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6 Attorneys Philip Richard Cantwell, Jr.,  
Debtor and Debtor in Possession

7  
8 **UNITED STATES BANKRUPTCY COURT**  
9 **CENTRAL DISTRICT OF CALIFORNIA, SANTA ANA DIVISION**

10 In re ) Case No. 8:17-bk-10032 ES  
11 ) Chapter 11  
12 ) **AMENDED MOTION FOR ORDER:**  
13 **PHILIP RICHARD CANTWELL, JR.** ) **1. AUTHORIZING SALE OF REAL**  
14 ) **PROPERTY, FREE AND CLEAR OF LIENS**  
15 ) **PURSUANT TO 11 U.S.C. §363(b) AND (f);**  
16 ) **2. APPROVING OVER BID**  
17 ) **PROCEDURES;**  
18 ) **3. FOR DETERMINATION OF GOOD**  
19 ) **FAITH PURCHASER UNDER 11 U.S.C.**  
20 ) **§ 363(M); AND**  
21 ) **4. PAYMENT OF REAL ESTATE**  
22 ) **BROKER COMMISSIONS;**  
23 ) **MEMORANDUM OF POINTS AND**  
24 ) **AUTHORITIES; DECLARATIONS OF**  
25 ) **PHILIP RICHARD CANTWELL, JR. AND**  
26 ) **VICKI L SCHENNUM IN SUPPORT**  
27 ) **THEREOF**  
28 )  
Date: July 11, 2017  
Time: 10:30 a.m.  
Ctrm: 5A, 5<sup>th</sup> Floor  
411 W. Fourth Street  
Santa Ana, CA 92701

23 **TO THE HONORABLE ERITHE SMITH, UNITED STATES BANKRUPTCY JUDGE:**

24 Philip Richard Cantwell, Jr., debtor and debtor in possession (the “Debtor”) submits the  
25 following amended motion (the “Sale Motion”) for an order: 1) authorizing sale of real property, free  
26 and clear of liens pursuant to 11 U.S.C. §363(b) and (f); 2) approving overbid procedures; 3) for  
27 determination of good faith purchaser under 11 U.S.C. § 363(m); and 4) payment of real estate broker  
28 commissions. Specifically, the Debtor seeks an order authorizing the sale of residential real property

1 located at 19682 Seawind Circle, Huntington Beach, California (the “Property”) free and clear of the  
2 liens, as all liens shall be paid through escrow. In support of this Sale Motion, the Debtor submits as  
3 follows:

4  
5 **STATEMENT OF FACTS**

6 A. **BACKGROUND FACTS**

7 1. The Debtor is a self-employed real estate and insurance professional. The Debtor has  
8 experienced very difficult times in the past few years, including the loss of his brother and business  
9 partner (John), a debilitating illness suffered by his sister and the very recent loss of his mother. The  
10 Debtor also suffered substantial financial losses, including the loss of a restaurant owned by the Debtor  
11 and his brother called 3 Thirty 3 located in Newport Beach, a plastics company and a luxury home with  
12 \$4.4 million in equity. [Cantwell Declaration ¶2].

13 2. The Debtor had been involved in a loan modification process with Wells Fargo since  
14 April of 2012. During this time, the Debtor continued to provide requested information and  
15 documentation to Wells Fargo through a loan modification special. Then, in October 2016, Wells Fargo  
16 pulled the plug by denying the loan modification request and immediately commencing foreclosure  
17 proceedings. [Cantwell Declaration ¶3].

18  
19 B. **THE BANKRUPTCY PROCEEDING**

20 3. On January 5, 2017 (the “Petition Date”), the Debtor commenced this case, in pro per,  
21 to stop the pending foreclosure sale of the family residence located 103 Calle Del Pacifico, San  
22 Clemente, as well as to restructure the debt secured by trust deed favor of Wells Fargo Bank. The  
23 Schedules filed at that time indicate that the Debtor’s secured debts exceed that which is allowed by  
24 U.S.C. §109(e). [Cantwell Declaration ¶4].

25 4. The Chapter 13 Meeting of Creditors occurred on February 16, 2017 at 2:00 p.m. At the  
26 meeting of creditors, the Debtor was made aware of the issue pertaining to the debt limits for Chapter 13.  
27 On February 22, 2017, the Debtor substituted in the Law Offices of Michael G. Spector as his counsel.  
28 By Order entered on March 17, 2017, the Debtor’s case was converted to one under Chapter 11. [Docket

1 No. 34]. And, by Order entered on April 12, 2017, the Court authorized the employment of the Law  
2 Offices of Michael G. Spector as Debtor's Chapter 11 counsel. [Docket No. 36].

3 5. No creditors' committee, trustee or examiner has been appointed in this case.  
4

5 C. ACQUISITION OF THE PROPERTY

6 6. The Property was previously owned by the Debtor's brother, John Cantwell. In 2015, the  
7 Property was foreclosed upon by Wells Fargo. Prior to his passing, John Cantwell was in the middle  
8 of litigation against Wells Fargo for wrongful foreclosure. Thereafter, Wells Fargo transferred title to  
9 the Property to Banc of America Funding Corporation 2006 H ("US Bank"). Upon the passing of John  
10 Cantwell in April of 2016, the Debtor in his capacity as executor of the estate of John Cantwell, took  
11 over said litigation. In March 2017, after the Petition Date, the Debtor was given an opportunity to  
12 purchase the Property from US Bank in an amount equal to the outstanding loan balance so long as the  
13 sale closed within a very short period of time. Believing that the resale value of the Property was  
14 significantly higher than the purchase price, the Debtor contacted his business associate, Anthony Souza,  
15 who agreed to put up the funds needed to purchase the Property. Because Souza was traveling on  
16 business at the time and there was a very short window of time, the Debtor and Souza agreed to an  
17 informal partnership, instead of forming a legal entity, whereby the Debtor signed a promissory note to  
18 be secured by a deed of trust on the Property, which essentially allowed Souza to receive his contribution  
19 back, with seven percent (7%) prior to splitting 50/50 any net sale proceeds derived from a subsequent  
20 sale of the Property. [Cantwell Declaration ¶5 and Exhibit "1"].

21 7. The offer was accepted by Wells Fargo/US Bank on the condition that the sale close  
22 immediately and that the Debtor, as executor of his brother's estate, dismissed the lawsuit his brother  
23 had filed against Wells Fargo. The Debtor dismissed the lawsuit against Wells Fargo. Souza put up the  
24 \$645,000 necessary to purchase the Property and title was transferred to the Debtor. The Debtor signed  
25 a promissory note and deed of trust in favor of Souza. [Exhibit "2" to the Cantwell Declaration]. The  
26 Debtor *mistakenly* believed that Court approval was not necessary as he was considering this as an  
27 informal partnership and did not consider that he was obligating himself on a promissory note.  
28 [Cantwell Declaration ¶6].

1 D. THE PROPOSED SALE

2 8. Simultaneously with the purchase of the Property, the Debtor had been working with  
3 Diana Perna of PK Real Estate and Investments to acquire a purchaser of the Property in an amount  
4 significantly greater than the purchase price. Shortly after acquiring the Property, an offer was received  
5 to purchase the Property in an “AS IS” condition for a purchase price of \$730,000. [Cantwell Declaration  
6 ¶7].

7 9. On or about March 24, 2017, the Debtor entered into a Residential Purchase Agreement  
8 and Joint Escrow Instructions (the “Sale Agreement”) with Donna Colbert, Trustee of The Colbert  
9 Family Trust of 1990 Dated January 20, 1990 (“the Buyer”), which provides for sale of the Property for  
10 the sum of \$730,000. [Exhibit “3” to Cantwell Declaration]. The general terms of the Sale Agreement  
11 and addendums are as follows:

- 12 a. Sale price of \$730,000 (the “Purchase Price”);
- 13 b. Deposit of \$10,000, with an additional deposit of \$136,000 and the balance due  
14 at closing in the form of loan proceeds in the amount of \$584,000;
- 15 c. Property is sold “as is;”
- 16 d. The cost of the owners’ title policies shall be paid from the Sellers’ proceeds;
- 17 e. Escrow fees to be paid 50/50 between the Sellers and the Buyer;
- 18 f. Escrow to close ASAP after entry of Order approving sale; and
- 19 g. Real estate broker’s commissions in the amount of 2 percent (2%) of the Purchase  
20 Price (\$14,600) to be paid to P K Real Estate and Investments (the “Broker”).

21 10. Other than the subject sale, the Debtor is otherwise unrelated to the Buyer. All discussions  
22 regarding the sale of the Property were conducted by the Broker and were conducted in good faith,  
23 without collusion, and at arms-length. [Cantwell Declaration ¶9].

24 11. On June 12, 2017, the Debtor and the Buyer executed an addendum which provides that  
25 this proposed sale is subject to overbid. [Exhibit “4” to Cantwell Declaration].

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1 E. LIENS AND ASSESSMENTS TO BE PAID THROUGH ESCROW

- 2 12. The following lien, assessments and other amounts due shall be paid through escrow:
- 3 a. First priority lien in favor of \$645,000 plus interest at the rate of 7% from the
- 4 inception of the loan to the date of the closing of escrow;
- 5 b. Real property taxes estimated at \$3,818.58 (through May 12, 2017); and
- 6 c. Escrow title and other fees and costs estimated at \$5,725.
- 7 13. Per the terms of their agreement, net proceeds of approximately \$66,000 will be split
- 8 evenly between Mr. Souza and the Debtor's estate. [Cantwell Declaration ¶7].

9

10 F. COMMISSIONS AND CLOSING COSTS TO BE PAID

- 11 14. On June 13, 2017, the Debtor filed an application for order authorizing the *nunc pro tunc*
- 12 employment of the Broker. The Debtor is to pay real estate broker's commissions as follows: Broker
- 13 to be paid \$14,600 or 2 percent (2%) of the Purchase Price. [Cantwell Declaration ¶11].

14

15 G. ESTIMATED NET PROCEEDS

- 16 15. It is estimated that, after payment of allowed liens, fees and costs, including the Broker's
- 17 commissions, there will be remaining proceeds of approximately \$66,000 which shall be split 50/50
- 18 between the Debtor and Anthony Souza. [Cantwell Declaration ¶7].

