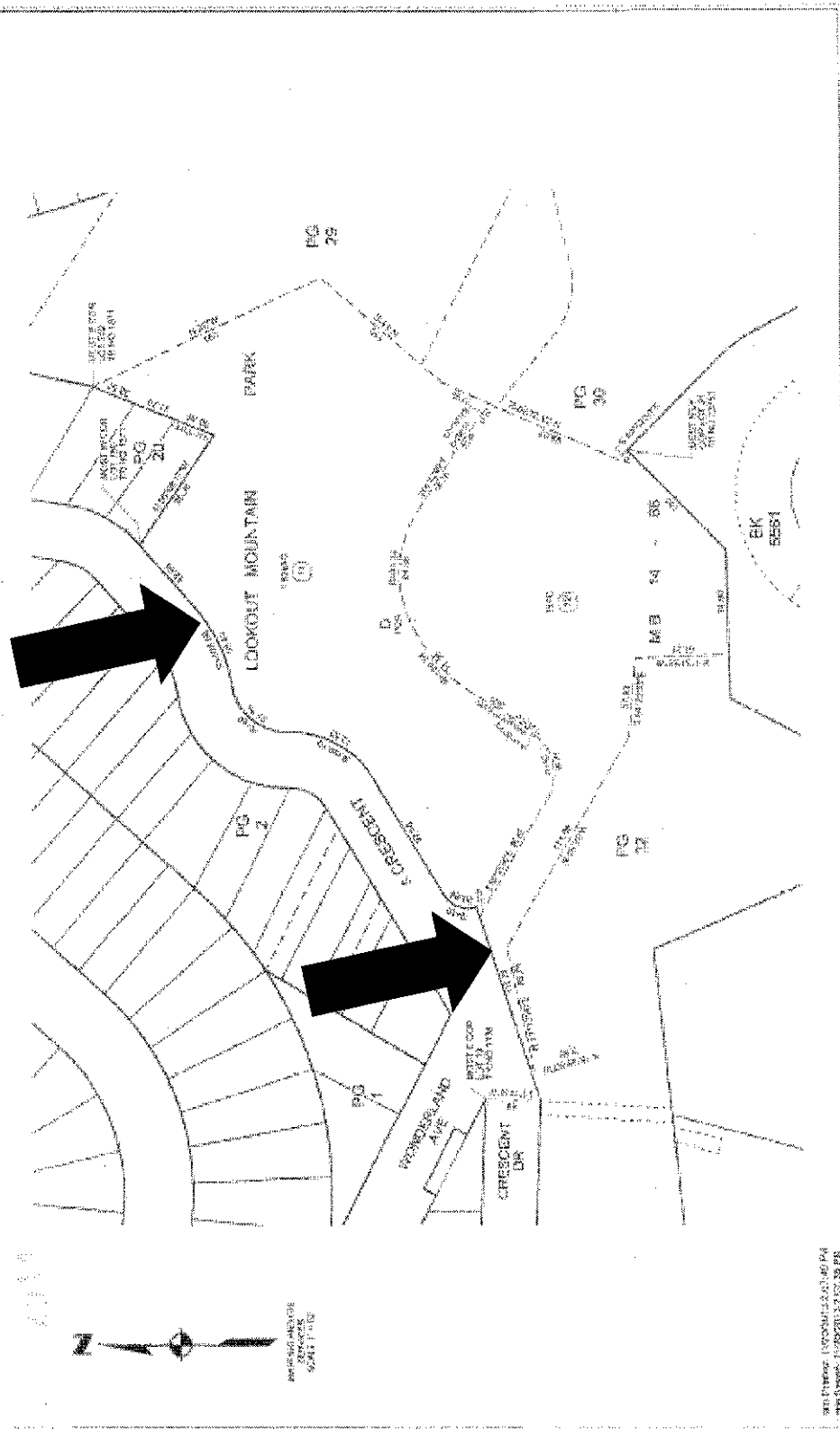
ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (12-02-13)

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.

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 F 6
 MAPS
 THE
 #7
 COUNTY OF CALUMAS
 DEPARTMENT OF PUBLIC WORKS
 DEPARTMENT OF PUBLIC WORKS
 DEPARTMENT OF PUBLIC WORKS



Map prepared by: (11/20/2013) 11/20/2013
 Map Number: 11/20/2013 11/20/2013

This map/plat is being furnished as an aid in locating the herein described Land in relation to adjoining streets, natural boundaries and other land, and is not a survey of the land depicted. Except to the extent a policy of title insurance is expressly modified by endorsement, if any, the Company does not insure dimensions, distances, location of easements, acreage or other matters shown thereon.

STATEMENT OF INFORMATION

CONFIDENTIAL INFORMATION STATEMENT TO BE USED IN CONNECTION WITH ORDER NO: 00069646-994-X49-DB

COMPLETION OF THIS FORM WILL EXPEDITE YOUR ORDER AND WILL HELP PROTECT YOU.

THE STREET ADDRESS of the property in this transaction is:

IF NONE LEAVE BLANK

ADDRESS:

CITY:

IMPROVEMENTS: SINGLE RESIDENCE MULTIPLE RESIDENCE COMMERCIAL
 OCCUPIED BY: OWNER LESSEE TENANTS
 ANY PORTION OF NEW LOAN FUNDS TO BE USED FOR CONSTRUCTION: YES NO

NAME

SPOUSES NAME

FIRST MIDDLE LAST

FIRST MIDDLE LAST

BIRTHPLACE BIRTH DATE

BIRTHPLACE BIRTH DATE

I HAVE LIVED IN CALIFORNIA SINCE SOCIAL SECURITY NUMBER

I HAVE LIVED IN CALIFORNIA SINCE SOCIAL SECURITY NUMBER

DRIVER'S LICENSE NO. _____

DRIVER'S LICENSE NO. _____

WIFE'S MAIDEN NAME: _____

WE WERE MARRIED ON _____ AT _____

RESIDENCE(S) FOR LAST 10 YEARS

NUMBER AND STREET CITY FROM TO

NUMBER AND STREET CITY FROM TO

NUMBER AND STREET CITY FROM TO

NUMBER AND STREET CITY FROM TO

OCCUPATION(S) FOR LAST 10 YEARS

HUSBAND

PRESENT OCCUPATION FIRM NAME ADDRESS NO. OF YEARS

PRIOR OCCUPATION FIRM NAME ADDRESS NO. OF YEARS

PRIOR OCCUPATION FIRM NAME ADDRESS NO. OF YEARS

WIFE

PRESENT OCCUPATION FIRM NAME ADDRESS NO. OF YEARS

PRIOR OCCUPATION FIRM NAME ADDRESS NO. OF YEARS

PRIOR OCCUPATION FIRM NAME ADDRESS NO. OF YEARS

FORMER MARRIAGES: IF NO FORMER MARRIAGES, WRITE "NONE": _____

NAME OF FORMER SPOUSE _____

IF DECEASED: DATE WHERE

CURRENT LOAN ON PROPERTY

PAYMENTS ARE BEING MADE TO: 2. _____

1. _____ 3. _____

HOMEOWNERS ASSOCIATION _____ NUMBER: _____

DATE _____ SIGNATURE _____

HOME PHONE _____ BUSINESS PHONE _____

STATEMENT OF INFORMATION

CONFIDENTIAL INFORMATION STATEMENT TO BE USED IN CONNECTION WITH ORDER NO: 00069646-994-X49-DB

COMPLETION OF THIS FORM WILL EXPEDITE YOUR ORDER AND WILL HELP PROTECT YOU.

THE STREET ADDRESS of the property in this transaction is:

IF NONE LEAVE BLANK

ADDRESS:

CITY:

IMPROVEMENTS: SINGLE RESIDENCE MULTIPLE RESIDENCE COMMERCIAL
 OCCUPIED BY: OWNER LESSEE TENANTS
 ANY PORTION OF NEW LOAN FUNDS TO BE USED FOR CONSTRUCTION: YES NO

NAME

SPOUSES NAME

FIRST MIDDLE LAST

FIRST MIDDLE LAST

BIRTHPLACE BIRTH DATE

BIRTHPLACE BIRTH DATE

I HAVE LIVED IN CALIFORNIA SINCE SOCIAL SECURITY NUMBER

I HAVE LIVED IN CALIFORNIA SINCE SOCIAL SECURITY NUMBER

DRIVER'S LICENSE NO. _____

DRIVER'S LICENSE NO. _____

WIFE'S MAIDEN NAME: _____

WE WERE MARRIED ON _____ AT _____

RESIDENCE(S) FOR LAST 10 YEARS

NUMBER AND STREET CITY FROM TO

NUMBER AND STREET CITY FROM TO

NUMBER AND STREET CITY FROM TO

NUMBER AND STREET CITY FROM TO

OCCUPATION(S) FOR LAST 10 YEARS

HUSBAND

PRESENT OCCUPATION FIRM NAME ADDRESS NO. OF YEARS

PRIOR OCCUPATION FIRM NAME ADDRESS NO. OF YEARS

PRIOR OCCUPATION FIRM NAME ADDRESS NO. OF YEARS

WIFE

PRESENT OCCUPATION FIRM NAME ADDRESS NO. OF YEARS

PRIOR OCCUPATION FIRM NAME ADDRESS NO. OF YEARS

PRIOR OCCUPATION FIRM NAME ADDRESS NO. OF YEARS

FORMER MARRIAGES: IF NO FORMER MARRIAGES, WRITE "NONE": _____

NAME OF FORMER SPOUSE _____

IF DECEASED: DATE WHERE

CURRENT LOAN ON PROPERTY

PAYMENTS ARE BEING MADE TO: _____ 2. _____

1. _____ 3. _____

HOMEOWNERS ASSOCIATION _____ NUMBER: _____

DATE _____ SIGNATURE _____

HOME PHONE _____ BUSINESS PHONE _____



Owner's Information Statement

Order No. 00069646-994-DB

This Affidavit, when fully completed, is to be signed **and notarized**, then returned to Chicago Title Company to enable Chicago Title Company to insure the presently pending transaction.

A F F I D A V I T

The undersigned owner hereby states that there are no unrecorded leases or agreements affecting the property described in the Preliminary Report for Title Order Number 00069646-994-DB and that there is no one in possession or entitled to possession of said property other than the vestee shown in said Preliminary Report, **except:**

The undersigned owner states that to his/her knowledge, there are no liens or rights to liens upon said property for labor, services and materials for work contracted for, and completed by, an owner, lessee, sub-lessee or tenant within the last year or which is now in progress, **except:**

This statement is made in connection with the request to Chicago Title Company to issue its policy(ies) of title insurance with respect to Title Order Number 00069646-994-DB.

Dated: _____

By: _____

By: _____

By: _____

By: _____

Address: _____

EXHIBIT "2"



CALIFORNIA ASSOCIATION OF REALTORS®

DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP

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

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

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

SELLER'S AGENT

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

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

To the Buyer and the Seller:

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

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.

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

To the Buyer and the Seller:

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

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

AGENT REPRESENTING BOTH SELLER AND BUYER

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

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

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

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

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction.

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

[X] Buyer [] Seller [] Landlord [] Tenant 03/13/2018 Date 03/12/2018

[X] Buyer [] Seller [] Landlord [] Tenant 03/13/2018 Date 03/12/2018

Agent Real Estate Broker (Firm) BRE Lic. #

By [Signature] 03/13/2018 BRE Lic. # Date 03/12/2018 (Salesperson or Broker-Associate)

Agency Disclosure Compliance (Civil Code §2079.14):
• When the listing brokerage company also represents Buyer/Tenant: The Listing Agent shall have one AD form signed by Seller/Landlord and a different AD form signed by Buyer/Tenant.
• When Seller/Landlord and Buyer/Tenant are represented by different brokerage companies: (i) the Listing Agent shall have one AD form signed by Seller/Landlord, and (ii) the Buyer's/Tenant's Agent shall have one AD form signed by Buyer/Tenant and either that same or a different AD form presented to Seller/Landlord for signature prior to presentation of the offer. If the same form is used, Seller may sign here:
Seller/Landlord: Paul Shepherd, Date: 3/17/2018
Seller/Landlord: Gigi Shepherd, Date: 3/17/2018

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Reviewed by _____ Date _____



CIVIL CODE SECTIONS 2079.24 (2079.16 APPEARS ON THE FRONT)

2079.13 As used in Sections 2078.14 to 2079.24, inclusive, the following terms have the following meanings: (a) "Agent" means a person acting under provisions of Title 9 (commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained. (b) "Associate licensee" means a person who is licensed as a real estate broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker's agent in connection with acts requiring a real estate license and to function under the broker's supervision in the capacity of an associate licensee. The agent in the real property transaction bears responsibility for his or her associate licensees who perform as agents of the agent. When an associate licensee owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the associate licensee functions. (c) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee. (d) "Commercial real property" means all real property in the state, except single-family residential real property, dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, mobilehomes, as defined in Section 798.3, or recreational vehicles, as defined in Section 799.29. (e) "Dual agent" means an agent acting, either directly or through an associate licensee, as agent for both the seller and the buyer in a real property transaction. (f) "Listing agreement" means a contract between an owner of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer. (g) "Listing agent" means a person who has obtained a listing of real property to act as an agent for compensation. (h) "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the listing agent. (i) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property. (j) "Offer to purchase" means a written contract executed by a buyer acting through a selling agent that becomes the contract for the sale of the real property upon acceptance by the seller. (k) "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property that constitutes or is improved with one to four dwelling units, any commercial real property, any leasehold in these types of property exceeding one year's duration, and mobilehomes, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code. (l) "Real property transaction" means a transaction for the sale of real property in which an agent is employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase. (m) "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer, and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year's duration. (n) "Seller" means the transferor in a real property transaction, and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor. (o) "Selling agent" means a listing agent who acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a buyer for the real property, or an agent who locates property for a buyer or who finds a buyer for a property for which no listing exists and presents an offer to purchase to the seller. (p) "Subagent" means a person to whom an agent delegates agency powers as provided in Article 5 (commencing with Section 2349) of Chapter 1 of Title 9. However, "subagent" does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.

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

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

2079.16 Reproduced on Page 1 of this AD form.

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

(c) The confirmation required by subdivisions (a) and (b) shall be in the following form.

(DO NOT COMPLETE. SAMPLE ONLY) _____ is the agent of (check one): the seller exclusively; or both the buyer and seller.

(Name of Listing Agent)

(DO NOT COMPLETE. SAMPLE ONLY) _____ is the agent of (check one): the buyer exclusively; or the seller exclusively; or both the buyer and seller.

(Name of Selling Agent if not the same as the Listing Agent)

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

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

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

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

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

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

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

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



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Reviewed by _____ Date _____



AD REVISED 12/14 (PAGE 2 OF 2)

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



VACANT LAND PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (C.A.R. Form VLPA, Revised 12/15)

Date Prepared: March 12, 2018

1. OFFER:

- A. THIS IS AN OFFER FROM [REDACTED] ("Buyer"),
B. THE REAL PROPERTY to be acquired is 2375 Sunset Plaza Dr, situated in Los Angeles (City), Los Angeles (County), California, 90069 (Zip Code), Assessor's Parcel No. 5563-031-012 ("Property"). Further Described As 2375 Sunset Plaza Drive
C. THE PURCHASE PRICE offered is One Million, Nine Hundred Thousand Dollars \$ 1,900,000.00
D. CLOSE OF ESCROW shall occur on [] (date) (or [X] 70 Days After Acceptance).
E. Buyer and Seller are referred to herein as the "Parties." Brokers are not Parties to this Agreement.

2. AGENCY:

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

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

- A. INITIAL DEPOSIT: Deposit shall be in the amount of \$ 57,000.00
(1) Buyer Direct Deposit: Buyer shall deliver deposit directly to Escrow Holder by electronic funds transfer, [] cashier's check, [] personal check, [] other [REDACTED] within 3 business days after Acceptance (or [REDACTED]);

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

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

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

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

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

D. LOAN(S):

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

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

- (3) FHAVA: For any FHA or VA loan specified in 3D(1), Buyer has 17 (or [REDACTED]) Days After Acceptance to Deliver to Seller written notice (C.A.R. Form FVA) of any lender-required repairs or costs that Buyer requests Seller to pay for or otherwise correct. Seller has no obligation to pay or satisfy lender requirements unless agreed in writing. A FHAVA amendatory clause (C.A.R. Form FVAC) shall be a part of this transaction.

E. ADDITIONAL FINANCING TERMS:

[REDACTED]

Buyer's Initials ([REDACTED]) ([REDACTED])

Seller's Initials ([REDACTED]) ([REDACTED])



Property Address: 2375 Sunset Plaza Dr, Los Angeles, CA 90069

Date: March 12, 2018

F. **BALANCE OF DOWN PAYMENT OR PURCHASE PRICE** in the amount of \$ 1,843,000.00 to be deposited with Escrow Holder pursuant to Escrow Holder instructions.

G. **PURCHASE PRICE (TOTAL):** \$ 1,900,000.00

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

I. **APPRAISAL CONTINGENCY AND REMOVAL:** This Agreement is (or is NOT) contingent upon a written appraisal of the Property by a licensed or certified appraiser at no less than the purchase price. Buyer shall, as specified in paragraph 19B(3), in writing, remove the appraisal contingency or cancel this Agreement within **17 (or ___) Days** After Acceptance.