19

20 H. OVERBIDDING

- 21 16. The Property will be sold subject to overbid at an open auction (the "Auction") to be
- 22 conducted by the counsel for the Debtor before the Court at the time that this Sale Motion is heard.
- 23 Subject to Court approval, the Debtor has established the following overbid procedures, which shall
- 24 govern any bidding:
- 25 a. Any person or entity that is interested in purchasing the Property ("Bidders") must
- 26 serve the Debtor and his counsel with an initial bid in conformance with these procedures ("Overbid"),
- 27 such that any Overbid is actually received no later than the commencement of the auction ("Bid
- 28 Deadline");

1           b. Any entity that submits a timely, conforming Overbid shall be deemed a  
2 “Qualified Bidder” and may bid for the Property at the hearing. Unless otherwise permitted by the Court,  
3 any entity that fails to submit a timely, conforming bid shall be disqualified from bidding for the  
4 Property;

5           c. The Debtor, subject to Court review and the rights of a Bidder or party in interest  
6 to raise an issue with the Court, shall have sole authority to determine whether a party is a Qualified  
7 Bidder;

8           d. Any Overbid must remain open until the conclusion of the Auction of the Property  
9 to be held at the hearing on this Sale Motion;

10          e. Initial Overbid must be \$10,000 higher than the Purchase Price with minimum  
11 of \$5,000 incremental overbids thereafter;

12          f. Any Overbid must be for the Property “as is,” “where is,” and “with all faults,”  
13 and shall not contain any financing, due diligence, or any other contingency fee, termination fee, or any  
14 similar fee or expense reimbursement;

15          g. Any Overbid must be accompanied by a deposit of \$10,000 in certified funds,  
16 which funds shall be non-refundable if the bid is determined by the Court to be the highest and best bid  
17 for the Property (“Best Bid”), and proof satisfactory to the Debtor that such bidder has sufficient funds  
18 to complete the sale;

19          h. Any Overbid must be made by a person or entity who has completed its due  
20 diligence review of the Property and is satisfied with the results thereof;

21          i. If the Debtor receives a timely, conforming Overbid for the Property, the Court  
22 will conduct the Auction at the hearing on the Sale Motion, in which all Qualified Bidders may  
23 participate. The Auction shall be governed by the following procedures: (1) All Qualified Bidders shall  
24 be deemed to have consented to the core jurisdiction of the Bankruptcy Court and to have waived any  
25 right to jury trial in connection with any disputes relating to the Auction or the sale of the Property; (2)  
26 After the initial overbid of \$10,000 greater than the Purchase Price, the minimum bidding increment  
27 during the Auction shall be \$5,000; (3) Bidding shall commence at \$740,000 (\$10,000 over the Purchase  
28 Price); and (4) The Court will determine which of the bids is the Best Bid (“Successful Bidder”);

1 j. If the Successful Bidder is not the Purchaser, the Purchaser shall be reimbursed  
2 his costs for the home inspection, the termite inspection and appraisal; and

3 k. The Successful Bidder must pay, at the closing, all amounts reflected in the Best  
4 Bid in cash and such other consideration as agreed upon.

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6 **MEMORANDUM OF POINTS AND AUTHORITIES**

7 I.

8 **THE COURT MAY AUTHORIZE THE SALE OF PROPERTY**

9 **WHERE THERE IS A GOOD FAITH PURCHASER**

10 17. The Court may authorize a sale of assets where the sale is in the best interests of the estate  
11 after notice and a hearing. 11 U.S.C. §363(b).

12 18. The standards for approval of a sale pursuant to Section 363(b)(1) require that the  
13 proponent of the sale establish that:

14 a. "Sound business purpose justifies a sale;"

15 b. "Accurate and reasonable notice" of the sale is provided;

16 c. "The price to be paid is adequate, i.e., fair and reasonable;"

17 d. "Good faith, i.e., the absence of any lucrative deals with insiders, is present." See

18 In Re Industrial Valley Refrigerator and Air Conditioning Supplies, Inc., 77 B.R. 15, 21 (Bankr. E.D.  
19 Penn. 1987). As set forth herein, the proposed sale of the Property conforms with each of these  
20 requirements.

21  
22 A. **THE DEBTOR HAS A SOUND BUSINESS PURPOSE FOR THE SALE**

23 19. The Ninth Circuit Bankruptcy Appellate Panel in In Re Walter, 83 B.R. 14 (9th Cir. BAP  
24 1988), adopting the reasoning of the Fifth Circuit in In Re Continental Airlines, Inc., 780 F.2d 1223 (5th  
25 Cir. 1986) and the Second Circuit in In Re Lionel Corporation, 722 F.2d 1063 (2d. Cir. 1983), adopted  
26 a flexible, case by case test to determine whether the business purpose for a proposed sale or use of  
27 estate property justifies disposition of property of the estate under Section 363(b).

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1           20.     In this case, the Debtor seeks to sell the Property in order to obtain the funds necessary  
2 to fund the Plan and pay related obligations. [Cantwell Declaration ¶12]. Accordingly, there is a sound  
3 business purpose for the sale which is in the best interests of the creditors and the estate.  
4

5 B.     REASONABLE AND ACCURATE NOTICE HAS BEEN PROVIDED

6           21.     Pursuant to Local Bankruptcy Rule 6004-1(c)(1) and 9013-1(c) , the Debtor provided at  
7 least twenty-one (21) days notice of the proposed sale of the Property to: a) all creditors of the estate  
8 and parties-in-interest in this case, including any party which claims an interest in the Property; b) all  
9 entities requesting special notice in this case; c) the Purchaser; d) the Broker and e) the Office of the  
10 United States Trustee.

11           22.     Pursuant to Local Bankruptcy Rule 6004-1(c)(3), the Notice of Sale Motion included:  
12 a) the date, time and place of the hearing on the proposed sale; b) the name and address of the proposed  
13 buyer; c) a general description of the property to be sold; d) a summary of the terms and conditions of  
14 the proposed sale; e) a statement that the assets are to be sold free and clear of liens, claims and interests;  
15 f) a statement that the sale is subject to overbid; g) the consideration to be received by the estate; h) the  
16 identity of the brokers; i) a description of the possible tax consequences resulting from the sale; and  
17 j) the time fixed for filing and serving objections. The Debtor submits that the notice requirements have  
18 been satisfied, thereby allowing creditors and parties in interest an opportunity to object to the sale.

19           23.     Pursuant to Local Bankruptcy Rule 6004-1(f), a Notice of Sale of Estate Property will be  
20 provided to the Clerk’s Office at the time of the filing of this Sale Motion. [Exhibit “5” to Schennum  
21 Declaration].  
22

23 C.     THE SALES PRICE IS FAIR AND REASONABLE

24           24.     The proposed sale is in the best interests of the estate and its creditors because the sale  
25 price was arrived at through arms’ length negotiations with the Buyer, who is unrelated to the Debtor.  
26 [Cantwell Declaration ¶12].

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1 D. THE SALE IS IN GOOD FAITH

2 25. Section 363(m) authorizes the Bankruptcy Court to make a finding that the successful  
3 buyer be deemed a good faith purchaser. A good faith purchaser is protected from the effects of reversal  
4 on appeal of the authorization to sell or lease property of a debtor's estate as long as the Court finds that  
5 the purchaser acted in good faith and the appellant fails to obtain a stay of the sale. 11 U.S.C. § 363(m).  
6 Although the Code does not define "good faith," courts generally have followed traditional principles  
7 in holding that a good faith purchaser is one who buys "in good faith" and "for value". In re Abbott  
8 Dairies of Pennsylvania, Inc., 788 F.2d at 147; see also, Kham and Nates Shoes No.2 v. First Bank, 908  
9 F.2d 1352, 1355 (7<sup>th</sup> Cir. 1990); In re Pine Coast Enters., Ltd., 147 B.R. 30, 33 (Bankr. N.D. Ill. 1992)  
10 ("The requirement that a purchaser act in good faith speaks to the integrity of its conduct in the course  
11 of the sale proceeding.")

12 26. The good faith requirement focuses primarily on the disclosure of all material sale terms  
13 and the absence of fraud or collusion. In re Abbott Dairies of Pennsylvania, Inc., 788 F.2d at 147; In re  
14 Apex Oil Co., 92 B.R. 847, 869-71 (Bankr. E.D. Mo. 1988). The proposed sale has been brought in  
15 good faith and has been negotiated on an "arms length" basis. The court, in Wilde Horse Enterprises,  
16 set forth the factors in considering whether a transaction is in good faith. The court stated that:

17 ' [g]ood faith' encompasses fair value, and further speaks to the integrity  
18 of the transaction. Typical 'bad faith' or misconduct, would include  
19 collusion between the seller and buyer, or any attempt to take unfair  
20 advantage of other potential purchasers....And, with respect to making  
21 such determinations, the court and creditors must be provided with  
22 sufficient information to allow them to take a position on the proposed  
23 sale. (Citations omitted).

24 In re Wilde Horse Enterprises, Inc., 136 B.R. at 842.

25  
26 27. In the present case, other than as parties to the Sale Agreement, the Buyer is otherwise  
27 unrelated to the Debtor or the Trust. Both the Debtor and the Buyer are represented by real estate  
28 professionals and all negotiations have been conducted at arms' length through these real estate

1 professionals. [Cantwell Declaration ¶13]. As set forth in the Notice of the Sale Motion, creditors will  
2 be provided with sufficient notice of the sale as required by the Local Bankruptcy Rules. Accordingly,  
3 the sale is in good faith and should be approved. The Debtor requests the Court find the Buyer a good  
4 faith purchaser of the Property pursuant to Bankruptcy Code § 363(m).

5  
6 II.

7 THE DEBTOR MAY SELL THE PROPERTY FREE AND CLEAR OF LIENS

8 28. Bankruptcy Code § 363(f)(3) allows a trustee to sell property of the bankruptcy estate  
9 “free and clear of any interest in such property of an entity,” if such interest is a lien and the price at  
10 which such property is to be sold is greater than the aggregate value of all liens on such property.

11 29. The Property is being sold at a price far in excess of all valid liens and encumbrances and  
12 all such liens and encumbrances shall be paid in full through escrow.

13  
14 III.

15 COURT APPROVAL OF OVERBIDDING

16 30. The Debtor requests that the Court approve the overbidding procedure as set forth above.

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18 IV.

19 THIS COURT HAS AUTHORITY TO WAIVE THE FOURTEEN-DAY STAY OF SALE

20 31. Federal Rule of Bankruptcy Procedure 6004(h) provides that “[a]n order authorizing the  
21 use, sale or lease of property other than cash collateral is stayed until the expiration of 14 days after entry  
22 of the order, unless the Court orders otherwise.”

23 32. The Debtor desires to close the sale as soon as practicable after entry of an order  
24 approving the sale. Accordingly, the Debtor respectfully requests that the Court in the discretion  
25 provided it under Federal Rule of Bankruptcy Procedure 6004(h), waive the 14 day stay.

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V.

CONCLUSION

33. For the foregoing reasons, the Debtor respectfully requests that the Court enter an order:

a. Approving Sale Agreement and authorizing the proposed sale of the Property under the terms and conditions set forth herein and in the Sale Agreement.

b. Authorizing the proposed sale of the Property to be made free and clear of all liens with the liens to be paid through escrow.

c. Approving the overbid procedures as set forth above;

d. Authorizing the Debtor to execute such documents as are necessary to conclude the sale.

e. Approving payment of Broker's commissions as set forth above.

f. The 14 day stay of Bankruptcy Rule 6004(h) be waived.

g. And, for such other and further relief as this Court deems just and proper.

Dated: June 12, 2017

**LAW OFFICES OF MICHAEL G. SPECTOR**

By: /s/ Vicki L Schenum  
Michael G. Spector  
Vicki L. Schenum (Of Counsel)  
Attorneys for Philip Richard Cantwell, Jr.  
Debtor and Debtor in Possession

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**DECLARATION OF PHILIP RICHARD CANTWELL, JR.**

I, Philip Richard Cantwell, Jr, declare as follows:

1. I am the debtor and debtor in possession in this pending Chapter 11 case. The following facts I know to be true of my own personal knowledge and if called upon, I could and would competently testify thereto.

2. I am a self-employed real estate and insurance professional. I have experienced very difficult times in the past few years, including the loss of my brother and business partner (John), a debilitating illness suffered by my sister and the very recent loss of my mother. I also suffered substantial financial losses, including the loss of a restaurant owned by my brother and I called 3 Thirty 3 located in Newport Beach, a plastics company and a luxury home with \$4.4 million in equity.

3. I had been involved in a loan modification process with Wells Fargo since April of 2012. During this time, I continued to provide requested information and documentation to Wells Fargo through a loan modification special. Then, in October 2016, Wells Fargo pulled the plug by denying the loan modification request and immediately commencing foreclosure proceedings.

4. On January 5, 2017 (the "Petition Date"), I commenced this case, in pro per, to stop the pending foreclosure sale of my family residence located 103 Calle Del Pacifico, San Clemente, as well as to restructure the debt secured by trust deed favor of Wells Fargo Bank. The Schedules filed at that time indicate that my secured debts exceed that which is allowed by 11 U.S.C. §109(e).

5. The Property was previously owned by my brother, John Cantwell. In 2015, the Property was foreclosed upon by Wells Fargo. Prior to his passing, John Cantwell was in the middle of litigation against Wells Fargo for wrongful foreclosure. Thereafter, Wells Fargo transferred title to the Property to Banc of America Funding Corporation 2006 H ("US Bank"). Upon the passing of John Cantwell in April of 2016, in my capacity as executor of the estate of John Cantwell, I took over said litigation. In March 2017, after the Petition Date, I was given an opportunity to purchase the Property from US Bank in an amount equal to the outstanding loan balance so long as the sale closed within a very short period of time. Believing I contacted by business associate, Anthony Souza, who agreed to put up the funds needed to purchase the Property. Because Souza was traveling on business at the time and there was a very short window of time, the Souza and I agreed to an informal partnership, instead of forming a

1 legal entity, whereby I signed a promissory note to be secured by a deed of trust on the Property, which  
2 essentially allowed Souza to receive his contribution back, with seven percent (7%) prior to splitting  
3 50/50 any net sale proceeds derived from a subsequent sale of the Property. Attached hereto as Exhibit  
4 "1" and incorporated herein by this reference is a true and correct copy of said agreement.

5 6. The offer was accepted by Wells Fargo/US Bank on the condition that the sale close  
6 immediately and that I, as executor of his brother's estate, dismissed the lawsuit my brother had filed  
7 against Wells Fargo. I dismissed the lawsuit against Wells Fargo. Souza put up the \$645,000 necessary  
8 to purchase the Property and title was transferred to me. I signed a promissory note and deed of trust  
9 in favor of Souza. Attached hereto as Exhibit "2" and incorporated herein by this reference is a true and  
10 correct copy of said promissory note and deed of trust. I *mistakenly* believed that Court approval was  
11 not necessary as I was considering this as an informal partnership and did not consider that I was  
12 obligating myself on a promissory note.

13 7. Simultaneously with the purchase of the Property, I had been working with Diana Perna  
14 of PK Real Estate and Investments to acquire a purchaser of the Property in an amount significantly  
15 greater than the purchase price. Shortly thereafter, an offer was received to purchase the Property in an  
16 "AS IS" condition for a purchase price of \$730,000. If approved, the proposed sale will net the estate  
17 at least \$33,000.

18 8. On or about March 24, 2017, as the "Seller," I entered into a Residential Purchase  
19 Agreement and Joint Escrow Instructions (the "Sale Agreement") with Donna Colbert, Trustee of The  
20 Colbert Family Trust of 1990 Dated January 20, 1990 ("the Buyer"), which provides for sale of the  
21 Property for the sum of \$730,000. Attached hereto as Exhibit "3" and incorporated herein by this  
22 reference is a true and correct copy of the Sale Agreement

23 9. Other than the subject sale, I am otherwise unrelated to the Buyer. All discussions  
24 regarding the sale of the Property were conducted by the Broker and were conducted in good faith,  
25 without collusion, and at arms-length.

26 10. Attached hereto as Exhibit "4" and incorporated herein by this reference is a true and  
27 correct copy of the Addendum to escrow.

28 ///

1           11.     On June 13, 2017, I filed an application for order authorizing the *nunc pro tunc*  
2 employment of the Broker. The Debtor is to pay real estate broker's commissions as follows: Broker  
3 to be paid \$14,600 or 2 percent (2%) of the Purchase Price.

4           12.     I am seeking to sell the Property in order to obtain the funds necessary to fund the Plan  
5 and pay related obligations. Accordingly, I believe there is a sound business purpose for the sale which  
6 is in the best interests of the creditors and the estate.

7           13.     I believe the proposed sale is in the best interests of the estate and its creditors because  
8 the sale price was arrived at through arms' length negotiations with the Buyer, who is unrelated to me.

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

11           Executed on June 12, 2017 at San Clemente, California.

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/s/ Philip Richard Cantwell, Jr.  
Philip Richard Cantwell, Jr.

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**DECLARATION OF VICKI L SCHENNUM**

I, Vicki L. Schennum, declare as follows:

1. I am Of Counsel to the Law Offices of Michael G. Spector and I am admitted to practice law before this Court. The following facts I know to be true of my own personal knowledge and if called upon, I could and would competently testify thereto.

2. Pursuant to Local Bankruptcy Rule 6004-1(f), a Notice of Sale of Estate Property is being filed concurrently herewith. A true and correct copy of this Notice of Sale of Estate Property without the service list is attached hereto as Exhibit “5” and is incorporated herein by this reference.

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

Executed on June 12, 2017, at Irvine, California.

/s/ Vicki L. Schennum  
Vicki L. Schennum

### Agreement

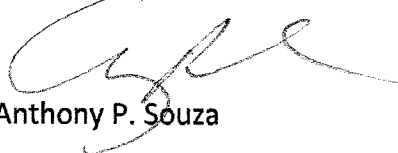
This agreement between Philip R. Cantwell and Anthony P. Souza is to purchase property located at 19682 Seawind Circle, Huntington Beach, Ca. The purchase price is \$642,000.00. Souza has agreed to provide \$645,000.00 (purchase price plus estimated closing) in the form of a note. The note will be due in one year and have a 7% interest rate payable monthly, interest only. The note will be secured by a first trust deed on the property recorded at time of purchase.

Title will be held in Philip Cantwell's name with an understanding that at time of sale net proceeds will be split on a 50/50 basis. Net proceeds is defined as Gross sales price less closing cost, less note payoff.

Agreed and Accepted



Philip R. Cantwell



Anthony P. Souza



**NOTE SECURED BY DEED OF TRUST**

\$645,000.00

MARCH 17, 2017

FOR VALUE RECEIVED, and upon the terms and conditions set forth herein, Phillip R. Cantwell ("Borrower") promises to pay to the order of Anthony Souza ("Noteholder"), at such place as Noteholder may designate to Borrower in writing from time to time, the principal sum of SIX HUNDRED FORTY-FIVE THOUSAND DOLLARS (\$645,000.00), together with interest thereon at the Interest Rate (hereinafter defined), in lawful money of the United States of America which, at the time of payment, shall be legal tender in payment of all debts and dues, public and private. Interest shall accrue on the outstanding principal under this Note at the rate of SEVEN percent (7.00%) per annum (the "Interest Rate"). Interest under this Note shall be paid in arrears on the last day of each calendar month and shall be calculated monthly based on the actual number of days elapsed in the related accrual period over a 360-day year. Interest shall accrue on the outstanding principal balance of this Note from the date hereof through and including the day on which funds are repaid. Borrower shall pay any remaining balance under this Note on MARCH 31, 2018 (the "Maturity Date"), together with all accrued but unpaid interest thereon and any other amounts due under this Note. Each payment shall be credited first on interest then due; and the remainder on principal and the interest shall thereupon cease upon the principal so credited. Borrower shall have the right to prepay this Note in whole or part at any time, without penalty. Principal and interest payable under this Note shall be in lawful money of the United States of America.

The indebtedness evidenced by this Note and the obligations created hereby are secured by a Deed of Trust with Assignment of Rents (the "DOT") made by Borrower in favor of Noteholder and recorded in the official records of the County of ORANGE, CA.

Should default be made in payment of principal, interest or any other amount due under this Note, the outstanding principal balance of this Note, together with all unpaid interest accrued thereon and all other sums dues hereunder shall, without notice or prior demand, immediately become due and payable. If any payment is not received by Noteholder within five (5) days after the date on which such payment originally was due, then Borrower also shall pay to Noteholder a late charge in an amount equal to the lesser of five percent (5.0%) of the amount of such overdue payment or the maximum rate permitted by applicable law, to defray the expenses incurred by Noteholder in handling and processing such delinquent payment and to compensate Noteholder for the loss of the use of the delinquent payment. Such late charge shall be immediately due and payable, without notice or demand therefor.