J. **LOAN TERMS:**

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

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

(3) **LOAN CONTINGENCY REMOVAL:**

Within **21 (or ___) Days** After Acceptance, Buyer shall, as specified in paragraph 19, in writing, remove the loan contingency or cancel this Agreement. If there is an appraisal contingency, removal of the loan contingency shall not be deemed removal of the appraisal contingency.

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

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

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

L. **SELLER FINANCING:** The following terms (or the terms specified in the attached Seller Financing Addendum) (C.A.R. Form SFA) apply ONLY to financing extended by Seller under this Agreement.

(1) **BUYER'S CREDIT-WORTHINESS:** Buyer authorizes Seller and/or Brokers to obtain, at Buyer's expense, a copy of Buyer's credit report. Within **7 (or ___) Days** After Acceptance, Buyer shall provide any supporting documentation reasonably requested by Seller.

(2) **TERMS:** Buyer's promissory note, deed of trust and other documents as appropriate shall incorporate and implement the following additional terms: (i) the maximum interest rate specified in paragraph 3D shall be the actual fixed interest rate for Seller financing; (ii) deed of trust shall contain a REQUEST FOR NOTICE OF DEFAULT on senior loans; (iii) Buyer shall sign and pay for a REQUEST FOR NOTICE OF DELINQUENCY prior to Close Of Escrow and at any future time if requested by Seller; (iv) note and deed of trust shall contain an acceleration clause making the loan due, when permitted by law and at Seller's option, upon the sale or transfer of the Property or any interest in it; (v) note shall contain a late charge of 6% of the installment due (or ___) if the installment is not received within 10 days of the date due; (vi) title insurance coverage in the form of a joint protection policy shall be provided insuring Seller's deed of trust interest in the Property (any increased cost over owner's policy shall be paid by Buyer); and (vii) tax service shall be obtained and paid for by Buyer to notify Seller if property taxes have not been paid.

(3) **ADDED, DELETED OR SUBSTITUTED BUYERS:** The addition, deletion or substitution of any person or entity under this Agreement or to title prior to Close Of Escrow shall require Seller's written consent. Seller may grant or withhold consent in Seller's sole discretion. Any additional or substituted person or entity shall, if requested by Seller, submit to Seller the same documentation as required for the original named Buyer. Seller and/or Brokers may obtain a credit report, at Buyer's expense, on any such person or entity.

M. **ASSUMED OR "SUBJECT TO" FINANCING:** Seller represents that Seller is not delinquent on any payments due on any loans. Seller shall, within the time specified in paragraph 19, provide Copies of all applicable notes and deeds of trust, loan balances and current interest rates to Buyer. Buyer shall then, as specified in paragraph 19B(3), remove this contingency or cancel this Agreement. Differences between estimated and actual loan balances shall be adjusted at Close Of Escrow by cash down payment. Impound accounts, if any, shall be assigned and charged to Buyer and credited to Seller. Seller is advised that Buyer's assumption of an existing loan may not release Seller from liability on that loan. If this is an assumption of a VA Loan, the sale is contingent upon Seller being provided a release of liability and substitution of eligibility, unless otherwise agreed in writing. If the Property is acquired subject to an existing loan, Buyer and Seller are advised to consult with legal counsel regarding the ability of an existing lender to call the loan due, and the consequences thereof.

Buyer's Initials (___) (___)

Seller's Initials (JS) (GS)

VLPA REVISED 12/15 (PAGE 2 OF 11)

VACANT LAND PURCHASE AGREEMENT (VLPA PAGE 2 OF 11)



Property Address: 2375 Sunset Plaza Dr, Los Angeles, CA 90069

Date: March 12, 2018

4. SALE OF BUYER'S PROPERTY:

- A. This Agreement and Buyer's ability to obtain financing are NOT contingent upon the sale of any property owned by Buyer.
OR B. This Agreement and Buyer's ability to obtain financing are contingent upon the sale of property owned by Buyer as specified in the attached addendum (C.A.R. Form COP).
5. MANUFACTURED HOME PURCHASE: The purchase of the Property is contingent upon Buyer acquiring a personal property manufactured home...
6. CONSTRUCTION LOAN FINANCING: The purchase of the Property is contingent upon Buyer obtaining a construction loan...

7. ADDENDA AND ADVISORIES:

- A. ADDENDA: Addendum # (C.A.R. Form ADM)
Back Up Offer Addendum (C.A.R. Form BUO)
Court Confirmation Addendum (C.A.R. Form CCA)
Septic, Well and Property Monument Addendum (C.A.R. Form SWPI)
Short Sale Addendum (C.A.R. Form SSA)
Other

B. BUYER AND SELLER ADVISORIES:

- Buyer's Inspection Advisory (C.A.R. Form BIA)
Probate Advisory (C.A.R. Form PA)
Statewide Buyer and Seller Advisory (C.A.R. Form SBSA)
Trust Advisory (C.A.R. Form TA)
REO Advisory (C.A.R. Form REO)
Short Sale Information and Advisory (C.A.R. Form SSIA)
Other

8. OTHER TERMS: Buyer has the right to change Buyer name into an LLC or other name/entity during escrow.

9. ALLOCATION OF COSTS

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

- (1) Buyer/Seller shall pay for a natural hazard zone disclosure report, including tax environmental/Other.
(2) Buyer/Seller shall pay for the following Report prepared by
(3) Buyer/Seller shall pay for the following Report prepared by

B. ESCROW AND TITLE:

- (1) (a) Buyer/Seller shall pay escrow fee Each to pay their respective fees
(b) Escrow Holder shall be
(c) The Parties shall, within 5 (or) Days After receipt, sign and return Escrow Holder's general provisions.
(2) (a) Buyer/Seller shall pay for owner's title insurance policy specified in paragraph 18E
(b) Owner's title policy to be issued by:
(Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)

C. OTHER COSTS:

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

10. CLOSING AND POSSESSION: Possession shall be delivered to Buyer: (i) at 6 PM or () AM/ () PM on the date of Close Of Escrow; (ii) no later than calendar days after Close Of Escrow; or (iii) at () AM/ () PM on . The Property shall be unoccupied, unless otherwise agreed in writing. Seller shall provide keys and/or means to operate all Property locks. If Property is located in a common interest subdivision, Buyer may be required to pay a deposit to the Homeowners' Association ("HOA") to obtain keys to accessible HOA facilities.

11. ITEMS INCLUDED IN AND EXCLUDED FROM SALE:

A. NOTE TO BUYER AND SELLER: Items listed as included or excluded in the MLS, flyers or marketing materials are not included in the purchase price or excluded from the sale unless specified in 11B or C.

Buyer's Initials () ()

Seller's Initials ([Signature]) (GS)



Property Address: 2375 Sunset Plaza Dr, Los Angeles, CA 90069Date: March 12, 2018**B. ITEMS INCLUDED IN SALE:**

- (1) All EXISTING fixtures and fittings that are attached to the Property;
 (2) The following items: Any and all plans, inspections, permits, reports, drawings etc. to be included.

- (3) Seller represents that all items included in the purchase price, unless otherwise specified, are owned by Seller.
 (4) All items included shall be transferred free of liens and without Seller warranty.

C. ITEMS EXCLUDED FROM SALE:**12. STATUTORY AND OTHER DISCLOSURES AND CANCELLATION RIGHTS:**

A. NATURAL AND ENVIRONMENTAL HAZARD DISCLOSURES AND OTHER BOOKLETS: Within the time specified in paragraph 19A, Seller shall, if required by Law: (i) Deliver to Buyer earthquake guide(s) (and questionnaire), environmental hazards booklet; (ii) disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; and Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.

B. WITHHOLDING TAXES: Within the time specified in paragraph 19A, to avoid required withholding, Seller shall Deliver to Buyer or qualified substitute, an affidavit sufficient to comply with federal (FIRPTA) and California withholding Law (C.A.R. Form AS or QS).

C. MEGAN'S LAW DATABASE DISCLOSURE: Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Seller nor Brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's inspection contingency period. Brokers do not have expertise in this area.)

D. NOTICE REGARDING GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES: This notice is being provided simply to inform you that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) Internet Web site maintained by the United States Department of Transportation at <http://www.npms.phmsa.dot.gov/>. To seek further information about possible transmission pipelines near the Property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP Code and county on the NPMS Internet Web site.

E. CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES:

(1) **SELLER HAS:** 7 (or ___) Days After Acceptance to disclose to Buyer whether the Property is a condominium, or is located in a planned development or other common interest subdivision (C.A.R. Form VLQ).

(2) If the Property is a condominium or is located in a planned development or other common interest subdivision, Seller has 3 (or ___) Days After Acceptance to request from the HOA (C.A.R. Form HOA1): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the HOA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of HOA minutes for regular and special meetings; and (v) the names and contact information of all HOAs governing the Property (collectively, "CI Disclosures"). Seller shall itemize and Deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 19B(3). The Party specified in paragraph 9, as directed by escrow, shall deposit funds into escrow or direct to HOA or management company to pay for any of the above.

13. SELLER DOCUMENTATION AND ADDITIONAL DISCLOSURE:

A. Within the time specified in paragraph 19, if Seller has actual knowledge, Seller shall provide to Buyer, in writing, the following information:

- (1) **LEGAL PROCEEDINGS:** Any lawsuits by or against Seller, threatening or affecting the Property, including any lawsuits alleging a defect or deficiency in the Property or common areas, or any known notices of abatement or citations filed or issued against the Property.
 (2) **AGRICULTURAL USE:** Whether the Property is subject to restrictions for agricultural use pursuant to the Williamson Act (Government Code §§51200-51295).
 (3) **DEED RESTRICTIONS:** Any deed restrictions or obligations.
 (4) **FARM USE:** Whether the Property is in, or adjacent to, an area with Right to Farm rights (Civil Code §3482.5 and §3482.6).
 (5) **ENDANGERED SPECIES:** Presence of endangered, threatened, 'candidate' species, or wetlands on the Property.
 (6) **ENVIRONMENTAL HAZARDS:** Any substances, materials, or products that may be an environmental hazard including, but not limited to, asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, and contaminated soil or water on the Property.
 (7) **COMMON WALLS:** Any features of the Property shared in common with adjoining landowners, such as walls, fences, roads, and driveways, and agriculture and domestic wells whose use or responsibility for maintenance may have an effect on the Property.
 (8) **LANDLOCKED:** The absence of legal or physical access to the Property.
 (9) **EASEMENTS/ENCROACHMENTS:** Any encroachments, easements or similar matters that may affect the Property.
 (10) **SOIL FILL:** Any fill (compacted or otherwise), or abandoned mining operations on the Property.
 (11) **SOIL PROBLEMS:** Any slippage, sliding, flooding, drainage, grading, or other soil problems.
 (12) **EARTHQUAKE DAMAGE:** Major damage to the Property or any of the structures from fire, earthquake, floods, or landslides.
 (13) **ZONING ISSUES:** Any zoning violations, non-conforming uses, or violations of "setback" requirements.
 (14) **NEIGHBORHOOD PROBLEMS:** Any neighborhood noise problems, or other nuisances.

B. RENTAL AND SERVICE AGREEMENTS: Within the time specified in paragraph 19, Seller shall make available to Buyer for inspection and review, all current leases, rental agreements, service contracts and other related agreements, licenses, and permits pertaining to the operation or use of the Property.

C. **TENANT ESTOPPEL CERTIFICATES:** Within the time specified in paragraph 19, Seller shall deliver to Buyer tenant estoppel certificates (C.A.R. Form TEC) completed by Seller or Seller's agent, and signed by tenants, acknowledging: (i) that tenants' rental or lease agreements are unmodified and in full force and effect (or if modified, stating all such modifications); (ii) that no lessor defaults exist; and (iii) stating the amount of any prepaid rent or security deposit.

Buyer's Initials (_____) (_____)

Seller's Initials () ()

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2375 Sunset plaza



Property Address: 2375 Sunset Plaza Dr, Los Angeles, CA 90069

Date: March 12, 2018

- D. **MELLO-ROOS TAX; 1915 BOND ACT:** Within the time specified in paragraph 19, Seller shall: (i) make a good faith effort to obtain a notice from any local agencies that levy a special tax or assessment on the Property (or, if allowed, substantially equivalent notice), pursuant to the Mello-Roos Community Facilities Act, and Improvement Bond Act of 1915, and (ii) promptly deliver to Buyer any such notice obtained.
- E. **SELLER VACANT LAND QUESTIONNAIRE:** Seller shall, within the time specified in paragraph 19, complete and provide Buyer with a Seller Vacant Land Questionnaire (C.A.R. Form VLQ).
- 14. **SUBSEQUENT DISCLOSURES:** In the event Seller, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer of which Buyer is otherwise unaware, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items. However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies disclosed in reports ordered and paid for by Buyer.
- 15. **CHANGES DURING ESCROW:**
 - A. Prior to Close Of Escrow, Seller may engage in the following acts, ("Proposed Changes"), subject to Buyer's rights in paragraph 15B: (i) rent or lease any part of the premises; (ii) alter, modify or extend any existing rental or lease agreement; (iii) enter into, alter, modify or extend any service contract(s); or (iv) change the status of the condition of the Property.
 - B. At least 7 (or ___) Days prior to any Proposed Changes, Seller shall give written notice to Buyer of such Proposed Changes. Within 5 (or ___) Days After receipt of such notice, Buyer, in writing, may give Seller notice of Buyer's objection to the Proposed Changes, in which case Seller shall not make the Proposed Changes.
- 16. **CONDITION OF PROPERTY:** Unless otherwise agreed in writing: (i) the Property is sold (a) "AS-IS" in its PRESENT physical condition as of the date of Acceptance and (b) subject to Buyer's Investigation rights; (ii) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and (iii) all debris and personal property not included in the sale shall be removed by Close Of Escrow.
 - A. Seller shall, within the time specified in paragraph 19A, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, and make any and all other disclosures required by law.
 - B. Buyer has the right to conduct Buyer Investigations of the property and, as specified in paragraph 19B, based upon information discovered in those investigations: (i) cancel this Agreement; or (ii) request that Seller make Repairs or take other action.
 - C. Buyer is strongly advised to conduct investigations of the entire Property in order to determine its present condition. Seller may not be aware of all defects affecting the Property or other factors that Buyer considers important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.
- 17. **BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:**
 - A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 19B. Within the time specified in paragraph 19B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to, the right to: (i) inspect for lead-based paint and other lead-based paint hazards; (ii) inspect for wood destroying pests and organisms; (iii) review the registered sex offender database; (iv) confirm the insurability of Buyer and the Property; and (v) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA). Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer Investigations except for minimally invasive testing; or (ii) inspections by any governmental building or zoning inspector or government employee, unless required by Law.
 - B. Seller shall make the Property available for all Buyer Investigations. Buyer shall (i) as specified in paragraph 19B, complete Buyer Investigations and, either remove the contingency or cancel this Agreement, and (ii) give Seller, at no cost, complete Copies of all Investigation reports obtained by Buyer, which obligation shall survive the termination of this Agreement.
 - C. **Buyer indemnity and Seller protection for entry upon property:** Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer Investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs of Buyer's Investigations. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-responsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination or cancellation of this Agreement and Close Of Escrow.
 - D. **BUYER IS STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY AND ALL MATTERS AFFECTING THE VALUE OR DESIRABILITY OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO, THE ITEMS SPECIFIED BELOW. IF BUYER DOES NOT EXERCISE THESE RIGHTS, BUYER IS ACTING AGAINST THE ADVICE OF BROKERS. BUYER UNDERSTANDS THAT ALTHOUGH CONDITIONS ARE OFTEN DIFFICULT TO LOCATE AND DISCOVER, ALL REAL PROPERTY CONTAINS CONDITIONS THAT ARE NOT READILY APPARENT AND THAT MAY AFFECT THE VALUE OR DESIRABILITY OF THE PROPERTY. BUYER AND SELLER ARE AWARE THAT BROKERS DO NOT GUARANTEE, AND IN NO WAY ASSUME RESPONSIBILITY FOR, THE CONDITION OF THE PROPERTY. BROKERS HAVE NOT AND WILL NOT VERIFY ANY OF THE ITEMS IN THIS PARAGRAPH 17, UNLESS OTHERWISE AGREED IN WRITING.**
 - E. **SIZE, LINES, ACCESS AND BOUNDARIES:** Lot size, property lines, legal or physical access and boundaries including features of the Property shared in common with adjoining landowners, such as walls, fences, roads and driveways, whose use or responsibility for maintenance may have an effect on the Property and any encroachments, easements or similar matters that may affect the Property. (Fences, hedges, walls and other natural or constructed barriers or markers do not necessarily identify true Property boundaries. Property lines may be verified by survey.) (Unless otherwise specified in writing, any numerical statements by Brokers regarding lot size are APPROXIMATIONS ONLY, which have not been and will not be verified, and should not be relied upon by Buyer.)
 - F. **ZONING AND LAND USE:** Past, present, or proposed laws, ordinances, referendums, initiatives, votes, applications and permits affecting the current use of the Property, future development, zoning, building, size, governmental permits and inspections. Any zoning violations, non-conforming uses, or violations of "setback" requirements. (Buyer should also investigate whether these matters affect Buyer's intended use of the Property.)
 - G. **UTILITIES AND SERVICES:** Availability, costs, restrictions and location of utilities and services, including but not limited to, sewerage, sanitation, septic and leach lines, water, electricity, gas, telephone, cable TV and drainage.