Upon a default under this Note, Noteholder may avail itself to the remedies provided for at law or equity. The remedies of Noteholder available in connection with this Note, or at law or in equity, shall be cumulative and concurrent, and may be pursued singly, successively or together in Noteholder's sole and absolute discretion. Borrower agrees to pay all costs incurred by Noteholder in connection with any remedy pursued by Noteholder, including, but not limited to, reasonable fees and disbursements of legal counsel and collection agency costs, whether or not suit be brought.

No failure to accelerate the debt evidenced hereby nor failure or delay in exercising any other right or remedy upon the occurrence of an Event of Default hereunder, or any acceptance of a partial or past due payment, or indulgences granted from time to time shall be construed as a novation of this Note or a waiver or impairment of Noteholder's right of acceleration or any other right or remedy available to Noteholder upon the occurrence of an Event of Default, or as a waiver of Noteholder's right thereafter to insist upon strict compliance with the terms of this Note; and Borrower hereby expressly waives the benefit of any statute or rule of law or equity now provided, or which may hereafter be provided, which would produce a result contrary to or in conflict with the foregoing. No extension of the time for payment of any amount due under this Note made by Noteholder's agreement with any person now or hereafter

liable for the payment thereof shall operate to release, discharge, modify, change or affect the original liability of Borrower under this Note or of any such other person, either in whole or in part, unless Noteholder agrees otherwise in writing.

Borrower, for itself and all others who may become liable for payment of all or any part of the indebtedness evidenced by this Note, hereby waives presentment for payment, demand, protest, and notice of dishonor, protest, nonpayment, demand, intent to accelerate, and acceleration. Borrower, for itself and all others who may become liable for payment of all or any part of the indebtedness evidenced by this Note, hereby further waives and renounces, to the fullest extent permitted by law, all rights to the benefits of any moratorium, reinstatement, marshaling, forbearance, valuation, stay, extension, redemption, appraisalment, exemption and homestead now or hereafter provided by the Constitution and laws of the United States of America and of any state, district and territory thereof, both as to party and property (real and personal), against the enforcement and collection of the obligations evidenced by this Note.

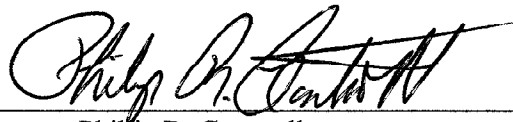
All notices and other communications under this Note are to be in writing, addressed to the respective party as set forth below.

This Note may not be changed, waived, supplemented, discharged or terminated orally or by any act or failure to act on the part of Borrower or Noteholder, but only by an agreement in writing signed by the party against and by whom enforcement thereof is sought and then only to the extent expressly set forth in such writing. Any provision of this Note that may be determined by competent authority to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

This Note shall be interpreted, construed and enforced according to the laws of the State of California.

**IN WITNESS WHEREOF**, Borrower has executed this Note as of the date first above written.

**BORROWER:**



Name: Phillip R. Cantwell

Address: 19682 Seawind Circle  
Huntington Beach, CA 92648

Anthony Souza

AND WHEN RECORDED MAIL TO

Anthony Souza  
16531 Bolsa Chica St, #304  
Huntington Beach, CA 92649

APN: 023-242-26

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE

## DEED OF TRUST

This DEED OF TRUST ("Security Instrument") is made on this 17<sup>th</sup> day of MARCH, 2017.

The Trustor is Phillip R. Cantwell ("Borrower").

The Trustee is Matthew Souza ("Trustee").

The beneficiary is Anthony Souza ("Lender").

Borrower owes Lender the principal sum of SIX HUNDRED FORTY-FIVE THOUSAND Dollars (\$645,000.00).

This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on the last day of each calendar month. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications; the payment of all other sums, with interest, advanced under paragraph 6 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in Orange County, California: which has the address of 19682 Seawind Circle, Huntington Beach, CA 92648.

More particularly described as:

Legal description as set forth on Exhibit A attached hereto and incorporated herein by this reference.

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by his Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property".

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

1. **Payment of Principal, Interest and Late Charge.** Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and late charges due under the Note.
  
2. **Monthly payments of Taxes, Insurance and Other Charges.** Borrower shall include in each monthly payment, together with the principal and interest as set forth in the Note and any late charges, a sum for (a) taxes and special assessments levied or to be levied against the Property, (b) leasehold payments or ground rents on the Property, and (c) premiums for insurance required under Paragraph 4. In any year which the Lender must pay a mortgage insurance premium to the Secretary of Housing and Urban Development ("Secretary), or in any year in which such premium would have been required if Lender still held the Security Instrument, each monthly payment shall also include either (i) a sum for the annual mortgage insurance premium to be paid by Lender to the Secretary, or (ii) a monthly charge instead of a mortgage insurance premium if this Security Instrument is held by the Secretary, in a reasonable amount to be determined by the Secretary. Except for the monthly charge by the Secretary, these items are called "Escrow Items" and the sums paid to Lender are called "Escrow Funds." Lender may, at any time, collect and hold amounts for Escrow Items in an aggregate amount not to exceed the maximum amount that may be required for Borrower's escrow account under the Real Estate Settlement Procedures Act of 1974, 12 U.S.C. Section 2601 et seq. and implementing regulations, 24 CFR Part 3500, as they may be amended from time to time ("RESPA"), except that the cushion or reserve permitted by RESPA for unanticipated disbursements or disbursements before the Borrower's payments are available in the account may not be based on amounts due for the mortgage insurance premium. If the amounts held by Lender for Escrow Items exceed the amounts permitted to be held by RESPA Lender shall deal with the excess funds as required by RESPA. If the amounts of funds held by Lender at any time are not sufficient to pay the Escrow Items when due, Lender may notify the Borrower and require Borrower to make the shortage or deficiency as permitted by RESPA. The Escrow Funds are pledged as additional security for all sums secured by this Security instrument. If Borrower renders to Lender the full payment of all such sums, Borrower's account shall be credited with the balance remaining for all installment items (a), (b), and (c) and any mortgage insurance premium installment that Lender has not become obligated to pay to the Secretary, and Lender shall promptly refund any excess funds to Borrower. Immediately prior to a foreclosure sale of the Property or its acquisition by Lender, Borrower's account shall be credited with any balance remaining for all installments for items (a), (b), and (c).
  
3. **Application of Payments.** All payments under Paragraphs 1 and 2 shall be applied by Lender as follows: FIRST, to the mortgage insurance premium to be paid by Lender to the Secretary or to the monthly charge by the Secretary instead of the monthly mortgage insurance premium; SECOND, to any taxes, special assessments, leasehold payments or ground rents, and fire, flood and other hazard insurance premiums, as required; THIRD, to interest due under the Note; FOURTH, to amortization of the principal of the Note; FIFTH, to late charges due under the Note.
  
4. **Fire, Flood and Other Hazard Insurance.** Borrower shall insure all improvements on the Property, whether now in existence or subsequently erected, against any hazards, casualties, and contingencies, including fire, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. Borrower shall also insure all improvements on the Property, whether now in existence or subsequently erected, against loss by floods to the extent required by the Secretary. All insurance shall be carried with companies approved by Lender. The insurance policies and any renewals shall be held by Lender

In the event of loss, Borrower shall give Lender immediate notice by mail. Lender may make proof of loss if not made promptly by Borrower. Each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Lender, instead of to Borrower and to Lender jointly. All or any part of the insurance proceeds may be applied by Lender, at its option, either (a) to the reduction of the indebtedness under the Note and this Security Instrument, first to any delinquent amounts applied in the order in Paragraph 3, and then to prepayment of principal, or (b) to the restoration or repair of the damaged property. Any application of the proceeds to the principal shall not extend or postpone the due date of the monthly payments which are referred to in Paragraph 2, or change the amount of such payments. Any excess insurance proceeds over an amount required to pay all outstanding indebtedness under the Note and this Security Instrument shall be paid to the entity legally entitled thereto.

In the event of foreclosure of this Security Instrument or other transfer of title to the Property that extinguishes the indebtedness, all right, title and interest of Borrower in and to insurance policies in force shall pass to the purchaser.

**5. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application.** Leaseholds Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless the Secretary determines this requirement will cause undue hardship for Borrower, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall notify Lenders of any extenuating circumstances. Borrower shall not commit waste or destroy, damage or substantially change the Property or allow the Property to deteriorate, reasonable wear and tear excepted. Lender may inspect the Property if the Property is vacant or abandoned or the loan is in default. Lender may take reasonable action to protect and preserve such vacant or abandoned Property. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and fee title shall not be merged unless Lender agrees to the merger in writing.

**6. Charges to Borrower and Protection of lender's Rights in the Property.** Borrower shall pay all governmental or municipal charges, fines and impositions that are not included in Paragraph Z. Borrower shall pay these obligations on time directly to the entity which is owed the payment. If failure to pay would adversely affect Lender's interest in the Property, upon Lender's request Borrower shall promptly furnish to Lender receipts evidencing these payments.

If Borrower fails to make these payments or the payments required by Paragraph 2, or fails to perform any other covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, for condemnation or to enforce laws or regulations), then Lender may do and pay whatever is necessary to protect the value of the Property and Lender's rights in the Property, including payment of taxes, hazard insurance and other items mentioned in Paragraph 2.

Any amounts disbursed by Lender under this Paragraph shall become an additional debt of Borrower and be secured by this Security Instrument. These amounts shall bear interest from the date of disbursement, at the Note rate, and at the option of Lender, shall be immediately due and payable.

Case 8:17-bk-10032-ES Doc 71 Filed 06/13/17 Entered 06/13/17 08:08:19 Desc  
Main Document Page 22 of 24  
7. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in place of condemnation, are hereby assigned and shall be paid to Lender to the extent of the full amount of the indebtedness that remains unpaid under the Note and this Security Instrument. Lender shall apply such proceeds to the reduction of the indebtedness under the Note and this Security Instrument, first to any delinquent amounts applied in the order provided in Paragraph 3, and then to prepayment of principal. Any application of the proceeds to the principal shall not extend or postpone the due date of the monthly payments, which are referred to in Paragraph 2, or change the amount of such payments. Any excess proceeds over an amount required to pay all outstanding indebtedness under the Note and this Security Instrument shall be paid to the entity legally entitled thereto.

8. **Fees.** Lender may collect fees and charges authorized by the Secretary.

9. **Grounds for Acceleration of Debt.**

(a) **Default.** Lender may, except as limited by regulations issued by the Secretary in the case of payment defaults, require immediate payment in full of all sums secured by this Security Instrument if:

- (i) Borrower defaults by failing to pay in full any monthly payment required by this Security Instrument prior to or on the due date of the next monthly payment, or
- (ii) Borrower defaults by failing, for a period of thirty days, to perform any other obligations contained in this Security Instrument.

(b) **Sale Without Credit Approval.** Lender shall, if permitted by applicable law and with the prior approval of the Secretary, require immediate payment in full of all the sums secured by this Security Instrument if:

- (i) All or part of the Property, or a beneficial interest in a trust owning all or part of the Property, is sold or otherwise transferred (other than by devise or descent) by the Borrower, and
- (ii) The Property is not occupied by the purchaser or grantee as his or her principal residence, or the purchaser or grantee does so occupy the Property but his or her credit has not been approved in accordance with the requirements of the Secretary.

(c) **No Waiver.** If circumstances occur that would permit Lender to require immediate payment in full, but Lender does not require such payments, Lender does not waive its rights with respect to subsequent events

(d) **Regulations of HUD Secretary.** In many circumstances regulations issued by the Secretary will limit Lender's rights, in the case of payment defaults, to require immediate payment in full and foreclose if not paid. This Security Instrument does not authorize acceleration or foreclosure if not permitted by regulations of the Secretary.

(e) **Mortgage Not Insured.** Borrower agrees that should this Security Instrument and the note secured thereby not be eligible for insurance under the National Housing Act within 60 days from the date hereof, Lender may, at its option and notwithstanding anything in Paragraph 9, require immediate payment in full of all sums secured by this Security Instrument. A written statement of any authorized agent of the Secretary dated subsequent to 60 days from the date hereof, declining to insure this Security Instrument and the note secured thereby, shall be deemed conclusive proof of such ineligibility. Notwithstanding the foregoing, this option may not be exercised by Lender when the unavailability of insurance is solely due to Lender's failure to remit a mortgage insurance premium to the Secretary

10. **Reinstatement.** Borrower has a right to be reinstated if Lender has required immediate payment in full because of Borrower's failure to pay an amount due under the Note or this Security Instrument. This right

Case 8:17-bk-10032-ES Doc 71 Filed 06/13/17 Entered 06/13/17 08:08:19 Desc  
Main Document Page 23 of 24  
applies even after foreclosure proceedings are instituted. To reinstate the Security Instrument, Borrower shall tender in a lump sum all amounts required to bring Borrower's account current including, to the extent they are obligations of Borrower under this Security Instrument, foreclosure costs and reasonable and customary attorneys' fees and expenses properly associated with the foreclosure proceeding. Upon reinstatement by Borrower, this Security Instrument and the obligations that it secures shall remain in effect as if Lender had not required immediate payment in full. However, Lender is not required to permit reinstatement if: (i) Lender has accepted reinstatement after the commencement of foreclosure proceedings within two years immediately preceding the commencement of a current foreclosure proceeding, (ii) reinstatement will preclude the foreclosure on different grounds in the future, or (iii) reinstatement will adversely affect the priority of the lien created by this Security Instrument.

**11. Borrower Not Released; Forbearance by lender Not a Waiver.** Extension of the time of payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successor in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

**12. Successors and Assigns Bound; Joint and Several Liability; Co-Signers.** The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of Paragraph 9.b. Borrower's covenants and agreements shall be, joint and several. Any Borrower who signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's, interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

**13. Notices.** Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

**14. Governing Law; Severability.** This Security Instrument shall be governed by Federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

**15. Borrower's Copy.** Borrower shall be given one conformed copy of this Security Instrument.

**16. Assignment of Rents.** Borrower unconditionally assigns and transfers to Lender all the rents and revenues of the Property Borrower authorizes Lender or Lender's agents to collect the rents and revenues and hereby directs'; each tenant of the Property to pay the rents to Lender or Lenders agents. However, prior to

Case 8:17-bk-10032-BRD Doc 71 Filed 06/13/17 Entered 06/13/17 08:08:19 Desc  
Lender's notice to Borrower of Borrower's breach of any covenant or agreement in the Security Instrument,  
Borrower shall collect and receive all rents and revenues of the Property as trustee for the benefit of Lender and  
Borrower. This assignment of rents constitutes an absolute assignment and not an assignment for additional  
security only.

If Lender gives notice of breach to Borrower: (a) all rents received by Borrower shall be held by Borrower as trustee for benefit of Lender only, to be applied to the sums secured by the Security Instrument; (b) Lender shall be entitled to collect and receive all of the rents of the Property; and (c) each tenant of the Property shall pay all rents due and unpaid to Lender or Lender's agent on Lender's written demand to the tenant

Borrower has not executed any prior assignment of the rents and has not and will not perform any act that would prevent Lender from exercising its rights under this Paragraph 16.

Lender shall not be required to enter upon, take control of or maintain the Property before or after giving notice of breach to Borrower. However, Lender or a judicially appointed receiver may do so at any time there is a breach. Any application of rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of rents of the Property shall terminate when the debt secured by the Security Instrument is paid in full.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

**17. Foreclosure Procedure.** If Lender requires immediate payment in full under paragraph 9, Lender may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 17, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If lender invokes the power of sale, lender shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of lender's election to cause the Property to be sold, Trustee shall cause this notice to be recorded in each county in which any part of the Property is located, lender or Trustee shall mail copies of the notice as prescribed by applicable law to Borrower and to the other persons prescribed by applicable law.

Trustee shall give public notice of sale to the persons and in the manner prescribed by applicable law. After the time required by applicable law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds, of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

**18. Reconveyance.** Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled to it. Such person or persons shall pay any recordation



**19. Substitute Trustee.** Lender, at its option, may from time to time appoint a successor trustee to any Trustee appointed hereunder by an instrument executed and acknowledged by Lender and recorded in the folic of the Recorder of the county in which the Property is located. The instrument shall contain the name of the original Lender, Trustee and Borrower, the book and page where this Security Instrument is recorded and the name and address of the successor trustee. Without conveyance of the Property, the successor trustee shall succeed to all the title, powers and duties conferred upon the Trustee herein and by applicable law. This procedure for substitution of trustee shall govern to the exclusion of all other provisions for substitution.

**20. Request for Notices.** Borrower requests that copies of the notices of default and sale be sent to Borrower's address which is the Property Address.

**21. Statement of Obligation Fee.** Lender may collect a fee not to exceed the maximum amount permitted by law for furnishing the statement of obligation as provided by Section 2943 of the Civil Code of California.

**Riders to this Security Instrument.** If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants of each such rider shall be incorporated into and shall amend and supplement the and agreements of this Security Instrument as if the rider(s) were in a part of this Security Instrument.

PHILIP R. CANTWELL

Print Name:  
Phillip R. Cantwell

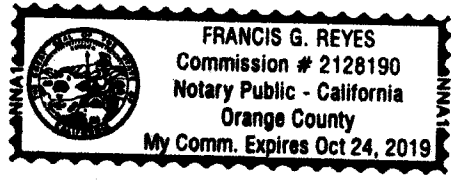
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA )  
 ) SS.  
COUNTY OF Orange )

On 3-20-17 before me, Francis G Reyes, Notary Public,  
personally appeared Phillip R Cantwell,  
who proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are  
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in  
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the  
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing  
paragraph is true and correct.  
WITNESS my hand and official seal.

Signature Francis Reyes



Form No. 1068-2  
ALTA Commitment

Commitment No.: O-SA-1489612  
Page Number: 4

## EXHIBIT (A)

Real property in the City of Huntington Beach, County of Orange, State of California, described as follows:

LOT 78 OF TRACT NUMBER 7473, AS PER MAP RECORDED IN BOOK 293, PAGE 33 TO 44 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY. EXCEPTING THEREFROM THAT PORTION OF SAID LAND LYING BELOW A DEPTH OF 500 FEET BENEATH THE SURFACE OF SAID LAND, ALL OIL, GAS, ASPHALTUM AND OTHER HYDROCARBONS AND ALL OTHER MINERALS WHETHER SIMILAR OR DISSIMILAR TO THOSE HEREIN SPECIFIED, AND INCLUDING ALL FISSIONABLE MATERIALS WITHIN OR THAT MAY BE PRODUCED OR EXTRACTED OR TAKEN FROM SAID LAND, WITHOUT THE RIGHT TO USE ANY PORTION OF SAID LAND LYING WITHIN 500 FEET MEASURED VERTICALLY DOWNWARD FROM THE SURFACE OF SAID LAND, AS RESERVED BY HUNTINGTON BEACH COMPANY, A CORPORATION, BY DEED RECORDED NOVEMBER 4, 1971 IN BOOK 9875, PAGE 598 OF OFFICIAL RECORDS.

APN: 023-242-26

*First American Title*



CALIFORNIA ASSOCIATION OF REALTORS®

RESIDENTIAL PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

(C.A.R. Form RPA-CA, Revised 12/15)

Date Prepared: 03/24/2017

1. OFFER:

- A. THIS IS AN OFFER FROM Donna Colbert ("Buyer").
B. THE REAL PROPERTY to be acquired is 19682 Seawind Cir, Huntington Beach, CA 92648-3029, situated in Huntington Beach (City), Orange (County), California, 92648-3029 (Zip Code), Assessor's Parcel No. 023-24-226 ("Property").
C. THE PURCHASE PRICE offered is Seven Hundred Thirty Thousand Dollars \$ 730,000.00
D. CLOSE OF ESCROW shall occur on (date) or 30 Days After Acceptance.
E. Buyer and Seller are referred to herein as the "Parties." Brokers are not Parties to this Agreement.

2. AGENCY:

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

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

- A. INITIAL DEPOSIT: Deposit shall be in the amount of \$ 10,000.00
(1) Buyer Direct Deposit: Buyer shall deliver deposit directly to Escrow Holder by electronic funds transfer, cashier's check, personal check, other within 3 business days after Acceptance (or );
OR (2) Buyer Deposit with Agent: Buyer has given the deposit by personal check (or ) to the agent submitting the offer (or to ), made payable to . The deposit shall be held uncashed until Acceptance and then deposited with Escrow Holder within 3 business days after Acceptance (or ). Deposit checks given to agent shall be an original signed check and not a copy.