Buyer's Initials (_____) (_____)

Seller's Initials (JS) (GS)

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Date: **March 12, 2018**

- H. **ENVIRONMENTAL HAZARDS:** Potential environmental hazards, including, but not limited to, asbestos, lead-based paint and other lead contamination, radon, methane, other gases, fuel, oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, and other substances, including mold (airborne, toxic or otherwise), fungus or similar contaminant, materials, products or conditions.
- I. **GEOLOGIC CONDITIONS:** Geologic/seismic conditions, soil and terrain stability, suitability and drainage including any slippage, sliding, flooding, drainage, grading, fill (compacted or otherwise), or other soil problems.
- J. **NATURAL HAZARD ZONE:** Special Flood Hazard Areas, Potential Flooding (Inundation) Areas, Very High Fire Hazard Zones, State Fire Responsibility Areas, Earthquake Fault Zones, Seismic Hazard Zones, or any other zone for which disclosure is required by Law.
- K. **PROPERTY DAMAGE:** Major damage to the Property or any of the structures or non-structural systems and components and any personal property included in the sale from fire, earthquake, floods, landslides or other causes.
- L. **NEIGHBORHOOD, AREA AND PROPERTY CONDITIONS:** Neighborhood or area conditions, including Agricultural Use Restrictions pursuant to the Williamson Act (Government Code §§51200-51295), Right To Farm Laws (Civil Code §3482.5 and §3482.6), schools, proximity and adequacy of law enforcement, crime statistics, the proximity of registered felons or offenders, fire protection, other government services, availability, adequacy and cost of any speed-wired, wireless internet connections or other telecommunications or other technology services and installations, proximity to commercial, industrial or agricultural activities, existing and proposed transportation, construction and development that may affect noise, view, or traffic, airport noise, noise or odor from any source, abandoned mining operations on the Property, wild and domestic animals, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally protected sites or improvements, cemeteries, facilities and condition of common areas of common interest subdivisions, and possible lack of compliance with any governing documents or Homeowners' Association requirements, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer.
- M. **COMMON INTEREST SUBDIVISIONS: OWNER ASSOCIATIONS:** Facilities and condition of common areas (facilities such as pools, tennis courts, walkways, or other areas co-owned in undivided interest with others), Owners' Association that has any authority over the subject property, CC&Rs, or other deed restrictions or obligations, and possible lack of compliance with any Owners' Association requirements.
- N. **SPECIAL TAX:** Any local agencies that levy a special tax on the Property pursuant to the Mello-Roos Community Facilities Act or Improvement Bond Act of 1915.
- O. **RENTAL PROPERTY RESTRICTIONS:** Some cities and counties impose restrictions that limit the amount of rent that can be charged, the maximum number of occupants and the right of a landlord to terminate a tenancy.
- P. **MANUFACTURED HOME PLACEMENT:** Conditions that may affect the ability to place and use a manufactured home on the Property.

18. TITLE AND VESTING:

- A. Within the time specified in paragraph 19, Buyer shall be provided a current preliminary title report ("Preliminary Report"). The Preliminary Report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the Preliminary Report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 19B. The company providing the Preliminary Report shall, prior to issuing a Preliminary Report, conduct a search of the General Index for all Sellers except banks or other institutional lenders selling properties they acquired through foreclosure (REOs), corporations, and government entities. Seller shall within 7 Days After Acceptance, give Escrow Holder a completed Statement of Information.
- B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except for: (i) monetary liens of record (which Seller is obligated to pay off) unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.
- C. Within the time specified in paragraph 19A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.
- D. At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. **THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.**
- E. Buyer shall receive a "CLTA/ALTA Homeowner's Policy of Title Insurance", if applicable to the type of property and buyer. A title company, at Buyer's request, can provide information about the availability, desirability, coverage, and cost of various title insurance coverages and endorsements. If Buyer desires title coverage other than that required by this paragraph, Buyer shall instruct Escrow Holder in writing and shall pay any increase in cost.

19. TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS: The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph by either Buyer or Seller must be exercised in good faith and in writing (C.A.R. Form CR or CC).

- A. **SELLER HAS: 7 (or ___) Days After Acceptance** to Deliver to Buyer all Reports, disclosures and information for which Seller is responsible under paragraphs 3M, 7A, 8, 9, 12A, B, and E, 13, 16A and 18A. Buyer after first Delivering to Seller a Notice to Seller to Perform (C.A.R. Form NSP) may cancel this Agreement if Seller has not Delivered the items within the time specified.
- B. (1) **BUYER HAS: 17 (or 60) Days After Acceptance**, unless otherwise agreed in writing, to:
 - (i) complete all Buyer Investigations; review all disclosures, reports, and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property; and (ii) Deliver to Seller Signed Copies of Statutory Disclosures and other disclosures Delivered by Seller in accordance with paragraph 12A.
 - (2) Within the time specified in paragraph 19B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to (C.A.R. Form RRRR) Buyer's requests.
 - (3) By the end of the time specified in paragraph 19B(1) (or as otherwise specified in this Agreement), Buyer shall Deliver to Seller a removal of the applicable contingency or cancellation (C.A.R. Form CR or CC) of this Agreement. However, if any report, disclosure or information for which Seller is responsible is not Delivered within the time specified in paragraph 19A, then Buyer has 5 (or ___) Days After Delivery of any such items, or the time specified in paragraph 19B(1), whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement.

Buyer's Initials (_____) (_____)

Seller's Initials () ()



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(4) Continuation of Contingency: Even after the end of the time specified in paragraph 19B(1) and before Seller cancels, if at all, pursuant to paragraph 19C, Buyer retains the right, in writing, to either (i) remove remaining contingencies, or (ii) cancel this Agreement based on a remaining contingency. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to paragraph 19C(1).

C. SELLER RIGHT TO CANCEL:

(1) Seller right to Cancel; Buyer Contingencies: If, by the time specified in this Agreement, Buyer does not Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement, then Seller, after first Delivering to Buyer a Notice to Buyer to Perform (C.A.R. Form NBP), may cancel this Agreement. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.

(2) Seller right to Cancel; Buyer Contract Obligations: Seller, after first delivering to Buyer a NBP, may cancel this Agreement if, by the time specified in this Agreement, Buyer does not take the following action(s): (i) Deposit funds as required by paragraph 3A or 3B or if the funds deposited pursuant to paragraph 3A or 3B are not good when deposited; (ii) Deliver a notice of FHA or VA costs or terms as required by paragraph 3D(3) (C.A.R. Form FVA); (iii) Deliver a letter as required by paragraph 3J(1); (iv) Deliver verification as required by paragraph 3C or 3H or if Seller reasonably disapproves of the verification provided by paragraph 3C or 3H; (v) Return Statutory Disclosures as required by paragraph 12A; or (vi) Sign or initial a separate liquidated damages form for an increased deposit as required by paragraphs 3B and 27B; or (vii) Provide evidence of authority to sign in a representative capacity as specified in paragraph 19. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.

D. NOTICE TO BUYER OR SELLER TO PERFORM: The NBP or NSP shall: (i) be in writing; (ii) be signed by the applicable Buyer or Seller; and (iii) give the other Party at least 2(or ___) Days After Delivery (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A NBP or NSP may not be Delivered any earlier than 2 Days Prior to the expiration of the applicable time for the other Party to remove a contingency or cancel this Agreement or meet an obligation specified in paragraph 19.

E. EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES: If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in writing, Buyer shall conclusively be deemed to have: (i) completed all Buyer Investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections pertaining to that contingency or cancellation right, or for the inability to obtain financing.

F. CLOSE OF ESCROW: Before Buyer or Seller may cancel this Agreement for failure of the other Party to close escrow pursuant to this Agreement, Buyer or Seller must first Deliver to the other Party a demand to close escrow (C.A.R. Form DCE). The DCE shall: (i) be signed by the applicable Buyer or Seller; and (ii) give the other Party at least 3 (or ___) Days After Delivery to close escrow. A DCE may not be Delivered any earlier than 3 Days Prior to the scheduled close of escrow.

G. EFFECT OF CANCELLATION ON DEPOSITS: If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, the Parties agree to Sign mutual instructions to cancel the sale and escrow and release deposits, if any, to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Except as specified below, release of funds will require mutual Signed release instructions from the Parties, judicial decision or arbitration award. If either Party fails to execute mutual instructions to cancel escrow, one Party may make a written demand to Escrow Holder for the deposit (C.A.R. Form BDRD or SDRD). Escrow Holder, upon receipt, shall promptly deliver notice of the demand to the other Party. If, within 10 Days After Escrow Holder's notice, the other Party does not object to the demand, Escrow Holder shall disburse the deposit to the Party making the demand. If Escrow Holder complies with the preceding process, each Party shall be deemed to have released Escrow Holder from any and all claims or liability related to the disbursement of the deposit. Escrow Holder, at its discretion, may nonetheless require mutual cancellation instructions. A Party may be subject to a civil penalty of up to \$1,000 for refusal to sign cancellation instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).

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

21. FINAL VERIFICATION OF CONDITION: Buyer shall have the right to make a final verification of the Property within 5 (or ___) Days Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 16; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement (C.A.R. Form VP).

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

23. PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS: Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, HOA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment

Buyer's Initials (_____) (_____)

Seller's Initials () ()



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District bonds and assessments that are now a lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after Close Of Escrow, by Buyer; and (ii) for periods prior to Close Of Escrow, by Seller (see C.A.R. Form SPT or SBSA for further information). TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.

24. BROKERS:

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

25. **REPRESENTATIVE CAPACITY:** If one or more Parties is signing the Agreement in a representative capacity and not for him/herself as an individual then that Party shall so indicate in paragraph 37 or 38 and attach a Representative Capacity Signature Addendum (C.A.R. Form RCSD). Wherever the signature or initials of the representative identified in the RCSD appear on the Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. The Party acting in a representative capacity (i) represents that the entity for which that party is acting already exists and (ii) shall Deliver to the other Party and Escrow Holder, within 3 Days After Acceptance, evidence of authority to act in that capacity (such as but not limited to: applicable portion of the trust or Certification Of Trust (Probate Code §18100.5), letters testamentary, court order, power of attorney, corporate resolution, or formation documents of the business entity).

26. JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:

- A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: paragraphs 1, 3, 4B, 5, 6, 7A, 8, 9, 12B, 18, 19G, 23, 24A, 25, 26, 32, 35, 36, 37, 38 and paragraph D of the section titled Real Estate Brokers on page 11. If a Copy of the separate compensation agreement(s) provided for in paragraph 24A, or paragraph D of the section titled Real Estate Brokers on page 10 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions, if any, directly from Escrow Holder and will execute such provisions within the time specified in paragraph 9B(1)(c). To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow and, as directed by Escrow Holder, within 3 (or ___) Days, shall pay to Escrow Holder or HOA or HOA management company or others any fee required by paragraphs 9, 12 or elsewhere in this Agreement.
- B. A Copy of this Agreement including any counter offer(s) and addenda shall be delivered to Escrow Holder within 3 Days After Acceptance (or _____), Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement. Escrow Holder shall provide Seller's Statement of Information to Title company when received from Seller. If Seller delivers an affidavit to Escrow Holder to satisfy Seller's FIRPTA obligation under paragraph 12B, Escrow Holder shall deliver to Buyer a Qualified Substitute statement that complies with federal Law.
- C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraph 24A and paragraph D of the section titled Real Estate Brokers on page 11. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraph 24A, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Buyer and Seller shall release and hold harmless Escrow Holder from any liability resulting from Escrow Holder's payment to Broker(s) of compensation pursuant to this Agreement.
- D. Upon receipt, Escrow Holder shall provide Seller and Seller's Broker verification of Buyer's deposit of funds pursuant to paragraph 3A and 3B. Once Escrow Holder becomes aware of any of the following, Escrow Holder shall immediately notify all Brokers: (i) if Buyer's initial or any additional deposit is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder; or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.
- E. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 3 Days after mutual execution of the amendment.

Buyer's Initials (_____) (_____)

Seller's Initials () ()



Property Address: 2375 Sunset Plaza Dr, Los Angeles, CA 90069

Date: March 12, 2018

27. REMEDIES FOR BUYER'S BREACH OF CONTRACT:

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

Buyer's Initials _____

Seller's Initials JS GS

28. DISPUTE RESOLUTION:

A. MEDIATION: The Parties agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action through the C.A.R. Consumer Mediation Center (www.consumermediation.org) or through any other mediation provider or service mutually agreed to by the Parties. The Parties also agree to mediate any disputes or claims with Broker(s), who, in writing, agree to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. Mediation fees, if any, shall be divided equally among the Parties involved. If, for any dispute or claim to which this paragraph applies, any Party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that Party shall not be entitled to recover attorney fees, even if they would otherwise be available to that Party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED. Exclusions from this mediation agreement are specified in paragraph 28C.

B. ARBITRATION OF DISPUTES: The Parties agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration. The Parties also agree to arbitrate any disputes or claims with Broker(s), who, in writing, agree to such arbitration prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of transactional real estate Law experience, unless the parties mutually agree to a different arbitrator. The Parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this agreement to arbitrate shall be governed by the Federal Arbitration Act. Exclusions from this arbitration agreement are specified in paragraph 28C.

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

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

Buyer's Initials _____

Seller's Initials JS GS

C. ADDITIONAL MEDIATION AND ARBITRATION TERMS:

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

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

30. MULTIPLE LISTING SERVICE ("MLS"): Brokers are authorized to report to the MLS a pending sale and, upon Close Of Escrow, the sales price and other terms of this transaction shall be provided to the MLS to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS.

Buyer's Initials (_____) (_____)

Seller's Initials (JS) (GS)



Property Address: 2375 Sunset Plaza Dr, Los Angeles, CA 90069

Date: March 12, 2018

- 31. **ATTORNEY FEES:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorneys fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 28A.
- 32. **ASSIGNMENT:** Buyer shall not assign all or any part of Buyer's interest in this Agreement without first having obtained the written consent of Seller. Such consent shall not be unreasonably withheld unless otherwise agreed in writing. Any total or partial assignment shall not relieve Buyer of Buyer's obligations pursuant to this Agreement unless otherwise agreed in writing by Seller (C.A.R. Form AOAA).
- 33. **EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
- 34. **TERMS AND CONDITIONS OF OFFER:** This is an offer to purchase the Property on the above terms and conditions. The liquidated damages paragraph or the arbitration of disputes paragraph is incorporated in this Agreement if initiated by all Parties or if incorporated by mutual agreement in a counteroffer or addendum. If at least one but not all Parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. Buyer has read and acknowledges receipt of a Copy of the offer and agrees to the confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing.
- 35. **TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES:** Time is of the essence. All understandings between the Parties are incorporated in this Agreement. Its terms are intended by the Parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Except as otherwise specified, this Agreement shall be interpreted and disputes shall be resolved in accordance with the Laws of the State of California. **Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.**
- 36. **DEFINITIONS:** As used in this Agreement:
 - A. "Acceptance" means the time the offer or final counter offer is accepted in writing by a Party and is delivered to and personally received by the other Party or that Party's authorized agent in accordance with the terms of this offer or a final counter offer.
 - B. "Agreement" means this document and any counter offers and any incorporated addenda, collectively forming the binding agreement between the Parties. Addenda are incorporated only when Signed by all Parties.
 - C. "C.A.R. Form" means the most current version of the specific form referenced or another comparable form agreed to by the parties.
 - D. "Close Of Escrow" means the date the grant deed, or other evidence of transfer of title, is recorded.
 - E. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
 - F. "Days" means calendar days. However, after Acceptance, the last Day for performance of any act required by this Agreement (including Close Of Escrow) shall not include any Saturday, Sunday, or legal holiday and shall instead be the next Day.
 - G. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59 PM on the final day.
 - H. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
 - I. "Deliver", "Delivered" or "Delivery", unless otherwise specified in writing, means and shall be effective upon: personal receipt by Buyer or Seller or the individual Real Estate Licensee for that principal as specified in the section titled Real Estate Brokers on page 11, regardless of the method used (i.e., messenger, mail, email, fax, other).
 - J. "Electronic Copy" or "Electronic Signature" means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either Party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other Party.
 - K. "Law" means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
 - L. "Repairs" means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
 - M. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.
- 37. **EXPIRATION OF OFFER:** This offer shall be deemed revoked and the deposit, if any, shall be returned to Buyer unless the offer is Signed by Seller and a Copy of the Signed offer is personally received by Buyer, or by _____ who is authorized to receive it, by 5:00 PM on the third Day after this offer is signed by Buyer (or by _____ AM/ PM, on _____ (date)).

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

Date 03/12/2018 BUYER _____

(Print name) (_____)

 03/13/2018 2:59:15

Date 03/12/2018 BUYER _____

(Print name) (_____)

 03/13/2018 3:41:00

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

Buyer's Initials (_____) (_____)

Seller's Initials () ()



Property Address: **2375 Sunset Plaza Dr, Los Angeles, CA 90069**

Date: **March 12, 2018**

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

(If checked) SELLER'S ACCEPTANCE IS SUBJECT TO ATTACHED COUNTER OFFER (C.A.R. Form SCO or SMCO) DATED: **March 17, 2018**

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

Date **3/17/2018 1:30 PM EDT** SELLER 

(Print name) **Paul Shepherd**

Date **3/17/2018 1:30 PM PDT** SELLER 

(Print name) **Gigi Shepherd**

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

(/) (Do not initial if making a counter offer.) **CONFIRMATION OF ACCEPTANCE:** A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date) _____ at _____
 AM/ PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

REAL ESTATE BROKERS:

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

Real Estate Broker (Selling Firm): _____ CalBRE Lic. # _____ Date **03/13/2018**
 By _____ CalBRE Lic. # _____ Date _____
 Address _____ City _____ State **CA** Zip _____
 Telephone _____ Fax _____ E-mail _____

Real Estate Broker (Listing Firm): _____ CalBRE Lic. # _____ Date **3/17/2018 10:12 AM PDT**
 By _____ CalBRE Lic. # _____ Date **3/17/2018 10:12 AM PDT**
 Address _____ City _____ State **CA** Zip **90212**
 Telephone _____ Fax _____ E-mail _____

ESCROW HOLDER ACKNOWLEDGMENT:

Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked, a deposit in the amount of \$ _____), counter offer numbers _____ Seller's Statement of Information and _____, and agrees to act as Escrow Holder subject to paragraph 26 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.

Escrow Holder is advised that the date of Confirmation of Acceptance of the Agreement as between Buyer and Seller is _____
 Escrow Holder _____ Escrow # _____
 By _____ Date _____
 Address _____
 Phone/Fax/E-mail _____
 Escrow Holder has the following license number # _____
 Department of Business Oversight, Department of Insurance, Bureau of Real Estate.

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

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

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VLPA REVISED 12/15 (PAGE 11 OF 11)

Buyer's Acknowledge that page 11 is part of this Agreement () ()

Reviewed by _____
 Broker or Designee _____





BUYER'S INSPECTION ADVISORY

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

Property Address: 2375 Sunset Plaza Dr, Los Angeles, CA 90069 ("Property").

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

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

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

- A. GENERAL CONDITION OF THE PROPERTY, ITS SYSTEMS AND COMPONENTS: Foundation, roof (condition, age, leaks, useful life), plumbing, heating, air conditioning, electrical, mechanical, security, pool/spa (cracks, leaks, operation), other structural and nonstructural systems and components, fixtures, built-in appliances, any personal property included in the sale, and energy efficiency of the Property.
B. SQUARE FOOTAGE, AGE, BOUNDARIES: Square footage, room dimensions, lot size, age of improvements and boundaries. Any numerical statements regarding these items are APPROXIMATIONS ONLY and have not been verified by Seller and cannot be verified by Brokers. Fences, hedges, walls, retaining walls and other barriers or markers do not necessarily identify true Property boundaries.
C. WOOD DESTROYING PESTS: Presence of, or conditions likely to lead to the presence of wood destroying pests and organisms.
D. SOIL STABILITY: Existence of fill or compacted soil, expansive or contracting soil, susceptibility to slippage, settling or movement, and the adequacy of drainage.
E. WATER AND UTILITIES; WELL SYSTEMS AND COMPONENTS; WASTE DISPOSAL: Water and utility availability, use restrictions and costs. Water quality, adequacy, condition, and performance of well systems and components. The type, size, adequacy, capacity and condition of sewer and septic systems and components, connection to sewer, and applicable fees.
F. ENVIRONMENTAL HAZARDS: Potential environmental hazards, including, but not limited to, asbestos, lead-based paint and other lead contamination, radon, methane, other gases, fuel oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, and other substances, materials, products, or conditions (including mold (airborne, toxic or otherwise), fungus or similar contaminants).
G. EARTHQUAKES AND FLOODING: Susceptibility of the Property to earthquake/seismic hazards and propensity of the Property to flood.
H. FIRE, HAZARD AND OTHER INSURANCE: The availability and cost of necessary or desired insurance may vary. The location of the Property in a seismic, flood or fire hazard zone, and other conditions, such as the age of the Property and the claims history of the Property and Buyer, may affect the availability and need for certain types of insurance. Buyer should explore insurance options early as this information may affect other decisions, including the removal of loan and inspection contingencies.
I. BUILDING PERMITS, ZONING AND GOVERNMENTAL REQUIREMENTS: Permits, inspections, certificates, zoning, other governmental limitations, restrictions, and requirements affecting the current or future use of the Property, its development or size.
J. RENTAL PROPERTY RESTRICTIONS: Some cities and counties impose restrictions that limit the amount of rent that can be charged, the maximum number of occupants, and the right of a landlord to terminate a tenancy. Deadbolt or other locks and security systems for doors and windows, including window bars, should be examined to determine whether they satisfy legal requirements.
K. SECURITY AND SAFETY: State and local Law may require the installation of barriers, access alarms, self-latching mechanisms and/or other measures to decrease the risk to children and other persons of existing swimming pools and hot tubs, as well as various fire safety and other measures concerning other features of the Property.
L. NEIGHBORHOOD, AREA, SUBDIVISION CONDITIONS; PERSONAL FACTORS: Neighborhood or area conditions, including schools, law enforcement, crime statistics, registered felons or offenders, fire protection, other government services, availability, adequacy and cost of internet connections or other technology services and installations, commercial, industrial or agricultural activities, existing and proposed transportation, construction and development that may affect noise, view, or traffic, airport noise, noise or odor from any source, wild and domestic animals, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally protected sites or improvements, cemeteries, facilities and condition of common areas of common interest subdivisions, and possible lack of compliance with any governing documents or Homeowners' Association requirements, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer.

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

Buyer

03/13/2018

Buyer

03/13/2018

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Reviewed by _____ Date _____





CALIFORNIA ASSOCIATION OF REALTORS®

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

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

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

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

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

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

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

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

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

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

Signature and date lines for Seller (Paul Shepherd, Gigi Shepherd), Buyer, and Real Estate Broker (Firm) with DocuSign verification marks and dates.

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Reviewed by _____ Date _____





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

Date March 17, 2018

This is a counter offer to the: [X] Purchase Agreement, [] Buyer Counter Offer No. [] or [] Other [] ("Offer"),
dated March 12, 2018, on property known as 2375 Sunset Plaza Drive, Los Angeles, CA ("Property"),
between [] ("Buyer"),
and Paul Shepherd, Gigi Shepherd ("Seller").

- 1. TERMS: The terms and conditions of the above referenced document are accepted subject to the following:
A. Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer or an addendum.
B. Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.
C. OTHER TERMS: 1. Par. 1.C. Purchase Price to be \$2,260,000.
2. Par. 3.A. Initial Deposit to be 3% of Purchase Price.
3. Par. 11.B.(2) to be stricken. All reports in Sellers' possession to be provided to Buyers.
4. Par. 9.B.(1)(b) Escrow services to be
5. Par. 9.B.(2)(b) Title services to be
6. Any agreement is subject to bankruptcy court approval. If the bankruptcy court does not approve the agreement for any reason unrelated to Buyers' breach of the agreement, the deposit will be returned, and the agreement will be of no force and effect.
7. Everything else to remain in full force and effect.
D. The following attached addenda are incorporated into this Seller Counter offer: [] Addendum No. []

- 2. EXPIRATION: This Seller Counter Offer shall be deemed revoked and the deposits, if any, shall be returned:
A. Unless by 5:00pm on the third Day After the date it is signed in paragraph 4 (if more than one signature then, the last signature date) or by [] AM [] PM on [] (date) (i) it is signed in paragraph 5 by Buyer and (ii) a copy of the signed Seller Counter Offer is personally received by Seller or [], who is authorized to receive it.
OR B. If Seller withdraws it anytime prior to Acceptance (CAR Form WOO may be used).
OR C. If Seller accepts another offer prior to Buyer's Acceptance of this counter offer.

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

4. OFFER: SELLER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY
DocuSigned by: Paul Shepherd Date 3/17/2018 | 1:30
Seller [Signature]
DocuSigned by: Gigi Shepherd Date 3/17/2018 | 10:27
Seller [Signature]

5. ACCEPTANCE: I/WE accept the above Seller Counter Offer (if checked [X] SUBJECT TO THE ATTACHED COUNTER OFFER) and acknowledge receipt of a Copy.
Buyer [] Date [] Time [] AM/ [] PM
Buyer [] Date [] Time [] AM/ [] PM

CONFIRMATION OF ACCEPTANCE:
(/) (Initials) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by Seller, or Seller's authorized agent as specified in paragraph 2A on (date) [] at [] AM/ [] PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Seller or Seller's authorized agent whether or not confirmed in this document.

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SCO 11/14 (PAGE 1 OF 1)

SELLER COUNTER OFFER (SCO PAGE 1 OF 1)



CALIFORNIA ASSOCIATION OF REALTORS®

BUYER COUNTER OFFER No. 1 (C.A.R. Form BCO, 11/14)

This is a counter offer to the: [X] Seller Counter Offer No. 1, [] Seller Multiple Counter Offer No. [] or Other [] ("Offer"), dated March 17, 2018, on property known as 2375 Sunset Plaza Dr, Los Angeles, CA 90069 ("Property"), between [] ("Buyer") and Paul Shepherd, Gigi Shepherd ("Seller"). Date March 18, 2018

- 1. TERMS: The terms and conditions of the above referenced document are accepted subject to the following:
A. Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer or an addendum.
B. Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.
C. OTHER TERMS: 1. Purchase price to be \$2,000,000.00

D. The following attached addenda are incorporated into this Buyer Counter offer: [] Addendum No. []

- 2. EXPIRATION: This Buyer Counter Offer shall be deemed revoked and the deposits, if any, shall be returned:
A. Unless by 5:00pm on the third Day After the date it is signed in paragraph 3 (if more than one signature then, the last signature date)(or by 12:00 [] AM [X] PM on 03/20/2018 (date)) (i) it is signed in paragraph 4 by Seller and (ii) a copy of the signed Buyer Counter Offer is personally received by Buyer or [] who is authorized to receive it.
OR B. If Buyer withdraws it in writing (CAR Form WOO) anytime prior to Acceptance.

3. OFFER: BUYER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY.

Buyer [] Date 03/18/2018 23:33:52
Buyer [] Date 03/19/2018 0:36:57
Date 03/18/2018
Date 03/18/2018

4. ACCEPTANCE: I/WE accept the above Buyer Counter Offer (if checked [X] SUBJECT TO THE ATTACHED COUNTER OFFER) and acknowledge receipt of a Copy.

Seller [] Date 3/23/2018 Time 5:56 PM [] AM/ [] PM
Seller [] Date 3/23/2018 Time 5:56 PM [] AM/ [] PM

CONFIRMATION OF ACCEPTANCE:

([] / [] / []) (Initials) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent as specified in paragraph 2A on (date) [] at [] AM/ [] PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document.

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CALIFORNIA ASSOCIATION OF REALTORS®

SELLER COUNTER OFFER No. 2
May not be used as a multiple counter offer.
(C.A.R. Form SCO, 11/14)

Date March 20, 2018

This is a counter offer to the: [] Purchase Agreement, [X] Buyer Counter Offer No. 1, or [] Other ("Offer"),
dated March 18, 2018, on property known as 2375 Sunset Plaza Drive, Los Angeles, CA ("Property"),
between [] ("Buyer")
and Paul Shepherd, Gigi Shepherd ("Seller").

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

Blank lines for additional terms and conditions.

D. The following attached addenda are incorporated into this Seller Counter offer: [X] Addendum No. 1

- 2. EXPIRATION: This Seller Counter Offer shall be deemed revoked and the deposits, if any, shall be returned:
A. Unless by 5:00pm on the third Day After the date it is signed in paragraph 4 (if more than one signature then, the last signature date)(or by [] AM [] PM on (date)) (i) it is signed in paragraph 5 by Buyer and (ii) a copy of the signed Seller Counter Offer is personally received by Seller or [], who is authorized to receive it.
OR B. If Seller withdraws it anytime prior to Acceptance (CAR Form WOO may be used).
OR C. If Seller accepts another offer prior to Buyer's Acceptance of this counter offer.

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

4. OFFER: SELLER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY
Seller [Signature: Paul Shepherd] DocuSigned by: Paul Shepherd Date 3/20/2018 9:18
Seller [Signature: Gigi Shepherd] DocuSigned by: Gigi Shepherd Date 3/20/2018 10:12

5. ACCEPTANCE: I/WE accept the above Seller Counter Offer (If checked [X] SUBJECT TO THE ATTACHED COUNTER OFFER) and acknowledge receipt of a Copy.
Buyer Date Time [] AM/ [] PM
Buyer Date Time [] AM/ [] PM

CONFIRMATION OF ACCEPTANCE:
(/) (Initials) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by Seller, or Seller's authorized agent as specified in paragraph 2A on (date) at [] AM/ [] PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Seller or Seller's authorized agent whether or not confirmed in this document.

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CALIFORNIA ASSOCIATION OF REALTORS®

ADDENDUM

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

No. 1

The following terms and conditions are hereby incorporated in and made a part of the: [] Purchase Agreement, [] Residential Lease or Month-to-Month Rental Agreement, [] Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right to rescind), [X] Other SCO2

dated March 20, 2018, on property known as 2375 Sunset Plaza Drive Los Angeles, CA

in which [] is referred to as ("Buyer/Tenant") and Paul Shepherd, Gigi Shepherd is referred to as ("Seller/Landlord").

1. Par.1.C. Purchase Price to be \$2,200,000. Purchase Price to revert to \$2,260,000 should escrow not close within 90 days of acceptance for reasons other than Seller delays.

2. Par.3.A. Initial Deposit to be 3% of Purchase Price.

3. Par.11.B.(2) to be stricken. All reports in Sellers' possession to be provided to Buyers.

4. Par.9.B.(1)(b) Escrow services to be

5. Par. 9.B.(2)(b) Title services to be Lawyer's Title

6. Any agreement is subject to bankruptcy court approval. If the bankruptcy court does not approve the agreement for any reason unrelated to Buyers' breach of the agreement, the deposit will be returned, and the agreement will be of no force and effect.

7. It is agreed between the parties that the subject property is being conveyed without ownership rights to the private road that is currently shared with 2460 SPD. This agreement shall be contingent upon the parties reaching agreement on a mutually agreeable easement agreement regarding the aforementioned and whereby the subject property would have rights to use the private road for ingress and egress, for construction and for parking.

8. Everything else to remain in full force and effect.

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

Date _____

Date 3/20/2018 | 9:18 PM EDT

Buyer/Tenant _____

Seller/Landlord

DocuSigned by:

Paul Shepherd

Buyer/Tenant _____

Seller/Landlord

Paul Shepherd 543E

Gigi Shepherd

Gigi Shepherd 18..

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BUYER COUNTER OFFER No. 2 (C.A.R. Form BCO, 11/14)

This is a counter offer to the: [X] Seller Counter Offer No. 2, [] Seller Multiple Counter Offer No. [] or Other [] ("Offer"), dated March 20, 2018, on property known as 2375 Sunset Plaza Dr, Los Angeles, CA 90069 ("Property"), between [] ("Buyer") and Paul Shepherd, Gigi Shepherd ("Seller"). Date March 21, 2018

- 1. TERMS: The terms and conditions of the above referenced document are accepted subject to the following:
A. Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer or an addendum.
B. Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.
C. OTHER TERMS: 1. Purchase price to be \$2,100,000.00

2. Item #1 on addendum 1 of Seller Counter Offer #2 dated March 20, 2018 is hereby deleted in its entirety.
3. If the bankruptcy court does not approve the agreement for any reason unrelated to Buyer's breach of the agreement, in addition to the deposit being returned in full, and the agreement being of no force and effect, any and all costs related to Buyer's due diligence and inspections shall be reimbursed to Buyer.

D. The following attached addenda are incorporated into this Buyer Counter offer: [] Addendum No. []

- 2. EXPIRATION: This Buyer Counter Offer shall be deemed revoked and the deposits, if any, shall be returned:
A. Unless by 5:00pm on the third Day After the date it is signed in paragraph 3 (if more than one signature then, the last signature date)(or by 9:00 [] AM [X] PM on 03/22/2018 (date)) (i) it is signed in paragraph 4 by Seller and (ii) a copy of the signed Buyer Counter Offer is personally received by Buyer or [] who is authorized to receive it.
OR B. If Buyer withdraws it in writing (CAR Form WOO) anytime prior to Acceptance.

3. OFFER: BUYER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY.

Buyer [] Date 03/21/2018
Buyer [] Date 03/21/2018

4. ACCEPTANCE: I/WE accept the above Buyer Counter Offer (If checked [X] SUBJECT TO THE ATTACHED COUNTER OFFER) and acknowledge receipt of a Copy.

Seller [Paul Shepherd] Date 3/23/2018 Time 3:56 PM [] AM [] PM
Seller [Gigi Shepherd] Date 3/23/2018 Time 3:56 PM [] AM [] PM

CONFIRMATION OF ACCEPTANCE:

([] / [] / []) (Initials) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent as specified in paragraph 2A on (date) [] at [] AM/[] PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document.