(Note: Initial and increased 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 \$ 584,000.00 within Days After Acceptance (or ). If the Parties agree to liquidated damages in this Agreement, they also agree to incorporate the increased deposit into the liquidated damages amount in a separate liquidated damages clause (C.A.R. Form RID) at the time the increased deposit is delivered to Escrow Holder.

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

D. LOAN(S):

- (1) FIRST LOAN: in the amount of \$ This loan will be conventional financing or FHA, VA, Seller financing (C.A.R. Form SFA), assumed financing (C.A.R. Form AFA), Other . This loan shall be at a fixed rate not to exceed 5.000 % or, an adjustable rate loan with initial rate not to exceed % . Regardless of the type of loan, Buyer shall pay points not to exceed % of the loan amount.
(2) SECOND LOAN in the amount of \$ This loan will be conventional financing or Seller financing (C.A.R. Form SFA), assumed financing (C.A.R. Form AFA), Other . This loan shall be at a fixed rate not to exceed % or, an adjustable rate loan with initial rate not to exceed % . Regardless of the type of loan, Buyer shall pay points not to exceed % of the loan amount.
(3) FHA/VA: For any FHA or VA loan specified in 3D(1), Buyer has 17 (or ) 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 FHA/VA amendatory clause (C.A.R. Form FVAC) shall be a part of this Agreement.

E. ADDITIONAL FINANCING TERMS:

- F. BALANCE OF DOWN PAYMENT OR PURCHASE PRICE in the amount of \$ 136,000.00 to be deposited with Escrow Holder pursuant to Escrow Holder instructions.
G. PURCHASE PRICE (TOTAL): \$ 730,000.00

Buyer's Initials ( X DC ) ( X )

Seller's Initials ( X PL ) ( )

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RPA-CA REVISED 12/15 (PAGE 1 OF 10)

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 1 OF 10)



Property Address: 19682 Seawind Cir, Huntington Beach, CA 92648-3029 Date: March 24, 2017

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 14B(3), in writing, remove the appraisal contingency or cancel this Agreement within 17 (or \_\_\_\_ ) Days After Acceptance.

J. LOAN TERMS:

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

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

(3) LOAN CONTINGENCY REMOVAL:

Within 21 (or \_\_\_\_ ) Days After Acceptance, Buyer shall, as specified in paragraph 14, 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 does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.

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

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

4. SALE OF BUYER'S PROPERTY:

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

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

5. ADDENDA AND ADVISORIES:

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

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

6. OTHER TERMS: \_\_\_\_\_  
\_\_\_\_\_

7. ALLOCATION OF COSTS

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

(1)  Buyer  Seller shall pay for a natural hazard zone disclosure report, including tax  environmental  Other: \_\_\_\_\_ prepared by Click here to select your Service Provider

(2)  Buyer  Seller shall pay for the following Report \_\_\_\_\_ prepared by \_\_\_\_\_

(3)  Buyer  Seller shall pay for the following Report Buyer to perform own home inspection prepared by \_\_\_\_\_

Buyer's Initials ( DC ) ( X )

Seller's Initials ( PC ) ( \_\_\_\_\_ )



Property Address: 19682 Seawind Cir, Huntington Beach, CA 92648-3029 Date: March 24, 2017

**B. GOVERNMENT REQUIREMENTS AND RETROFIT:**

- (1)  Buyer  Seller shall pay for smoke alarm and carbon monoxide device installation and water heater bracing, if required by Law. Prior to Close Of Escrow ("COE"), Seller shall provide Buyer written statement(s) of compliance in accordance with state and local Law, unless Seller is exempt.
- (2) (i)  Buyer  Seller shall pay the cost of compliance with any other minimum mandatory government inspections and reports if required as a condition of closing escrow under any Law.  
(ii)  Buyer  Seller shall pay the cost of compliance with any other minimum mandatory government retrofit standards required as a condition of closing escrow under any Law, whether the work is required to be completed before or after COE.  
(iii) Buyer shall be provided, within the time specified in paragraph 14A, a copy of any required government conducted or point-of-sale inspection report prepared pursuant to this Agreement or in anticipation of this sale of the Property.

**C. ESCROW AND TITLE:**

- (1) (a)  Buyer  Seller shall pay escrow fee Each to pay own.  
(b) Escrow Holder shall be Central Escrow.  
(c) The Parties shall, within 5 (or \_\_\_) Days After receipt, sign and return Escrow Holder's general provisions.
- (2) (a)  Buyer  Seller shall pay for owner's title insurance policy specified in paragraph 13E \_\_\_\_\_.  
(b) Owner's title policy to be issued by Chicago Title.  
(Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)

**D. OTHER COSTS:**

- (1)  Buyer  Seller shall pay County transfer tax or fee \_\_\_\_\_.
- (2)  Buyer  Seller shall pay City transfer tax or fee \_\_\_\_\_.
- (3)  Buyer  Seller shall pay Homeowners' Association ("HOA") transfer fee \_\_\_\_\_.
- (4) Seller shall pay HOA fees for preparing documents required to be delivered by Civil Code §4525.
- (5)  Buyer  Seller shall pay HOA fees for preparing all documents other than those required by Civil Code §4525.
- (6) Buyer to pay for any HOA certification fee.
- (7)  Buyer  Seller shall pay for any private transfer fee \_\_\_\_\_.
- (8)  Buyer  Seller shall pay for \_\_\_\_\_.
- (9)  Buyer  Seller shall pay for \_\_\_\_\_.
- (10)  Buyer  Seller shall pay for the cost, not to exceed \$ \_\_\_\_\_, of a standard (or  upgraded) one-year home warranty plan, issued by \_\_\_\_\_, with the following optional coverages:  Air Conditioner  Pool/Spa  Other: \_\_\_\_\_.  
Buyer is informed that home warranty plans have many optional coverages in addition to those listed above. Buyer is advised to investigate these coverages to determine those that may be suitable for Buyer.

OR  Buyer waives the purchase of a home warranty plan. Nothing in this paragraph precludes Buyer's purchasing a home warranty plan during the term of this Agreement.

**8. ITEMS INCLUDED IN AND EXCLUDED FROM SALE:**

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

**B. ITEMS INCLUDED IN SALE:** Except as otherwise specified or disclosed,

- (1) All EXISTING fixtures and fittings that are attached to the Property;
- (2) EXISTING electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fans, fireplace inserts, gas logs and grates, solar power systems, built-in appliances, window and door screens, awnings, shutters, window coverings, attached floor coverings, television antennas, satellite dishes, air coolers/conditioners, pool/spa equipment, garage door openers/remote controls, mailbox, in-ground landscaping, trees/shrubs, water features and fountains, water softeners, water purifiers, security systems/alarms and the following if checked:  all stove(s), except \_\_\_\_\_;  all refrigerator(s) except \_\_\_\_\_;  all washer(s) and dryer(s), except \_\_\_\_\_.
- (3) The following additional items: \_\_\_\_\_.
- (4) Existing integrated phone and home automation systems, including necessary components such as intranet and Internet-connected hardware or devices, control units (other than non-dedicated mobile devices, electronics and computers) and applicable software, permissions, passwords, codes and access information, are ( are NOT) included in the sale.
- (5) **LEASED OR LIENED ITEMS AND SYSTEMS:** Seller shall, within the time specified in paragraph 14A, (i) disclose to Buyer if any item or system specified in paragraph 8B or otherwise included in the sale is leased, or not owned by Seller, or specifically subject to a lien or other encumbrance, and (ii) Deliver to Buyer all written materials (such as lease, warranty, etc.) concerning any such item. Buyer's ability to assume any such lease, or willingness to accept the Property subject to any such lien or encumbrance, is a contingency in favor of Buyer and Seller as specified in paragraph 14B and C.
- (6) Seller represents that all items included in the purchase price, unless otherwise specified, (i) are owned by Seller and shall be transferred free and clear of liens and encumbrances, except the items and systems identified pursuant to 8B(5) and \_\_\_\_\_, and (ii) are transferred without Seller warranty regardless of value.

**C. ITEMS EXCLUDED FROM SALE:** Unless otherwise specified, the following items are excluded from sale: (i) audio and video components (such as flat screen TVs, speakers and other items) if any such item is not itself attached to the Property, even if a bracket or other mechanism attached to the component or item is attached to the Property; (ii) furniture and other items secured to the Property for earthquake purposes; and (iii) \_\_\_\_\_.

\_\_\_\_\_. Brackets attached to walls, floors or ceilings for any such component, furniture or item shall remain with the Property (or  will be removed and holes or other damage shall be repaired, but not painted).

Buyer's Initials ( X ) ( X )

Seller's Initials ( X ) ( \_\_\_\_\_ )

RPA-CA REVISED 12/15 (PAGE 3 OF 10)

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 3 OF 10)

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19682 Seawind



Property Address: 19682 Seawind Cir, Huntington Beach, CA 92648-3029

Date: March 24, 2017

9. CLOSING AND POSSESSION:

- A. Buyer intends (or  does not intend) to occupy the Property as Buyer's primary residence.
- B. **Seller-occupied or vacant property:** Possession shall be delivered to Buyer: (i) at 6 PM or (  AM/  PM) on the date of Close Of Escrow; (ii)  no later than \_\_\_ calendar days after Close Of Escrow; or (iii)  at \_\_\_  AM/  PM on \_\_\_\_\_.
- C. **Seller remaining in possession After Close Of Escrow:** If Seller has the right to remain in possession after Close Of Escrow, (i) the Parties are advised to sign a separate occupancy agreement such as  C.A.R. Form SIP, for Seller continued occupancy of less than 30 days,  C.A.R. Form RLAS for Seller continued occupancy of 30 days or more; and (ii) the Parties are advised to consult with their insurance and legal advisors for information about liability and damage or injury to persons and personal and real property; and (iii) Buyer is advised to consult with Buyer's lender about the impact of Seller's occupancy on Buyer's loan.
- D. **Tenant-occupied property: Property shall be vacant at least 5 (or \_\_\_ ) Days Prior to Close Of Escrow, unless otherwise agreed in writing. Note to Seller: If you are unable to deliver Property vacant in accordance with rent control and other applicable Law, you may be in breach of this Agreement.**

OR  **Tenant to remain in possession (C.A.R. Form TIP).**

- E. At Close Of Escrow: Seller assigns to Buyer any assignable warranty rights for items included in the sale; and Seller shall Deliver to Buyer available Copies of any such warranties. Brokers cannot and will not determine the assignability of any warranties.
- F. At Close Of Escrow, unless otherwise agreed in writing, Seller shall provide keys, passwords, codes and/or means to operate all locks, mailboxes, security systems, alarms, home automation systems and intranet and Internet-connected devices included in the purchase price, and garage door openers. If the Property is a condominium or located in a common interest subdivision, Buyer may be required to pay a deposit to the Homeowners' Association ("HOA") to obtain keys to accessible HOA facilities.