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Reviewed by [] Date []





CALIFORNIA ASSOCIATION OF REALTORS®

SELLER COUNTER OFFER No. 3
May not be used as a multiple counter offer.
(C.A.R. Form SCO, 11/14)

Date March 22, 2018

This is a counter offer to the: [] Purchase Agreement, [X] Buyer Counter Offer No. 2, or [] Other (Offer), dated March 21, 2018, on property known as 2375 Sunset Plaza Drive, Los Angeles, CA (Property), between (Buyer) and Paul Shepherd, Gigi Shepherd (Seller).

- 1. TERMS: The terms and conditions of the above referenced document are accepted subject to the following:
A. Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer or an addendum.
B. Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.
C. OTHER TERMS: 1. In the event the bankruptcy court does not approve the agreement for any reason unrelated to Buyer's breach of the agreement, in addition to the deposit being returned in full, and the agreement being of no force and effect, any and all costs related to Buyer's due diligence and inspections shall be reimbursed to Buyer not to exceed \$10,000. Buyer in turn for the reimbursement, will provide Seller with all reports that Buyer has completed.

2. Everything else remains in full force and effect.

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

- 2. EXPIRATION: This Seller Counter Offer shall be deemed revoked and the deposits, if any, shall be returned:
A. Unless by 5:00pm on the third Day After the date it is signed in paragraph 4 (if more than one signature then, the last signature date)(or by [] AM [] PM on (date)) (i) it is signed in paragraph 5 by Buyer and (ii) a copy of the signed Seller Counter Offer is personally received by Seller or [], who is authorized to receive it.
OR B. If Seller withdraws it anytime prior to Acceptance (CAR Form WOO may be used).
OR C. If Seller accepts another offer prior to Buyer's Acceptance of this counter offer.

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

4. OFFER: SELLER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY
Seller Paul Shepherd Date 3/22/2018 10:19
Seller Gigi Shepherd Date 3/22/2018 7:19

5. ACCEPTANCE: I/WE accept the above Seller Counter Offer (If checked [] SUBJECT TO THE ATTACHED COUNTER OFFER) and acknowledge receipt of a Copy
Buyer Date 03/23/2018 04:23 AM GMT Time [] AM/[] PM
Buyer Date 03/22/2018 05:36 AM GMT Time [] AM/[] PM

CONFIRMATION OF ACCEPTANCE:

(Initials) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by Seller, or Seller's authorized agent as specified in paragraph 2A on (date) 3/23/2018 9:59 AM EDT [] AM/[] PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Seller or Seller's authorized agent whether or not confirmed in this document.

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SCO 11/14 (PAGE 1 OF 1)

SELLER COUNTER OFFER (SCO PAGE 1 OF 1)

EXHIBIT "3"

EXHIBIT “3”

Fill in this information to identify your case:

Debtor 1 **Paul Stuart Shepherd**
 First Name Middle Name Last Name

Debtor 2 **GiGi Renee Shepherd**
 (Spouse if, filing) First Name Middle Name Last Name

United States Bankruptcy Court for the: CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES DIVISION

Case number **2:17-bk-17991-BB**
 (if known)

Check if this is an amended filing

B 104

For Individual Chapter 11 Cases: List of Creditors Who Have the 20 Largest Unsecured Claims Against You and Are Not Insiders

12/15

If you are an individual filing for bankruptcy under Chapter 11, you must fill out this form. If you are filing under Chapter 7, Chapter 12, or Chapter 13, do not fill out this form. Do not include claims by anyone who is an insider. Insiders include your relatives; any general partners; relatives of any general partners; partnerships of which you are a general partner; corporations of which you are an officer, director, person in control, or owner of 20 percent or more of their voting securities; and any managing agent, including one for a business you operate as a sole proprietor. 11 U.S.C. § 101. Also, do not include claims by secured creditors unless the unsecured claim resulting from inadequate collateral value places the creditor among the holders of the 20 largest unsecured claims.

Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information.

Part 1: List the 20 Unsecured Claims in Order from Largest to Smallest. Do Not Include Claims by Insiders.

		Unsecured claim
<div style="background-color: black; color: white; padding: 5px; font-weight: bold; font-size: 1.2em; margin-bottom: 5px;">1</div> <p>Ellen Hargitay 2370 Sunset Plaza Dr. Los Angeles, CA 90069</p> <hr/> <p>Contact _____</p> <hr/> <p>Contact phone _____</p>	<p>What is the nature of the claim? <u>Loan</u></p> <p>As of the date you file, the claim is: Check all that apply</p> <p><input type="checkbox"/> Contingent</p> <p><input type="checkbox"/> Unliquidated</p> <p><input type="checkbox"/> Disputed</p> <p><input checked="" type="checkbox"/> None of the above apply</p> <p>Does the creditor have a lien on your property?</p> <p><input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Yes. Total claim (secured and unsecured) \$ _____</p> <p style="padding-left: 40px;">Value of security: - \$ _____</p> <p style="padding-left: 40px;">Unsecured claim \$ _____</p>	<p>\$ 43,254.50</p>

<div style="background-color: black; color: white; padding: 5px; font-weight: bold; font-size: 1.2em; margin-bottom: 5px;">2</div> <p>Allen Matkins Leck Gamble Mallory & Natsis LLP 1901 Avenue of the Stars, 18th Fl Los Angeles, CA 90067</p> <hr/> <p>Scott Leipzig</p> <hr/>	<p>What is the nature of the claim? <u>Professional Legal Services</u></p> <p>As of the date you file, the claim is: Check all that apply</p> <p><input type="checkbox"/> Contingent</p> <p><input type="checkbox"/> Unliquidated</p> <p><input type="checkbox"/> Disputed</p> <p><input checked="" type="checkbox"/> None of the above apply</p> <p>Does the creditor have a lien on your property?</p> <p><input checked="" type="checkbox"/> No</p>	<p>\$ 36,473.00</p>
---	---	----------------------------

Debtor 1 **Paul Stuart Shepherd**
 Debtor 2 **GiGi Renee Shepherd** Case number (if known) **2:17-bk-17991-BB**

Contact Yes. Total claim (secured and unsecured) \$ _____
 (310) 788-2400 Value of security: - \$ _____
 Contact phone Unsecured claim \$ _____

3 What is the nature of the claim? **Credit Card** \$ **\$3,152.00**

Bank of America
P.O. Box 15168
Wilmington, DE 19850-5168

As of the date you file, the claim is: Check all that apply
 Contingent
 Unliquidated
 Disputed
 None of the above apply

Contact _____
 Contact phone _____
 Does the creditor have a lien on your property?
 No
 Yes. Total claim (secured and unsecured) \$ _____
 Value of security: - \$ _____
 Unsecured claim \$ _____

4 What is the nature of the claim? **Professional Legal Services** \$ **\$800.00**

Glenn Stevens
355 North Canon Drive
Beverly Hills, CA 90210

As of the date you file, the claim is: Check all that apply
 Contingent
 Unliquidated
 Disputed
 None of the above apply

Glenn Stevens
 Contact _____
 Contact phone **310-271-2229**
 Does the creditor have a lien on your property?
 No
 Yes. Total claim (secured and unsecured) \$ _____
 Value of security: - \$ _____
 Unsecured claim \$ _____

Part 2: Sign Below

Under penalty of perjury, I declare that the information provided in this form is true and correct.

X /s/ Paul Stuart Shepherd
Paul Stuart Shepherd
 Signature of Debtor 1

X /s/ GiGi Renee Shepherd
GiGi Renee Shepherd
 Signature of Debtor 2

Date July 14, 2017

Date July 14, 2017

Fill in this information to identify your case:

Debtor 1 **Paul Stuart Shepherd**
First Name Middle Name Last Name

Debtor 2 **GiGi Renee Shepherd**
(Spouse if, filing) First Name Middle Name Last Name

United States Bankruptcy Court for the: CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES DIVISION

Case number **2:17-bk-17991-BB**
(if known)

Check if this is an amended filing

Official Form 106Sum
Summary of Your Assets and Liabilities and Certain Statistical Information 12/15

Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. Fill out all of your schedules first; then complete the information on this form. If you are filing amended schedules after you file your original forms, you must fill out a new *Summary* and check the box at the top of this page.

Part 1: Summarize Your Assets

	Your assets
	<small>Value of what you own</small>
1. Schedule A/B: Property (Official Form 106A/B)	
1a. Copy line 55, Total real estate, from Schedule A/B.....	\$ <u>9,000,000.00</u>
1b. Copy line 62, Total personal property, from Schedule A/B.....	\$ <u>124,670.84</u>
1c. Copy line 63, Total of all property on Schedule A/B.....	\$ <u>9,124,670.84</u>

Part 2: Summarize Your Liabilities

	Your liabilities
	<small>Amount you owe</small>
2. <i>Schedule D: Creditors Who Have Claims Secured by Property</i> (Official Form 106D)	
2a. Copy the total you listed in Column A, <i>Amount of claim</i> , at the bottom of the last page of Part 1 of <i>Schedule D</i> ...	\$ <u>109,744.90</u>
3. <i>Schedule E/F: Creditors Who Have Unsecured Claims</i> (Official Form 106E/F)	
3a. Copy the total claims from Part 1 (priority unsecured claims) from line 6e of <i>Schedule E/F</i>	\$ <u>0.00</u>
3b. Copy the total claims from Part 2 (nonpriority unsecured claims) from line 6j of <i>Schedule E/F</i>	\$ <u>1,297,424.26</u>
Your total liabilities	\$ <u>1,407,169.16</u>

Part 3: Summarize Your Income and Expenses

4. <i>Schedule I: Your Income</i> (Official Form 106I)	
Copy your combined monthly income from line 12 of <i>Schedule I</i>	\$ <u>1,250.00</u>
5. <i>Schedule J: Your Expenses</i> (Official Form 106J)	
Copy your monthly expenses from line 22c of <i>Schedule J</i>	\$ <u>7,395.00</u>

Part 4: Answer These Questions for Administrative and Statistical Records

6. **Are you filing for bankruptcy under Chapters 7, 11, or 13?**
- No. You have nothing to report on this part of the form. Check this box and submit this form to the court with your other schedules.
- Yes
7. **What kind of debt do you have?**
- Your debts are primarily consumer debts.** *Consumer debts* are those "incurred by an individual primarily for a personal, family, or household purpose." 11 U.S.C. § 101(8). Fill out lines 8-9g for statistical purposes. 28 U.S.C. § 159.
- Your debts are not primarily consumer debts.** You have nothing to report on this part of the form. *Check this box* and submit this form to

Debtor 1 **Paul Stuart Shepherd**
Debtor 2 **GiGi Renee Shepherd**

Case number (if known) **2:17-bk-17991-BB**

the court with your other schedules.

8. **From the Statement of Your Current Monthly Income:** Copy your total current monthly income from Official Form 122A-1 Line 11; **OR**, Form 122B Line 11; **OR**, Form 122C-1 Line 14.

\$ <u> </u> 1,370.77

9. **Copy the following special categories of claims from Part 4, line 6 of Schedule E/F:**

From Part 4 on Schedule E/F, copy the following:	Total claim
9a. Domestic support obligations (Copy line 6a.)	\$ <u> </u> 0.00
9b. Taxes and certain other debts you owe the government. (Copy line 6b.)	\$ <u> </u> 0.00
9c. Claims for death or personal injury while you were intoxicated. (Copy line 6c.)	\$ <u> </u> 0.00
9d. Student loans. (Copy line 6f.)	\$ <u> </u> 0.00
9e. Obligations arising out of a separation agreement or divorce that you did not report as priority claims. (Copy line 6g.)	\$ <u> </u> 0.00
9f. Debts to pension or profit-sharing plans, and other similar debts. (Copy line 6h.)	+\$ <u> </u> 0.00
9g. Total. Add lines 9a through 9f.	\$ <u> </u> 0.00

Fill in this information to identify your case and this filing:

Debtor 1 **Paul Stuart Shepherd**
 First Name Middle Name Last Name

Debtor 2 **GiGi Renee Shepherd**
 (Spouse, if filing) First Name Middle Name Last Name

United States Bankruptcy Court for the: CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES DIVISION

Case number 2:17-bk-17991-BB

Check if this is an amended filing

**Official Form 106A/B
 Schedule A/B: Property**

12/15

In each category, separately list and describe items. List an asset only once. If an asset fits in more than one category, list the asset in the category where you think it fits best. Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write your name and case number (if known). Answer every question.

Part 1: Describe Each Residence, Building, Land, or Other Real Estate You Own or Have an Interest In

1. Do you own or have any legal or equitable interest in any residence, building, land, or similar property?

- No. Go to Part 2.
- Yes. Where is the property?

1.1

2375 and 2460 Sunset Plaza Drive
 Street address, if available, or other description

Los Angeles CA 90069-0000
 City State ZIP Code

Los Angeles
 County

What is the property? Check all that apply

- Single-family home
- Duplex or multi-unit building
- Condominium or cooperative
- Manufactured or mobile home
- Land
- Investment property
- Timeshare
- Other _____

Who has an interest in the property? Check one

- Debtor 1 only
- Debtor 2 only
- Debtor 1 and Debtor 2 only
- At least one of the debtors and another

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

Current value of the entire property?	Current value of the portion you own?
\$9,000,000.00	\$9,000,000.00

Describe the nature of your ownership interest (such as fee simple, tenancy by the entireties, or a life estate), if known.

Check if this is community property (see instructions)

Other information you wish to add about this item, such as local property identification number:

The Debtors' real property consists of two contiguous lots: (1) 2460 Sunset Plaza Drive, Los Angeles, CA 90069 (APN 5563-031-011) (the "Upper Lot"), an approximately 1.5 acre lot on which is located the Debtors' principal residence, and (2) 2375 Sunset Plaza Drive, Los Angeles, CA 90069 (APN 5563-031-012) (the "Lower Lot" and together with the Upper Lot the "Property"), an approximately 1 acre lot of undeveloped land.

The Debtors believe that the Property has a collective fair market value of between approximately \$8 and \$10 million. The middle value of \$9 million is used in "Current Value" above.

2. Add the dollar value of the portion you own for all of your entries from Part 1, including any entries for pages you have attached for Part 1. Write that number here.....=>

\$9,000,000.00

Part 2: Describe Your Vehicles

Debtor 1 **Paul Stuart Shepherd**
 Debtor 2 **GiGi Renee Shepherd**

Case number (if known) **2:17-bk-17991-BB**

Do you own, lease, or have legal or equitable interest in any vehicles, whether they are registered or not? Include any vehicles you own that someone else drives. If you lease a vehicle, also report it on *Schedule G: Executory Contracts and Unexpired Leases*.

3. Cars, vans, trucks, tractors, sport utility vehicles, motorcycles

- No
- Yes

3.1 Make: **Toyota**
 Model: **Tacoma**
 Year: **2005**
 Approximate mileage: **120,000**
 Other information:

Location: 2460 Sunset Plaza Drive, Los Angeles CA 90069

Who has an interest in the property? Check one

- Debtor 1 only
- Debtor 2 only
- Debtor 1 and Debtor 2 only
- At least one of the debtors and another

Check if this is community property
 (see instructions)

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

Current value of the entire property?	Current value of the portion you own?
<u> \$9,500.00 </u>	<u> \$9,500.00 </u>

3.2 Make: **Toyota**
 Model: **Prius**
 Year: **2013**
 Approximate mileage: **46,000**
 Other information:

Location: 2460 Sunset Plaza Drive, Los Angeles CA 90069

Who has an interest in the property? Check one

- Debtor 1 only
- Debtor 2 only
- Debtor 1 and Debtor 2 only
- At least one of the debtors and another

Check if this is community property
 (see instructions)

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

Current value of the entire property?	Current value of the portion you own?
<u> \$14,106.00 </u>	<u> \$14,106.00 </u>

4. Watercraft, aircraft, motor homes, ATVs and other recreational vehicles, other vehicles, and accessories

Examples: Boats, trailers, motors, personal watercraft, fishing vessels, snowmobiles, motorcycle accessories

- No
- Yes

5 **Add the dollar value of the portion you own for all of your entries from Part 2, including any entries for pages you have attached for Part 2. Write that number here.....=>**

\$23,606.00

Part 3: Describe Your Personal and Household Items

Do you own or have any legal or equitable interest in any of the following items?

Current value of the portion you own?
 Do not deduct secured claims or exemptions.

6. Household goods and furnishings

Examples: Major appliances, furniture, linens, china, kitchenware

- No
- Yes. Describe.....

Location: 2460 Sunset Plaza Drive, Los Angeles CA 90069

Miscellaneous Items, including GE refrigerator, gas stove, couch, 2 living room chairs, linens, microwave oven, love seat, glass coffee table, glass end table, bedding, kitchenware, etc.

 \$1,500.00

7. Electronics

Examples: Televisions and radios; audio, video, stereo, and digital equipment; computers, printers, scanners; music collections; electronic devices including cell phones, cameras, media players, games

- No
- Yes. Describe.....

Debtor 1 **Paul Stuart Shepherd**
Debtor 2 **GiGi Renee Shepherd**

Case number (if known) **2:17-bk-17991-BB**

Location: 2460 Sunset Plaza Drive, Los Angeles CA 90069

Miscellaneous Items, including 1 TiVo, 1 Dell Desktop Computer (2013), 1 Sony TV, etc.