10. STATUTORY AND OTHER DISCLOSURES (INCLUDING LEAD-BASED PAINT HAZARD DISCLOSURES) AND CANCELLATION RIGHTS:

- A. (1) Seller shall, within the time specified in paragraph 14A, Deliver to Buyer: (i) if required by Law, a fully completed: Federal Lead-Based Paint Disclosures (C.A.R. Form FLD) and pamphlet ("Lead Disclosures"); and (ii) unless exempt, fully completed disclosures or notices required by sections 1102 et. seq. and 1103 et. seq. of the Civil Code ("Statutory Disclosures"). Statutory Disclosures include, but are not limited to, a Real Estate Transfer Disclosure Statement ("TDS"), Natural Hazard Disclosure Statement ("NHD"), notice or actual knowledge of release of illegal controlled substance, notice of special tax and/or assessments (or, if allowed, substantially equivalent notice regarding the Mello-Roos Community Facilities Act of 1982 and Improvement Bond Act of 1915) and, if Seller has actual knowledge, of industrial use and military ordnance location (C.A.R. Form SPQ or ESD).
- (2) Any Statutory Disclosure required by this paragraph is considered fully completed if Seller has answered all questions and completed and signed the Seller section(s) and the Listing Agent, if any, has completed and signed the Listing Broker section(s), or, if applicable, an Agent Visual Inspection Disclosure (C.A.R. Form AVID). Nothing stated herein relieves a Buyer's Broker, if any, from the obligation to (i) conduct a reasonably competent and diligent visual inspection of the accessible areas of the Property and disclose, on Section IV of the TDS, or an AVID, material facts affecting the value or desirability of the Property that were or should have been revealed by such an inspection or (ii) complete any sections on all disclosures required to be completed by Buyer's Broker.
- (3) **Note to Buyer and Seller:** Waiver of Statutory and Lead Disclosures is prohibited by Law.
- (4) Within the time specified in paragraph 14A, (i) Seller, unless exempt from the obligation to provide a TDS, shall, complete and provide Buyer with a Seller Property Questionnaire (C.A.R. Form SPQ); (ii) if Seller is not required to provide a TDS, Seller shall complete and provide Buyer with an Exempt Seller Disclosure (C.A.R. Form ESD).
- (5) Buyer shall, within the time specified in paragraph 14B(1), return Signed Copies of the Statutory, Lead and other disclosures to Seller.
- (6) In the event Seller or Listing Broker, 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, 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 of which Buyer is otherwise aware, or which are disclosed in reports provided to or obtained by Buyer or ordered and paid for by Buyer.**
- (7) If any disclosure or notice specified in paragraph 10A(1), or subsequent or amended disclosure or notice is Delivered to Buyer after the offer is Signed, Buyer shall have the right to cancel this Agreement within 3 Days After Delivery in person, or 5 Days After Delivery by deposit in the mail, by giving written notice of cancellation to Seller or Seller's agent.
- B. **NATURAL AND ENVIRONMENTAL HAZARD DISCLOSURES AND OTHER BOOKLETS:** Within the time specified in paragraph 14A, Seller shall, if required by Law: (i) Deliver to Buyer earthquake guide(s) (and questionnaire), environmental hazards booklet, and home energy rating pamphlet; (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.
- C. **WITHHOLDING TAXES:** Within the time specified in paragraph 14A, to avoid required withholding, Seller shall Deliver to Buyer or qualified substitute, an affidavit sufficient to comply with federal (FIRPTA) and California withholding Law (C.A.R. Form AS or QS).
- D. **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](http://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.)
- E. **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.
- F. **CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES:**
  - (1) **SELLER HAS: 7 (or \_\_\_ ) Days After Acceptance to disclose to Buyer if the Property is a condominium, or is located in a planned development or other common interest subdivision (C.A.R. Form SPQ or ESD).**

Buyer's Initials ( X DC ) ( X \_\_\_\_\_ )

Seller's Initials ( X PL ) ( \_\_\_\_\_ )

RPA-CA REVISED 12/15 (PAGE 4 OF 10)

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 4 OF 10)

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19682 Seawind



Property Address: **19682 Seawind Cir, Huntington Beach, CA 92648-3029**

Date: **March 24, 2017**

(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"). (vi) private transfer fees; (vii) Pet fee restrictions; and (viii) smoking restrictions. 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 14B(3). The Party specified in paragraph 7, as directed by escrow, shall deposit funds into escrow or direct to HOA or management company to pay for any of the above.

11. **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 14A, 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 14B, 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.**

12. **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 14B. Within the time specified in paragraph 14B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to: (i) a general physical inspection; (ii) an inspection specifically for wood destroying pests and organisms. Any inspection for wood destroying pests and organisms shall be prepared by a registered Structural Pest Control company; shall cover the main building and attached structures; may cover detached structures; shall NOT include water tests of shower pans on upper level units unless the owners of property below the shower consent; shall NOT include roof coverings; and, if the Property is a unit in a condominium or other common interest subdivision, the inspection shall include only the separate interest and any exclusive-use areas being transferred, and shall NOT include common areas; and shall include a report ("Pest Control Report") showing the findings of the company which shall be separated into sections for evident infestation or infections (Section 1) and for conditions likely to lead to infestation or infection (Section 2); (iii) inspect for lead-based paint and other lead-based paint hazards; (iv) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA); (v) review the registered sex offender database; (vi) confirm the insurability of Buyer and the Property including the availability and cost of flood and fire insurance; and (vii) review and seek approval of leases that may need to be assumed by Buyer. Without Seller's prior written consent, Buyer shall neither make nor cause to be made: invasive or destructive Buyer Investigations, except for minimally invasive testing required to prepare a Pest Control Report; or 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 14B, complete Buyer Investigations and either remove the contingency or cancel this Agreement, and (ii) give Seller, at no cost, complete Copies of all such Investigation reports obtained by Buyer, which obligation shall survive the termination of this Agreement.
- C. Seller shall have water, gas, electricity and all operable pilot lights on for Buyer's Investigations and through the date possession is made available to Buyer.
- D. **Buyer indemnity and seller protection for entry upon property:** Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer Investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-Responsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination of this Agreement.

13. **TITLE AND VESTING:**

- A. Within the time specified in paragraph 14, 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 14B. 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 14A, 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.

Buyer's Initials ( X DC ) ( X \_\_\_\_\_ )  
RPA-CA REVISED 12/15 (PAGE 5 OF 10)

Seller's Initials ( X PC ) ( \_\_\_\_\_ )



CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 5 OF 10)



Property Address: **19682 Seawind Cir, Huntington Beach, CA 92648-3029** Date: **March 24, 2017**

E. Buyer shall receive a CLTA/ALTA "Homeowner's Policy of Title Insurance", if applicable to the type of property and buyer. If not, Escrow Holder shall notify Buyer. A title company can provide information about the availability, coverage, and cost of other title policies and endorsements. If the Homeowner's Policy is not available, Buyer shall choose another policy, instruct Escrow Holder in writing and shall pay any increase in cost.

**14. 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 5, 6, 7, 8B(5), 10A, B, C, and F, 11A and 13A. If, by the time specified, Seller has not Delivered any such item, Buyer after first Delivering to Seller a Notice to Seller to Perform (C.A.R. Form NSP) may cancel this Agreement.

B. (1) **BUYER HAS: 17 (or \_\_\_ ) Days After Acceptance**, unless otherwise agreed in writing, to: (i) complete all Buyer Investigations; review all disclosures, reports, lease documents to be assumed by Buyer pursuant to paragraph 8B(5), 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 and Lead Disclosures and other disclosures Delivered by Seller in accordance with paragraph 10A.

(2) Within the time specified in paragraph 14B(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 14B(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 14A, then Buyer has **5 (or \_\_\_ ) Days After Delivery** of any such items, or the time specified in paragraph 14B(1), whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement.

(4) **Continuation of Contingency:** Even after the end of the time specified in paragraph 14B(1) and before Seller cancels, if at all, pursuant to paragraph 14D, 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 14D(1).

(5) **Access to Property:** Buyer shall have access to the Property to conduct inspections and investigations for **17 (or \_\_\_ ) Days After Acceptance**, whether or not any part of the Buyer's Investigation Contingency has been waived or removed.

C.  **REMOVAL OF CONTINGENCIES WITH OFFER:** Buyer removes the contingencies specified in the attached Contingency Removal form (C.A.R. Form CR). If Buyer removes any contingency without an adequate understanding of the Property's condition or Buyer's ability to purchase, Buyer is acting against the advice of Broker.

D. **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, or a satisfactory verification if Seller reasonably disapproves of the verification already provided, as required by paragraph 3C or 3H; (v) In writing assume or accept leases or liens specified in 8B5; (vi) Return Statutory and Lead Disclosures as required by paragraph 10A(5); or (vii) Sign or initial a separate liquidated damages form for an increased deposit as required by paragraphs 3B and 21B; or (viii) 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.