\$500.00

8. Collectibles of value

Examples: Antiques and figurines; paintings, prints, or other artwork; books, pictures, or other art objects; stamp, coin, or baseball card collections; other collections, memorabilia, collectibles

No

Yes. Describe.....

Location: 2460 Sunset Plaza Drive, Los Angeles CA 90069

Approximately 200 Robert Chuey paintings each with an approximate value of \$100

\$20,000.00

9. Equipment for sports and hobbies

Examples: Sports, photographic, exercise, and other hobby equipment; bicycles, pool tables, golf clubs, skis; canoes and kayaks; carpentry tools; musical instruments

No

Yes. Describe.....

Location: 2460 Sunset Plaza Drive, Los Angeles CA 90069

Chuck Norris Total Gym

\$500.00

Location: 2460 Sunset Plaza Drive, Los Angeles CA 90069

2 Bowling Balls (20 years old)

\$10.00

10. Firearms

Examples: Pistols, rifles, shotguns, ammunition, and related equipment

No

Yes. Describe.....

11. Clothes

Examples: Everyday clothes, furs, leather coats, designer wear, shoes, accessories

No

Yes. Describe.....

Location: 2460 Sunset Plaza Drive, Los Angeles CA 90069

Miscellaneous Items

\$500.00

12. Jewelry

Examples: Everyday jewelry, costume jewelry, engagement rings, wedding rings, heirloom jewelry, watches, gems, gold, silver

No

Yes. Describe.....

13. Non-farm animals

Examples: Dogs, cats, birds, horses

No

Yes. Describe.....

Debtor 1 **Paul Stuart Shepherd**
Debtor 2 **GiGi Renee Shepherd**

Case number (if known) **2:17-bk-17991-BB**

Location: 2460 Sunset Plaza Drive, Los Angeles CA 90069

German Shepherd

\$900.00

14. Any other personal and household items you did not already list, including any health aids you did not list

- No
 Yes. Give specific information.....

Location: 2460 Sunset Plaza Drive, Los Angeles CA 90069

Weed Whacker and Lawn Blower

\$200.00

15. Add the dollar value of all of your entries from Part 3, including any entries for pages you have attached for Part 3. Write that number here

\$24,110.00

Part 4: Describe Your Financial Assets

Do you own or have any legal or equitable interest in any of the following?

Current value of the portion you own?
Do not deduct secured claims or exemptions.

16. **Cash**

Examples: Money you have in your wallet, in your home, in a safe deposit box, and on hand when you file your petition

- No
 Yes.....

**Location:
2460 Sunset
Plaza Drive,
Los Angeles
CA 90069**

\$2,055.00

17. **Deposits of money**

Examples: Checking, savings, or other financial accounts; certificates of deposit; shares in credit unions, brokerage houses, and other similar institutions. If you have multiple accounts with the same institution, list each.

- No
 Yes..... Institution name:

17.1. **Checking (Acct #
XXXX6136)**

Wells Fargo

\$57,108.62

17.2. **Checking (Acct #
XXXX4589)**

Bank of America

\$41.68

18. **Bonds, mutual funds, or publicly traded stocks**

Examples: Bond funds, investment accounts with brokerage firms, money market accounts

- No
 Yes..... Institution or issuer name:

19. **Non-publicly traded stock and interests in incorporated and unincorporated businesses, including an interest in an LLC, partnership, and joint venture**

- No
 Yes. Give specific information about them.....
Name of entity: % of ownership:

20. **Government and corporate bonds and other negotiable and non-negotiable instruments**

Negotiable instruments include personal checks, cashiers' checks, promissory notes, and money orders.

Non-negotiable instruments are those you cannot transfer to someone by signing or delivering them.

Debtor 1 **Paul Stuart Shepherd**
Debtor 2 **GiGi Renee Shepherd**

Case number (if known) **2:17-bk-17991-BB**

- No
- Yes. Give specific information about them
Issuer name:

21. Retirement or pension accounts

Examples: Interests in IRA, ERISA, Keogh, 401(k), 403(b), thrift savings accounts, or other pension or profit-sharing plans

- No
- Yes. List each account separately.
Type of account:

Institution name:

Retirement

CalStrs Retirement (Mrs. Shepherd)

\$11,533.54

22. Security deposits and prepayments

Your share of all unused deposits you have made so that you may continue service or use from a company

Examples: Agreements with landlords, prepaid rent, public utilities (electric, gas, water), telecommunications companies, or others

- No
- Yes.
Institution name or individual:

23. Annuities (A contract for a periodic payment of money to you, either for life or for a number of years)

- No
- Yes..... Issuer name and description.

24. Interests in an education IRA, in an account in a qualified ABLE program, or under a qualified state tuition program.

26 U.S.C. §§ 530(b)(1), 529A(b), and 529(b)(1).

- No
- Yes..... Institution name and description. Separately file the records of any interests. 11 U.S.C. § 521(c):

25. Trusts, equitable or future interests in property (other than anything listed in line 1), and rights or powers exercisable for your benefit

- No
- Yes. Give specific information about them...

26. Patents, copyrights, trademarks, trade secrets, and other intellectual property

Examples: Internet domain names, websites, proceeds from royalties and licensing agreements

- No
- Yes. Give specific information about them...

27. Licenses, franchises, and other general intangibles

Examples: Building permits, exclusive licenses, cooperative association holdings, liquor licenses, professional licenses

- No
- Yes. Give specific information about them...

Money or property owed to you?

Current value of the portion you own?
Do not deduct secured claims or exemptions.

28. Tax refunds owed to you

- No
- Yes. Give specific information about them, including whether you already filed the returns and the tax years.....

2016 Federal Tax Refund

Federal (IRS)

\$5,286.00

2016 State Tax Refund

State (FTB)

\$930.00

29. Family support

Examples: Past due or lump sum alimony, spousal support, child support, maintenance, divorce settlement, property settlement

- No

Debtor 1 **Paul Stuart Shepherd**
Debtor 2 **GiGi Renee Shepherd**

Case number (if known) **2:17-bk-17991-BB**

Yes. Give specific information.....

30. Other amounts someone owes you

Examples: Unpaid wages, disability insurance payments, disability benefits, sick pay, vacation pay, workers' compensation, Social Security benefits; unpaid loans you made to someone else

No

Yes. Give specific information..

31. Interests in insurance policies

Examples: Health, disability, or life insurance; health savings account (HSA); credit, homeowner's, or renter's insurance

No

Yes. Name the insurance company of each policy and list its value.

Company name:

Beneficiary:

Surrender or refund value:

32. Any interest in property that is due you from someone who has died

If you are the beneficiary of a living trust, expect proceeds from a life insurance policy, or are currently entitled to receive property because someone has died.

No

Yes. Give specific information..

33. Claims against third parties, whether or not you have filed a lawsuit or made a demand for payment

Examples: Accidents, employment disputes, insurance claims, or rights to sue

No

Yes. Describe each claim.....

Potential litigation claims against Nicholas Keros for, inter alia, breach of contract, undue influence, fraud, misrepresentation, deceit, reformation, rescission, and declaratory relief re: proper termination of the subject purported purchase agreement, based on the transaction and conduct described in (1) the Complaint and First Amended Complaint filed in Keros v. Shepherd, et al. (Case No. BC654456) and (2) the Statement of Events attached to the complaint filed by the Debtors on or about June 2, 2017 with the State of California Bureau of Real Estate against Douglas Elliman of California, Inc. and Josh Altman.

Unknown

Potential litigation claims against Douglas Elliman of California, Inc. and Josh Altman for, inter alia, breach of contract, undue influence, fraud, misrepresentation, deceit, negligence, and breach of fiduciary duty based on the putative transaction and conduct described in (1) the Complaint and First Amended Complaint filed in Keros v. Shepherd, et al. (Case No. BC654456) and (2) the Statement of Events attached to the complaint filed by the Debtors on or about June 2, 2017 with the State of California Bureau of Real Estate against Douglas Elliman of California, Inc. and Josh Altman

Unknown

34. Other contingent and unliquidated claims of every nature, including counterclaims of the debtor and rights to set off claims

No

Yes. Describe each claim.....

35. Any financial assets you did not already list

No

Yes. Give specific information..

Debtor 1 **Paul Stuart Shepherd**
Debtor 2 **GiGi Renee Shepherd**

Case number (if known) **2:17-bk-17991-BB**

36. Add the dollar value of all of your entries from Part 4, including any entries for pages you have attached for Part 4. Write that number here.....

\$76,954.84

Part 5: Describe Any Business-Related Property You Own or Have an Interest In. List any real estate in Part 1.

37. Do you own or have any legal or equitable interest in any business-related property?

- No. Go to Part 6.
- Yes. Go to line 38.

Part 6: Describe Any Farm- and Commercial Fishing-Related Property You Own or Have an Interest In.
If you own or have an interest in farmland, list it in Part 1.

46. Do you own or have any legal or equitable interest in any farm- or commercial fishing-related property?

- No. Go to Part 7.
- Yes. Go to line 47.

Part 7: Describe All Property You Own or Have an Interest in That You Did Not List Above

53. Do you have other property of any kind you did not already list?

Examples: Season tickets, country club membership

- No
- Yes. Give specific information.....

54. Add the dollar value of all of your entries from Part 7. Write that number here

\$0.00

Part 8: List the Totals of Each Part of this Form

55.	Part 1: Total real estate, line 2		\$9,000,000.00
56.	Part 2: Total vehicles, line 5	<u>\$23,606.00</u>	
57.	Part 3: Total personal and household items, line 15	<u>\$24,110.00</u>	
58.	Part 4: Total financial assets, line 36	<u>\$76,954.84</u>	
59.	Part 5: Total business-related property, line 45	<u>\$0.00</u>	
60.	Part 6: Total farm- and fishing-related property, line 52	<u>\$0.00</u>	
61.	Part 7: Total other property not listed, line 54	<u>\$0.00</u>	
		+	
62.	Total personal property. Add lines 56 through 61...	<u>\$124,670.84</u>	Copy personal property total <u>\$124,670.84</u>
63.	Total of all property on Schedule A/B. Add line 55 + line 62		\$9,124,670.84

Fill in this information to identify your case:

Debtor 1 **Paul Stuart Shepherd**
First Name Middle Name Last Name

Debtor 2 **GiGi Renee Shepherd**
(Spouse if, filing) First Name Middle Name Last Name

United States Bankruptcy Court for the: **CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES DIVISION**

Case number **2:17-bk-17991-BB**
(if known)

Check if this is an amended filing

Official Form 106C

Schedule C: The Property You Claim as Exempt

4/16

Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. Using the property you listed on *Schedule A/B: Property* (Official Form 106A/B) as your source, list the property that you claim as exempt. If more space is needed, fill out and attach to this page as many copies of *Part 2: Additional Page* as necessary. On the top of any additional pages, write your name and case number (if known).

For each item of property you claim as exempt, you must specify the amount of the exemption you claim. One way of doing so is to state a specific dollar amount as exempt. Alternatively, you may claim the full fair market value of the property being exempted up to the amount of any applicable statutory limit. Some exemptions—such as those for health aids, rights to receive certain benefits, and tax-exempt retirement funds—may be unlimited in dollar amount. However, if you claim an exemption of 100% of fair market value under a law that limits the exemption to a particular dollar amount and the value of the property is determined to exceed that amount, your exemption would be limited to the applicable statutory amount.

Part 1: Identify the Property You Claim as Exempt

1. Which set of exemptions are you claiming? Check one only, even if your spouse is filing with you.

- You are claiming state and federal nonbankruptcy exemptions. 11 U.S.C. § 522(b)(3)
- You are claiming federal exemptions. 11 U.S.C. § 522(b)(2)

2. For any property you list on *Schedule A/B* that you claim as exempt, fill in the information below.

Brief description of the property and line on <i>Schedule A/B</i> that lists this property	Current value of the portion you own <small>Copy the value from <i>Schedule A/B</i></small>	Amount of the exemption you claim <small>Check only one box for each exemption.</small>	Specific laws that allow exemption
<p>2375 and 2460 Sunset Plaza Drive Los Angeles, CA 90069 Los Angeles County</p> <p>The Debtors' real property consists of two contiguous lots: (1) 2460 Sunset Plaza Drive, Los Angeles, CA 90069 (APN 5563-031-011) (the "Upper Lot"), an approximately 1.5 acre lot o</p> <p>Line from <i>Schedule A/B</i>: 1.1</p>	\$9,000,000.00	<input checked="" type="checkbox"/> \$100,000.00 <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 704.730
<p>Location: 2460 Sunset Plaza Drive, Los Angeles CA 90069</p> <p>Miscellaneous Items, including GE refrigerator, gas stove, couch, 2 living room chairs, linens, microwave oven, love seat, glass coffee table, glass end table, bedding, kitchenware, etc.</p> <p>Line from <i>Schedule A/B</i>: 6.1</p>	\$1,500.00	<input checked="" type="checkbox"/> 100% <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 704.020

Debtor 1 **Paul Stuart Shepherd**
Debtor 2 **GiGi Renee Shepherd**

Case number (if known) **2:17-bk-17991-BB**

Brief description of the property and line on Schedule A/B that lists this property	Current value of the portion you own <small>Copy the value from Schedule A/B</small>	Amount of the exemption you claim <small>Check only one box for each exemption.</small>	Specific laws that allow exemption
Location: 2460 Sunset Plaza Drive, Los Angeles CA 90069 Miscellaneous Items, including 1 TiVo, 1 Dell Desktop Computer (2013), 1 Sony TV, etc. Line from Schedule A/B: 7.1	<u>\$500.00</u>	<input checked="" type="checkbox"/> <u>100%</u> <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 704.020
Location: 2460 Sunset Plaza Drive, Los Angeles CA 90069 Approximately 200 Robert Chuey paintings each with an approximate value of \$100 Line from Schedule A/B: 8.1	<u>\$20,000.00</u>	<input checked="" type="checkbox"/> <u>\$8,000.00</u> <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 704.040
Location: 2460 Sunset Plaza Drive, Los Angeles CA 90069 Chuck Norris Total Gym Line from Schedule A/B: 9.1	<u>\$500.00</u>	<input checked="" type="checkbox"/> <u>100%</u> <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 704.020
Location: 2460 Sunset Plaza Drive, Los Angeles CA 90069 2 Bowling Balls (20 years old) Line from Schedule A/B: 9.2	<u>\$10.00</u>	<input checked="" type="checkbox"/> <u>100%</u> <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 704.020
Location: 2460 Sunset Plaza Drive, Los Angeles CA 90069 Miscellaneous Items Line from Schedule A/B: 11.1	<u>\$500.00</u>	<input checked="" type="checkbox"/> <u>100%</u> <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 704.020
Location: 2460 Sunset Plaza Drive, Los Angeles CA 90069 Weed Whacker and Lawn Blower Line from Schedule A/B: 14.1	<u>\$200.00</u>	<input checked="" type="checkbox"/> <u>100%</u> <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 704.020
Retirement: CalStrs Retirement (Mrs. Shepherd) Line from Schedule A/B: 21.1	<u>\$11,533.54</u>	<input checked="" type="checkbox"/> <u>100%</u> <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 704.115(a)(1) & (2), (b)

3. **Are you claiming a homestead exemption of more than \$160,375?**
 (Subject to adjustment on 4/01/19 and every 3 years after that for cases filed on or after the date of adjustment.)
- No
- Yes. Did you acquire the property covered by the exemption within 1,215 days before you filed this case?
- No
- Yes

Fill in this information to identify your case:

Debtor 1 Paul Stuart Shepherd
First Name Middle Name Last Name

Debtor 2 GiGi Renee Shepherd
(Spouse if, filing) First Name Middle Name Last Name

United States Bankruptcy Court for the: CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES DIVISION

Case number 2:17-bk-17991-BB
(if known)

Check if this is an amended filing

Official Form 106D

Schedule D: Creditors Who Have Claims Secured by Property

12/15

Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. If more space is needed, copy the Additional Page, fill it out, number the entries, and attach it to this form. On the top of any additional pages, write your name and case number (if known).

1. Do any creditors have claims secured by your property?

- No. Check this box and submit this form to the court with your other schedules. You have nothing else to report on this form.
- Yes. Fill in all of the information below.

Part 1: List All Secured Claims

2. List all secured claims. If a creditor has more than one secured claim, list the creditor separately for each claim. If more than one creditor has a particular claim, list the other creditors in Part 2. As much as possible, list the claims in alphabetical order according to the creditor's name.

		Column A	Column B	Column C
		Amount of claim Do not deduct the value of collateral.	Value of collateral that supports this claim	Unsecured portion If any
2.1	<p>Ellen Hargitay <small>Creditor's Name</small></p> <p>2370 Sunset Plaza Dr. Los Angeles, CA 90069 <small>Number, Street, City, State & Zip Code</small></p> <p>Who owes the debt? Check one. <input type="checkbox"/> Debtor 1 only <input type="checkbox"/> Debtor 2 only <input checked="" type="checkbox"/> Debtor 1 and Debtor 2 only <input type="checkbox"/> At least one of the debtors and another <input checked="" type="checkbox"/> Check if this claim relates to a community debt</p>	<p>\$109,744.90</p>	<p>\$9,000,000.00</p>	<p>\$0.00</p>
<p>Describe the property that secures the claim:</p> <p>Only the Upper Lot of the Property as defined and described in Schedule A -- i.e., 2460 Sunset Plaza Drive, Los Angeles, CA 90069 (APN 5563-031-011), an approximately 1.5 acre lot on which is located the Debtors' principal residence.</p> <p>As of the date you file, the claim is: Check all that apply. <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed</p> <p>Nature of lien. Check all that apply. <input type="checkbox"/> An agreement you made (such as mortgage or secured car loan) <input type="checkbox"/> Statutory lien (such as tax lien, mechanic's lien) <input type="checkbox"/> Judgment lien from a lawsuit <input checked="" type="checkbox"/> Other (including a right to offset)</p>		<p>1st Priority Trust Deed</p>		
<p>Date debt was incurred <u>6/14/17</u> Last 4 digits of account number _____</p>				

Add the dollar value of your entries in Column A on this page. Write that number here:	\$109,744.90
If this is the last page of your form, add the dollar value totals from all pages. Write that number here:	\$109,744.90

Part 2: List Others to Be Notified for a Debt That You Already Listed

Use this page only if you have others to be notified about your bankruptcy for a debt that you already listed in Part 1. For example, if a collection agency is trying to collect from you for a debt you owe to someone else, list the creditor in Part 1, and then list the collection agency here. Similarly, if you have more than one creditor for any of the debts that you listed in Part 1, list the additional creditors here. If you do not have additional persons to be notified for any debts in Part 1, do not fill out or submit this page.

Fill in this information to identify your case:

Debtor 1 **Paul Stuart Shepherd**
First Name Middle Name Last Name

Debtor 2 **GiGi Renee Shepherd**
(Spouse if, filing) First Name Middle Name Last Name

United States Bankruptcy Court for the: **CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES DIVISION**

Case number **2:17-bk-17991-BB**
(if known)

Check if this is an amended filing

Official Form 106E/F

Schedule E/F: Creditors Who Have Unsecured Claims

12/15

Be as complete and accurate as possible. Use Part 1 for creditors with PRIORITY claims and Part 2 for creditors with NONPRIORITY claims. List the other party to any executory contracts or unexpired leases that could result in a claim. Also list executory contracts on Schedule A/B: Property (Official Form 106A/B) and on Schedule G: Executory Contracts and Unexpired Leases (Official Form 106G). Do not include any creditors with partially secured claims that are listed in Schedule D: Creditors Who Have Claims Secured by Property. If more space is needed, copy the Part you need, fill it out, number the entries in the boxes on the left. Attach the Continuation Page to this page. If you have no information to report in a Part, do not file that Part. On the top of any additional pages, write your name and case number (if known).

Part 1: List All of Your PRIORITY Unsecured Claims

1. Do any creditors have priority unsecured claims against you?

- No. Go to Part 2.
 Yes.

2. List all of your priority unsecured claims. If a creditor has more than one priority unsecured claim, list the creditor separately for each claim. For each claim listed, identify what type of claim it is. If a claim has both priority and nonpriority amounts, list that claim here and show both priority and nonpriority amounts. As much as possible, list the claims in alphabetical order according to the creditor's name. If you have more than two priority unsecured claims, fill out the Continuation Page of Part 1. If more than one creditor holds a particular claim, list the other creditors in Part 3.

(For an explanation of each type of claim, see the instructions for this form in the instruction booklet.)

		Total claim	Priority amount	Nonpriority amount	
2.1	Employment Development Dept. Priority Creditor's Name Bankruptcy Group MIC 92E P.O. Box 826880 Sacramento, CA 94280-0001 Number Street City State Zip Code	Last 4 digits of account number _____	\$0.00	\$0.00	\$0.00
	When was the debt incurred? _____ As of the date you file, the claim is: Check all that apply <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Type of PRIORITY unsecured claim: <input type="checkbox"/> Domestic support obligations <input checked="" type="checkbox"/> Taxes and certain other debts you owe the government <input type="checkbox"/> Claims for death or personal injury while you were intoxicated <input type="checkbox"/> Other. Specify _____				
	Who incurred the debt? Check one. <input type="checkbox"/> Debtor 1 only <input type="checkbox"/> Debtor 2 only <input checked="" type="checkbox"/> Debtor 1 and Debtor 2 only <input type="checkbox"/> At least one of the debtors and another <input type="checkbox"/> Check if this claim is for a community debt Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes				

For Notice Purposes Only

Debtor 1 **Paul Stuart Shepherd**
 Debtor 2 **GiGi Renee Shepherd**

Case number (if know) **2:17-bk-17991-BB**

2.2	Franchise Tax Board Priority Creditor's Name Bankruptcy Section, MS: A-340 P.O. Box 2952 Sacramento, CA 95812-2952 Number Street City State Zip Code	Last 4 digits of account number _____	\$0.00	\$0.00	\$0.00	
	Who incurred the debt? Check one. <input type="checkbox"/> Debtor 1 only <input type="checkbox"/> Debtor 2 only <input checked="" type="checkbox"/> Debtor 1 and Debtor 2 only <input type="checkbox"/> At least one of the debtors and another <input type="checkbox"/> Check if this claim is for a community debt Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	When was the debt incurred? _____	As of the date you file, the claim is: Check all that apply <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Type of PRIORITY unsecured claim: <input type="checkbox"/> Domestic support obligations <input checked="" type="checkbox"/> Taxes and certain other debts you owe the government <input type="checkbox"/> Claims for death or personal injury while you were intoxicated <input type="checkbox"/> Other. Specify _____			
For Notice Purposes Only						

2.3	Internal Revenue Service (IRS) Priority Creditor's Name P.O. Box 7346 Philadelphia, PA 19101-7346 Number Street City State Zip Code	Last 4 digits of account number _____	\$0.00	\$0.00	\$0.00	
	Who incurred the debt? Check one. <input type="checkbox"/> Debtor 1 only <input type="checkbox"/> Debtor 2 only <input checked="" type="checkbox"/> Debtor 1 and Debtor 2 only <input type="checkbox"/> At least one of the debtors and another <input type="checkbox"/> Check if this claim is for a community debt Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	When was the debt incurred? _____	As of the date you file, the claim is: Check all that apply <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Type of PRIORITY unsecured claim: <input type="checkbox"/> Domestic support obligations <input checked="" type="checkbox"/> Taxes and certain other debts you owe the government <input type="checkbox"/> Claims for death or personal injury while you were intoxicated <input type="checkbox"/> Other. Specify _____			
For Notice Purposes Only						

2.4	Los Angeles County Tax Collector Priority Creditor's Name P.O. Box 54110 Los AngelesCA 90054-0110 Number Street City State Zip Code	Last 4 digits of account number 3101	\$0.00	\$0.00	\$0.00	
	Who incurred the debt? Check one. <input type="checkbox"/> Debtor 1 only <input type="checkbox"/> Debtor 2 only <input checked="" type="checkbox"/> Debtor 1 and Debtor 2 only <input type="checkbox"/> At least one of the debtors and another <input type="checkbox"/> Check if this claim is for a community debt Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	When was the debt incurred? _____	As of the date you file, the claim is: Check all that apply <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Type of PRIORITY unsecured claim: <input type="checkbox"/> Domestic support obligations <input checked="" type="checkbox"/> Taxes and certain other debts you owe the government <input type="checkbox"/> Claims for death or personal injury while you were intoxicated <input type="checkbox"/> Other. Specify _____			
For Notice Purposes Only						

Part 2: List All of Your NONPRIORITY Unsecured Claims

3. Do any creditors have nonpriority unsecured claims against you?

- No. You have nothing to report in this part. Submit this form to the court with your other schedules.
 Yes.

4. List all of your nonpriority unsecured claims in the alphabetical order of the creditor who holds each claim. If a creditor has more than one nonpriority unsecured claim, list the creditor separately for each claim. For each claim listed, identify what type of claim it is. Do not list claims already included in Part 1. If more than one creditor holds a particular claim, list the other creditors in Part 3. If you have more than three nonpriority unsecured claims fill out the Continuation Page of

Debtor 1 **Paul Stuart Shepherd**
 Debtor 2 **GiGi Renee Shepherd**

Case number (if know) **2:17-bk-17991-BB**

Part 2.

		Total claim
4.1	<p>Allen Matkins Leck Gamble Nonpriority Creditor's Name Mallory & Natsis LLP 1901 Avenue of the Stars, 18th Fl Los Angeles, CA 90067 Number Street City State Zip Code Who incurred the debt? Check one. <input type="checkbox"/> Debtor 1 only <input type="checkbox"/> Debtor 2 only <input checked="" type="checkbox"/> Debtor 1 and Debtor 2 only <input type="checkbox"/> At least one of the debtors and another <input checked="" type="checkbox"/> Check if this claim is for a community debt Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes</p>	<p>Last 4 digits of account number _____</p> <p>When was the debt incurred? _____</p> <p>As of the date you file, the claim is: Check all that apply <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Type of NONPRIORITY unsecured claim: <input type="checkbox"/> Student loans <input type="checkbox"/> Obligations arising out of a separation agreement or divorce that you did not report as priority claims <input type="checkbox"/> Debts to pension or profit-sharing plans, and other similar debts <input checked="" type="checkbox"/> Other. Specify <u>Professional Legal Services</u></p> <p style="text-align: right;">\$36,473.00</p>
4.2	<p>Bank of America Nonpriority Creditor's Name P.O. Box 15168 Wilmington, DE 19850-5168 Number Street City State Zip Code Who incurred the debt? Check one. <input type="checkbox"/> Debtor 1 only <input checked="" type="checkbox"/> Debtor 2 only <input type="checkbox"/> Debtor 1 and Debtor 2 only <input type="checkbox"/> At least one of the debtors and another <input type="checkbox"/> Check if this claim is for a community debt Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes</p>	<p>Last 4 digits of account number <u>0514</u></p> <p>When was the debt incurred? <u>Various</u></p> <p>As of the date you file, the claim is: Check all that apply <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Type of NONPRIORITY unsecured claim: <input type="checkbox"/> Student loans <input type="checkbox"/> Obligations arising out of a separation agreement or divorce that you did not report as priority claims <input type="checkbox"/> Debts to pension or profit-sharing plans, and other similar debts <input checked="" type="checkbox"/> Other. Specify <u>Credit Card</u></p> <p style="text-align: right;">\$3,152.00</p>
4.3	<p>Douglas Elliman Nonpriority Creditor's Name c/o Colin Keenan, Sr. VP-Mng Broker 150 El Camino Drive Beverly Hills, CA 90212 Number Street City State Zip Code Who incurred the debt? Check one. <input type="checkbox"/> Debtor 1 only <input type="checkbox"/> Debtor 2 only <input checked="" type="checkbox"/> Debtor 1 and Debtor 2 only <input type="checkbox"/> At least one of the debtors and another <input checked="" type="checkbox"/> Check if this claim is for a community debt Is the claim subject to offset? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes</p>	<p>Last 4 digits of account number _____</p> <p>When was the debt incurred? _____</p> <p>As of the date you file, the claim is: Check all that apply <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed Type of NONPRIORITY unsecured claim: <input type="checkbox"/> Student loans <input type="checkbox"/> Obligations arising out of a separation agreement or divorce that you did not report as priority claims <input type="checkbox"/> Debts to pension or profit-sharing plans, and other similar debts <input checked="" type="checkbox"/> Other. Specify <u>Alleged Contingent Sale Commission</u></p> <p style="text-align: right;">\$0.00</p>

Debtor 1 **Paul Stuart Shepherd**
Debtor 2 **GiGi Renee Shepherd**

Case number (if know) **2:17-bk-17991-BB**

4.4

Ellen Hargitay
Nonpriority Creditor's Name
2370 Sunset Plaza Dr.
Los Angeles, CA 90069

Number Street City State Zip Code

Who incurred the debt? Check one.

- Debtor 1 only
- Debtor 2 only
- Debtor 1 and Debtor 2 only
- At least one of the debtors and another

Check if this claim is for a community debt

Is the claim subject to offset?

- No
- Yes

Last 4 digits of account number _____

\$43,254.50

When was the debt incurred? **4/26/17**

As of the date you file, the claim is: Check all that apply

- Contingent
- Unliquidated
- Disputed

Type of NONPRIORITY unsecured claim:

- Student loans
- Obligations arising out of a separation agreement or divorce that you did not report as priority claims
- Debts to pension or profit-sharing plans, and other similar debts

Other. Specify **Loan**

4.5

Force-Nagler, LLC
Nonpriority Creditor's Name
1868 North Doheny Drive
Los Angeles, CA 90069

Number Street City State Zip Code

Who incurred the debt? Check one.

- Debtor 1 only
- Debtor 2 only
- Debtor 1 and Debtor 2 only
- At least one of the debtors and another

Check if this claim is for a community debt

Is the claim subject to offset?

- No
- Yes

Last 4 digits of account number _____

\$0.00

When was the debt incurred? _____

As of the date you file, the claim is: Check all that apply

- Contingent
- Unliquidated
- Disputed

Type of NONPRIORITY unsecured claim:

- Student loans
- Obligations arising out of a separation agreement or divorce that you did not report as priority claims
- Debts to pension or profit-sharing plans, and other similar debts

Other. Specify **For Notice Purposes Only**

4.6

Force-Nagler, LLC
Nonpriority Creditor's Name
c/o Ms. Judy Nagler, Agent for Serv
13622 Gault Street
Van Nuys, CA 91405

Number Street City State Zip Code

Who incurred the debt? Check one.

- Debtor 1 only
- Debtor 2 only
- Debtor 1 and Debtor 2 only
- At least one of the debtors and another

Check if this claim is for a community debt

Is the claim subject to offset?

- No
- Yes

Last 4 digits of account number _____

\$0.00

When was the debt incurred? _____

As of the date you file, the claim is: Check all that apply

- Contingent
- Unliquidated
- Disputed

Type of NONPRIORITY unsecured claim:

- Student loans
- Obligations arising out of a separation agreement or divorce that you did not report as priority claims
- Debts to pension or profit-sharing plans, and other similar debts

Other. Specify **For Notice Purposes Only**

Debtor 1 **Paul Stuart Shepherd**
Debtor 2 **GiGi Renee Shepherd**

Case number (if know) **2:17-bk-17991-BB**

4.7

Glenn Stevens
Nonpriority Creditor's Name
355 North Canon Drive
Beverly Hills, CA 90210

Number Street City State Zip Code

Who incurred the debt? Check one.

- Debtor 1 only
- Debtor 2 only
- Debtor 1 and Debtor 2 only
- At least one of the debtors and another

Check if this claim is for a community debt

Is the claim subject to offset?

- No
- Yes

Last 4 digits of account number _____ **\$800.00**

When was the debt incurred? **April or May 2017**

As of the date you file, the claim is: Check all that apply

- Contingent
- Unliquidated
- Disputed

Type of NONPRIORITY unsecured claim:

- Student loans
- Obligations arising out of a separation agreement or divorce that you did not report as priority claims
- Debts to pension or profit-sharing plans, and other similar debts

Other. Specify **Attorney Fees**

4.8

Inez Shepherd
Nonpriority Creditor's Name
3209 Shoreheight Street
Las Vegas, NV 89117

Number Street City State Zip Code

Who incurred the debt? Check one.

- Debtor 1 only
- Debtor 2 only
- Debtor 1 and Debtor 2 only
- At least one of the debtors and another

Check if this claim is for a community debt

Is the claim subject to offset?

- No
- Yes

Last 4 digits of account number _____ **\$135,000.00**

When was the debt incurred? **June 2015**

As of the date you file, the claim is: Check all that apply

- Contingent
- Unliquidated
- Disputed

Type of NONPRIORITY unsecured claim:

- Student loans
- Obligations arising out of a separation agreement or divorce that you did not report as priority claims
- Debts to pension or profit-sharing plans, and other similar debts

Other. Specify **Personal Loan**

4.9

Inez Shepherd
Nonpriority Creditor's Name
3209 Shoreheight Street
Las Vegas, NV 89117

Number Street City State Zip Code

Who incurred the debt? Check one.

- Debtor 1 only
- Debtor 2 only
- Debtor 1 and Debtor 2 only
- At least one of the debtors and another

Check if this claim is for a community debt

Is the claim subject to offset?

- No
- Yes

Last 4 digits of account number _____ **\$205,847.36**

When was the debt incurred? **March 2014**

As of the date you file, the claim is: Check all that apply

- Contingent
- Unliquidated
- Disputed

Type of NONPRIORITY unsecured claim:

- Student loans
- Obligations arising out of a separation agreement or divorce that you did not report as priority claims
- Debts to pension or profit-sharing plans, and other similar debts

Other. Specify **Personal Loan**

Debtor 1 **Paul Stuart Shepherd**
Debtor 2 **GiGi Renee Shepherd**

Case number (if know) **2:17-bk-17991-BB**

4.1
0

Inez Shepherd

Last 4 digits of account number _____ **\$872,897.40**

Nonpriority Creditor's Name
**3209 Shoreheight Street
Las Vegas, NV 89117**

When was the debt incurred? **2012**

Number Street City State Zip Code

As of the date you file, the claim is: Check all that apply

Who incurred the debt? Check one.

- Debtor 1 only
- Debtor 2 only
- Debtor 1 and Debtor 2 only
- At least one of the debtors and another

- Contingent
- Unliquidated
- Disputed

Check if this claim is for a community debt

Type of NONPRIORITY unsecured claim:

Is the claim subject to offset?

- No
- Yes

- Student loans
- Obligations arising out of a separation agreement or divorce that you did not report as priority claims
- Debts to pension or profit-sharing plans, and other similar debts
- Other. Specify **Personal Loan**

4.1
1

LA DWP

Last 4 digits of account number **4694** **\$0.00**

Nonpriority Creditor's Name
**P.O. Box. 30808
Los Angeles, CA 90030-0808**

When was the debt incurred? _____

Number Street City State Zip Code

As of the date you file, the claim is: Check all that apply

Who incurred the debt? Check one.

- Debtor 1 only
- Debtor 2 only
- Debtor 1 and Debtor 2 only
- At least one of the debtors and another

- Contingent
- Unliquidated
- Disputed

Check if this claim is for a community debt

Type of NONPRIORITY unsecured claim:

Is the claim subject to offset?

- No
- Yes

- Student loans
- Obligations arising out of a separation agreement or divorce that you did not report as priority claims
- Debts to pension or profit-sharing plans, and other similar debts
- Other. Specify **Utility**

4.1
2

Mercury Insurance

Last 4 digits of account number **5377** **\$0.00**

Nonpriority Creditor's Name
**PO Box 11991
Santa Ana, CA 92711**

When was the debt incurred? _____

Number Street City State Zip Code

As of the date you file, the claim is: Check all that apply

Who incurred the debt? Check one.

- Debtor 1 only
- Debtor 2 only
- Debtor 1 and Debtor 2 only
- At least one of the debtors and another

- Contingent
- Unliquidated
- Disputed

Check if this claim is for a community debt

Type of NONPRIORITY unsecured claim:

Is the claim subject to offset?

- No
- Yes

- Student loans
- Obligations arising out of a separation agreement or divorce that you did not report as priority claims
- Debts to pension or profit-sharing plans, and other similar debts
- Other. Specify **Insurance**

Debtor 1 Paul Stuart Shepherd
Debtor 2 GiGi Renee Shepherd

Case number (if know) 2:17-bk-17991-BB

4.1
3

Mr. Josh Altman

Last 4 digits of account number _____ \$0.00

Nonpriority Creditor's Name

**The Altman Brothers
150 El Camino Drive
Beverly Hills, CA 90212**

Number Street City State Zip Code

Who incurred the debt? Check one.

- Debtor 1 only
- Debtor 2 only
- Debtor 1 and Debtor 2 only
- At least one of the debtors and another

Check if this claim is for a community debt

Is the claim subject to offset?

- No
- Yes

When was the debt incurred? _____

As of the date you file, the claim is: Check all that apply

- Contingent
- Unliquidated
- Disputed

Type of NONPRIORITY unsecured claim:

- Student loans
- Obligations arising out of a separation agreement or divorce that you did not report as priority claims
- Debts to pension or profit-sharing plans, and other similar debts

Other. Specify **Alleged Contingent Sale Commission**

4.1
4

Ms. Judy Nagler

Last 4 digits of account number _____ \$0.00

Nonpriority Creditor's Name

**1868 North Doheney Drive
Los Angeles, CA 90069**

Number Street City State Zip Code

Who incurred the debt? Check one.

- Debtor 1 only
- Debtor 2 only
- Debtor 1 and Debtor 2 only
- At least one of the debtors and another

Check if this claim is for a community debt

Is the claim subject to offset?

- No
- Yes

When was the debt incurred? _____

As of the date you file, the claim is: Check all that apply

- Contingent
- Unliquidated
- Disputed

Type of NONPRIORITY unsecured claim:

- Student loans
- Obligations arising out of a separation agreement or divorce that you did not report as priority claims
- Debts to pension or profit-sharing plans, and other similar debts

Other. Specify **For Notice Purposes Only**

4.1
5

Nicholas Keros

Last 4 digits of account number _____ \$0.00

Nonpriority Creditor's Name

**301 N. Lake Ave. Ste 1002
Pasadena, CA 91101**

Number Street City State Zip Code

Who incurred the debt? Check one.

- Debtor 1 only
- Debtor 2 only
- Debtor 1 and Debtor 2 only
- At least one of the debtors and another

Check if this claim is for a community debt

Is the claim subject to offset?

- No
- Yes

When was the debt incurred? _____

As of the date you file, the claim is: Check all that apply

- Contingent
- Unliquidated
- Disputed

Type of NONPRIORITY unsecured claim:

- Student loans
- Obligations arising out of a separation agreement or divorce that you did not report as priority claims
- Debts to pension or profit-sharing plans, and other similar debts

Other. Specify **Alleged Claim Pertaining to Real Property to Purported Real Property Transaction**

Debtor 1 Paul Stuart Shepherd
Debtor 2 GiGi Renee Shepherd

Case number (if know) 2:17-bk-17991-BB

4.1
6

Pacific Specialty Company

Last 4 digits of account number **0711** **\$0.00**

Nonpriority Creditor's Name

**2200 Geng Road
Suite 200**

Millbrae, CA 94030

Number Street City State Zip Code

Who incurred the debt? Check one.

- Debtor 1 only
- Debtor 2 only
- Debtor 1 and Debtor 2 only
- At least one of the debtors and another
- Check if this claim is for a community debt

Is the claim subject to offset?

- No
- Yes

When was the debt incurred?

As of the date you file, the claim is: Check all that apply

- Contingent
- Unliquidated
- Disputed

Type of NONPRIORITY unsecured claim:

- Student loans
- Obligations arising out of a separation agreement or divorce that you did not report as priority claims
- Debts to pension or profit-sharing plans, and other similar debts

Other. Specify **Insurance**

4.1
7

Sprint

Last 4 digits of account number **\$0.00**

Nonpriority Creditor's Name

**PO Box 629023
El Dorado Hills, CA 95762**

Number Street City State Zip Code

Who incurred the debt? Check one.

- Debtor 1 only
- Debtor 2 only
- Debtor 1 and Debtor 2 only
- At least one of the debtors and another
- Check if this claim is for a community debt

Is the claim subject to offset?

- No
- Yes

When was the debt incurred?

As of the date you file, the claim is: Check all that apply

- Contingent
- Unliquidated
- Disputed

Type of NONPRIORITY unsecured claim:

- Student loans
- Obligations arising out of a separation agreement or divorce that you did not report as priority claims
- Debts to pension or profit-sharing plans, and other similar debts

Other. Specify **Utilities (Cell Phone)**

4.1
8

Time Warner Cable

Last 4 digits of account number **6496** **\$0.00**

Nonpriority Creditor's Name

**Attn: Recovery Support
3347 Platt Springs Road
West Columbia, SC 29170**

Number Street City State Zip Code

Who incurred the debt? Check one.

- Debtor 1 only
- Debtor 2 only
- Debtor 1 and Debtor 2 only
- At least one of the debtors and another
- Check if this claim is for a community debt

Is the claim subject to offset?

- No
- Yes

When was the debt incurred?

As of the date you file, the claim is: Check all that apply

- Contingent
- Unliquidated
- Disputed

Type of NONPRIORITY unsecured claim:

- Student loans
- Obligations arising out of a separation agreement or divorce that you did not report as priority claims
- Debts to pension or profit-sharing plans, and other similar debts

Other. Specify **Utility**

Debtor 1 **Paul Stuart Shepherd**
 Debtor 2 **GiGi Renee Shepherd**

Case number (if know) **2:17-bk-17991-BB**

4.1
9

Traveler's Insurance

Last 4 digits of account number **5427**

\$0.00

Nonpriority Creditor's Name

PO Box 660307

Dallas, TX 75266-0307

Number Street City State Zip Code

Who incurred the debt? Check one.

- Debtor 1 only
- Debtor 2 only
- Debtor 1 and Debtor 2 only
- At least one of the debtors and another
- Check if this claim is for a community debt

Is the claim subject to offset?

- No
- Yes

When was the debt incurred?

As of the date you file, the claim is: Check all that apply

- Contingent
- Unliquidated
- Disputed

Type of NONPRIORITY unsecured claim:

- Student loans
- Obligations arising out of a separation agreement or divorce that you did not report as priority claims
- Debts to pension or profit-sharing plans, and other similar debts

Other. Specify **Insurance**

Part 3: List Others to Be Notified About a Debt That You Already Listed

5. Use this page only if you have others to be notified about your bankruptcy, for a debt that you already listed in Parts 1 or 2. For example, if a collection agency is trying to collect from you for a debt you owe to someone else, list the original creditor in Parts 1 or 2, then list the collection agency here. Similarly, if you have more than one creditor for any of the debts that you listed in Parts 1 or 2, list the additional creditors here. If you do not have additional persons to be notified for any debts in Parts 1 or 2, do not fill out or submit this page.

Name and Address

David M. Bass/Michael D. Murphy
Gerard Fox Law, P.C.
1880 Century Park East, Suite 1410
Los Angeles, CA 90067

On which entry in Part 1 or Part 2 did you list the original creditor?

Line **4.15** of (Check one):

- Part 1: Creditors with Priority Unsecured Claims
- Part 2: Creditors with Nonpriority Unsecured Claims

Last 4 digits of account number

Name and Address

Douglas Elliman
Agent for Service: C T Corporation
818 West 7th Street, Suite 930
Los Angeles, CA 90017

On which entry in Part 1 or Part 2 did you list the original creditor?

Line **4.3** of (Check one):

- Part 1: Creditors with Priority Unsecured Claims
- Part 2: Creditors with Nonpriority Unsecured Claims

Last 4 digits of account number

Name and Address

LA County Office of the Assessor
500 W Temple St.
Los Angeles, CA 90012

On which entry in Part 1 or Part 2 did you list the original creditor?

Line **2.4** of (Check one):

- Part 1: Creditors with Priority Unsecured Claims
- Part 2: Creditors with Nonpriority Unsecured Claims

Last 4 digits of account number

Name and Address

Spectrum Cable
PO Box 60074
City of Industry, CA 91716

On which entry in Part 1 or Part 2 did you list the original creditor?

Line **4.18** of (Check one):

- Part 1: Creditors with Priority Unsecured Claims
- Part 2: Creditors with Nonpriority Unsecured Claims

Last 4 digits of account number

Part 4: Add the Amounts for Each Type of Unsecured Claim

6. Total the amounts of certain types of unsecured claims. This information is for statistical reporting purposes only. 28 U.S.C. §159. Add the amounts for each type of unsecured claim.

		Total Claim	
Total claims from Part 1	6a. Domestic support obligations	6a.	\$ <u>0.00</u>
	6b. Taxes and certain other debts you owe the government	6b.	\$ <u>0.00</u>
	6c. Claims for death or personal injury while you were intoxicated	6c.	\$ <u>0.00</u>
	6d. Other. Add all other priority unsecured claims. Write that amount here.	6d.	\$ <u>0.00</u>
	6e. Total Priority. Add lines 6a through 6d.	6e.	\$ <u>0.00</u>
		Total Claim	

Debtor 1 **Paul Stuart Shepherd**
 Debtor 2 **GiGi Renee Shepherd**

Case number (if know) **2:17-bk-17991-BB**

Total claims from Part 2	6f. Student loans	6f.	\$	<u>0.00</u>
	6g. Obligations arising out of a separation agreement or divorce that you did not report as priority claims	6g.	\$	<u>0.00</u>
	6h. Debts to pension or profit-sharing plans, and other similar debts	6h.	\$	<u>0.00</u>
	6i. Other. Add all other nonpriority unsecured claims. Write that amount here.	6i.	\$	<u>1,297,424.26</u>
	6j. Total Nonpriority. Add lines 6f through 6i.	6j.	\$	<u>1,297,424.26</u>

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 10250 Constellation Boulevard, Suite 1700, Los Angeles, CA 90017.

A true and correct copy of the foregoing document entitled **DEBTORS' NOTICE OF MOTION AND MOTION FOR ENTRY OF AN ORDER (1) APPROVING THE SALE OF REAL PROPERTY FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS, WITH THE EXCEPTION OF ENUMERATED EXCLUSIONS, (2) AUTHORIZING AND APPROVING THE PAYMENT OF CERTAIN CLAIMS FROM SALE PROCEEDS, AND (3) PROVIDING RELATED RELIEF; MEMORANDUM OF POINTS AND AUTHORITIES AND DECLARATIONS 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 **May 9, 2018**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- Todd M Arnold tma@lnbyb.com
- Ron Bender rb@lnbyb.com
- Michael I Gottfried mgottfried@lgbfirm.com, srichmond@lgbfirm.com;emeza@lgbfirm.com;njanbay@lgbfirm.com
- Michael S Greger mgreger@allenmatkins.com
- Kenneth G Lau kenneth.g.lau@usdoj.gov
- Ron Maroko ron.maroko@usdoj.gov
- Uzzi O Raanan uor@dgd.com, DanningGill@gmail.com;uraanan@ecf.inforuptcy.com
- David B Shemano dshemano@robinskaplan.com
- Valerie Smith claims@recoverycorp.com
- United States Trustee (LA) ustpreion16.la.ecf@usdoj.gov
- Beth Ann R Young bry@lnbyb.com

2. SERVED BY UNITED STATES MAIL: On **May 9, 2018**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on **May 9, 2018**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

SERVED BY PERSONAL DELIVERY

The Hon. Sheri Bluebond
United States Bankruptcy Court
255 E. Temple Street, Suite 1534 / Courtroom 1539
Los Angeles, CA 90012

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

May 9, 2018

Lourdes Cruz

/s/ Lourdes Cruz

Date

Printed Name

Signature

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

In re Shepherd
File No. 8241
MML
Service by U.S. Mail

Scott J. Leipzig, Esq.
Allen Matkins Leck Gamble
Mallory & Natsis LLP
1901 Avenue of the Stars, 18th Fl
Los Angeles, CA 90067

Paul Stuart Shepherd
GiGi Renee Shepherd
2460 Sunset Plaza Drive
Los Angeles, CA 90069

Ron Maroko/ Hatty K Yip
Office of the U.S. Trustee
915 Wilshire Blvd., Ste 1850
Los Angeles, CA 90017

Douglas Elliman
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Beverly Hills, CA 90212

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Employment Development Dept.
Bankruptcy Group MIC 92E
P.O. Box 826880
Sacramento, CA 94280-0001

Douglas Elliman
Agent for Service: C T Corporation
818 West 7th Street, Suite 930
Los Angeles, CA 90017

Ellen Hargitay
2370 North Sunset Plaza Drive
Los Angeles, CA 90069

Franchise Tax Board
Bankruptcy Section, MS: A-340
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Sacramento, CA 95812-2952

Force-Nagler, LLC
1868 North Doheney Drive
Los Angeles, CA 90069

Force-Nagler, LLC
c/o Ms. Judy Nagler, Agent for Serv
13622 Gault Street
Van Nuys, CA 91405

Internal Revenue Service IRS
P.O. Box 7346
Philadelphia, PA 19101-7346

Glenn Stevens
355 North Canon Drive
Beverly Hills, CA 90210

Inez Shepherd
3209 Shoreheight Street
Las Vegas, NV 89117

Los Angeles County Tax Collector
P.O. Box 54110
Los Angeles, CA 90054-0110

LA County Office of the Assessor
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Los Angeles, CA 90012

LA DWP
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Los Angeles, CA 90030-0808

Ms. Judy Nagler
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Mercury Insurance
PO Box 11991
Santa Ana, CA 92711

Mr. Josh Altman
The Altman Brothers
150 El Camino Drive
Beverly Hills, CA 90212

Spectrum Cable
PO Box 60074
City of Industry, CA 91716

Nicholas Keros
301 N. Lake Ave. Ste 1002
Pasadena, CA 91101

Pacific Specialty Company
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Suite 200
Millbrae, CA 94030

Traveler's Insurance
PO Box 660307
Dallas, TX 75266-0307

Sprint
PO Box 629023
El Dorado Hills, CA 95762

Time Warner Cable
Attn: Recovery Support
3347 Platt Springs Road
West Columbia, SC 29170

SPRINT NEXTEL
CORRESPONDENCE
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LA DWP
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The Pacific Light & Power Co.
Stefan Bird, President and CEO
825 NE Multnomah Street
Portland, OR 97232

Daniel Franklin & Susanne Konigsberg,
individually and in their capacities as Trustees of
the Konigsberg Inter Vivos Trust dated August 8,
2007
2355 Sunset Plaza Drive
Los Angeles, CA 90069

Alan Diamond
2056 Pauline Avenue
Los Angeles, CA 90046

City of Los Angeles
Mike Feuer, City Attorney
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Cable
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Los Angeles, California 90069

John Powell
9028 Crescent Drive
Los Angeles, CA 90046

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Los Angeles, CA 90046

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Los Angeles, CA 90067

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MRCA Brush Clearing District
Mountains Recreation & Conservation Authority
George Lange, Chairman of the Board
570 West Avenue 26, Suite 100
Los Angeles, CA 90065

Thomas Nickel
9012 Crescent Drive
Los Angeles, CA 90046

Rozae Nichols
8910 Crescent Drive
Los Angeles, CA 90046

AT&T Inc. as successor to
Pacific Telephone & Telegraph Co.
RANDALL STEPHENSON, CRO
208 S. Akardst
Dallas, TX 75202