E. **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 14.

F. **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.

G. **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.

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

Buyer's Initials ( DC ) ( X )  
RPA-CA REVISED 12/15 (PAGE 6 OF 10)

Seller's Initials ( PC ) ( \_\_\_\_\_ )



**CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 6 OF 10)**

Property Address: **19682 Seawind Cir, Huntington Beach, CA 92648-3029** Date: **March 24, 2017**

- 15. **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 11; (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).
- 16. **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.
- 17. **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 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.
- 18. **BROKERS:**
  - A. **COMPENSATION:** Seller or Buyer, or both, as applicable, agree 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.
- 19. **REPRESENTATIVE CAPACITY:** If one or more Parties is signing this Agreement in a representative capacity and not for him/herself as an individual then that Party shall so indicate in paragraph 31 or 32 and attach a Representative Capacity Signature Disclosure (C.A.R. Form RCSD). Wherever the signature or initials of the representative identified in the RCSD appear on this 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).
- 20. **JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:**
  - A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: paragraphs 1, 3, 4B, 5A, 6, 7, 10C, 13, 14G, 17, 18A, 19, 20, 26, 29, 30, 31, 32 and paragraph D of the section titled Real Estate Brokers on page 10. If a Copy of the separate compensation agreement(s) provided for in paragraph 18A, 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 7C(1)(c). To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow and, as directed by Escrow Holder, within 3 (or  ) Days, shall pay to Escrow Holder or HOA or HOA management company or others any fee required by paragraphs 7, 10 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 10C, Escrow Holder shall deliver to Buyer a Qualified Substitute statement that complies with federal Law.

Buyer's Initials (  DC ) (  \_\_\_\_\_ )  
RPA-CA REVISED 12/15 (PAGE 7 OF 10)

Seller's Initials (  PL ) (  \_\_\_\_\_ )



Property Address: 19682 Seawind Cir, Huntington Beach, CA 92648-3029 Date: March 24, 2017

- C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraph 18A and paragraph D of the section titled Real Estate Brokers on page 10. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraph 18A, 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 or down payment 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.

**21. 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. If the Property is a dwelling with no more than four units, one of which Buyer intends to occupy, then the amount retained shall be no more than 3% of the purchase price. Any excess shall be returned to Buyer. Except as provided in paragraph 14H, release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award. **AT THE 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 PL / \_\_\_\_\_

Seller's Initials PL / \_\_\_\_\_

**22. 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. Real Estate Mediation Center for Consumers ([www.consumermediation.org](http://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 22C.**

**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 residential 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 22C.

**"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 PL / \_\_\_\_\_

Seller's Initials PL / \_\_\_\_\_

**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.

Buyer's Initials ( X ) ( X )

Seller's Initials ( PL ) ( \_\_\_\_\_ )

Property Address: 19682 Seawind Cir, Huntington Beach, CA 92648-3029 Date: March 24, 2017

(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 this Agreement.

23. **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.

24. **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.

25. **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 attorney fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 22A.

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

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

28. **TERMS AND CONDITIONS OF OFFER:**

This is an offer to purchase the Property on the above terms and conditions. The liquidated damages paragraph or the arbitration of disputes paragraph is incorporated in this Agreement if initialed by all Parties or if incorporated by mutual agreement in a counter offer or addendum. If at least one but not all Parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. The Parties have read and acknowledge receipt of a Copy of the offer and agree 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.

29. **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.**

30. **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", including "COE", means the date the grant deed, or other evidence of transfer of title, is recorded.
- E. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
- F. "Days" means calendar days. However, after Acceptance, the last Day for performance of any act required by this Agreement (including Close Of Escrow) shall not include any Saturday, Sunday, or legal holiday and shall instead be the next Day.
- G. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59 PM on the final day.
- H. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
- I. "Deliver", "Delivered" or "Delivery", unless otherwise specified in writing, means and shall be effective upon: personal receipt by Buyer or Seller or the individual Real Estate Licensee for that principal as specified in the section titled Real Estate Brokers on page 10, 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.

31. **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 this Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD-B) for additional terms.

Date \_\_\_\_\_ BUYER Donna Colbert 3/24/2017  
(Print name) Donna Colbert

Date \_\_\_\_\_ BUYER \_\_\_\_\_  
(Print name) \_\_\_\_\_

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

Seller's Initials ( PL ) ( \_\_\_\_\_ )



DocuSign Envelope ID: D35E99C6-1C0A-4719-A723-46ED3B11E5E2

Property Address: 19682 Seawind Cir, Huntington Beach, CA 92648-3029 Date: March 24, 2017

32. 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. Seller has read and acknowledges receipt of a Copy of this Agreement, and authorizes Broker to Deliver a Signed Copy to Buyer.

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

One or more Sellers is signing this 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 SELLER Phillip Cantwell 3/24/2017 (Print name) Phillip Cantwell

Date SELLER (Print name)

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

(Do not initial if making a counter offer.) CONFIRMATION OF ACCEPTANCE: A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date) at AM/ PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document.

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...

Real Estate Broker (Selling Firm) PK Real Estate Diana Perna CalBRE Lic. # 01962692
By Diana Perna CalBRE Lic. # 01387569 Date 3/24/2017
Address 2124 Main Street, Suite 140 City Huntington Beach State CA Zip 92648
Telephone (714)319-2042 E-mail dperna@pkrealestate.net

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 agrees to act as Escrow Holder subject to paragraph 20 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 Central Escrow Group Inc Escrow # CEG 901001-HJ
By Heidi James 2134 Main Street Suite 185 Date 4/3/17
Address Huntington Beach, CA 92648
Phone/Fax/E-mail
Escrow Holder has the following license number # 96080-57150
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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Buyer Acknowledges that page 10 is part of this Agreement ( ) ( X ) Buyer's Initials

525 South Virgil Avenue, Los Angeles, California 90020
RPA-CA REVISED 12/15 (PAGE 10 of 10)

Reviewed by Broker or Designee



DocuSign Envelope ID: D35E99C6-1C0A-4719-A723-46ED3B11E5E2



CALIFORNIA ASSOCIATION OF REALTORS®

BUYER'S INSPECTION ADVISORY

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

Property Address: 19682 Seawind Cir, Huntington Beach, CA 92648-3029 ("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 Donna Colbert 3/24/2017 Buyer

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BIA REVISED 11/14 (PAGE 1 OF 1)

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



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



ADDENDUM

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

No. 2

The following terms and conditions are hereby incorporated in and made a part of the: [X] 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), [ ] Other

dated March 24, 2017, on property known as 19682 Seawind Circle Huntington Beach, CA 92648

in which Donna Colbert is referred to as ("Buyer/Tenant") and Philip R. Cantwell is referred to as ("Seller/Landlord").

Sale is subject to Bankruptcy Court approval and is further subject to an overbid procedure. The initial overbid will be in the amount of \$10,000 with additional bids of a minimum of \$5,000.

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

Date June 12, 2017 DocuSigned by: Donna Colbert 6/12/2017

Date June 12, 2017 DocuSigned by: Philip R. Cantwell 6/12/2017

Buyer/Tenant X

Seller/Landlord

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Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



ADM REVISED 12/15 (PAGE 1 OF 1)

ADDENDUM (ADM PAGE 1 OF 1)

<p>Attorney or Party Name, Address, Telephone &amp; FAX Nos., State Bar No. &amp; Email Address</p> <p>Michael G. Spector - Bar No. 145035                  Vicki L. Schennum (Of Counsel) - Bar No. 159628                  LAW OFFICES OF MICHAEL G. SPECTOR                  2677 North Main Street, Suite 910                  Santa Ana, California 92705                  Telephone: (714)835-3130 - Michael G. Spector                  Telephone: (949)502-6255 - Vicki L. Schennum                  Facsimile: (714)558-7435                  Email- mgspector@aol.com                  Email - schennumlaw@gmail.com</p> <p><input type="checkbox"/> Individual appearing without attorney  <input checked="" type="checkbox"/> Attorney for: PHILIP RICHARD CANTWELL, JR</p>	<p>FOR COURT USE ONLY</p>
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**UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA - SANTA ANA DIVISION**

<p>In re: PHILIP RICHARD CANTWELL, JR</p> <p style="text-align: right;">Debtor(s).</p>	<p>CASE NO.: 8:17-bk-10032 ES CHAPTER: 11</p> <p style="text-align: center;"><b>NOTICE OF SALE OF ESTATE PROPERTY</b></p>
--	---

<p><b>Sale Date:</b> 07/11/2017</p>	<p><b>Time:</b> 10:30 am</p>
<p><b>Location:</b> 411 W. Fourth St, Ctrm 5D, Santa Ana, CA 92701</p>	

**Type of Sale:**  Public  Private **Last date to file objections:** 06/27/2017

**Description of property to be sold:** Residential real property  
 Residential real property located at 19682 Seawind Circle, Huntington Beach, California

**Terms and conditions of sale:**  
 Property sold "as is" with escrow to close as soon a possible after Court approval.

**Proposed sale price:** \$ 730,000.00



**Overbid procedure (if any):**

Overbid procedure set forth in the Motion to Approve Sale. First overbid to be \$740,000, with \$5,000 incremental overbids.

**If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:**

July 11, 2017 at 10:30 a.m. in Courtroom 5A of the United States Bankruptcy Court located at 411 W. Fourth Street, Santa Ana, CA 92701

**Contact person for potential bidders (include name, address, telephone, fax and/or email address):**

Michael G. Spector  
Vicki L Schennum (Of Counsel)- Bar No. 159628  
2677 North Main St, Ste 910  
Santa Ana, CA 92705  
Tele: (714) 835-3130 Fax: (714) 558-7435  
Email: mgspector@aol.com; schennumlaw@gmail.com

Date: 06/12/2017

**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: 2677 North Main St, Ste 910, Santa Ana, CA 92705

A true and correct copy of the foregoing document entitled (*specify*): **AMENDED MOTION FOR ORDER: 1) AUTHORIZING SALE OF REAL PROPERTY, FREE AND CLEAR OF LIENS PURSUANT TO 11 U.S.C. §363(b) AND (f); 2) APPROVING OVERBID PROCEDURES; 3) FOR DETERMINATION OF GOOD FAITH PURCHASER UNDER 11 U.S.C. § 363(M); AND 4) PAYMENT OF REAL ESTATE BROKER COMMISSIONS; MEMORANDUM OF POINTS AND AUTHORITIES; DECLARATIONS OF PHILIP RICHARD CANTWELL, JR. AND VICKI L SCHENNUM 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 **June 12, 2017**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

<u>Attorney for Wells Fargo Bank, N.A.</u>	Jason C Kolbe	bknotice@rcolegal.com
<u>Attorney for U.S. Trustee</u>	Queenie K Ng	queenie.k.ng@usdoj.gov
<u>Attorneys for Debtor</u>	Vicki L Schennum	schennumlaw@gmail.com
	Michael G Spector	mgspector@aol.com, mgslawoffice@aol.com
<u>U.S. Trustee</u>	United States Trustee (SA)	ustpregion16.sa.ecf@usdoj.gov

**2. SERVED BY UNITED STATES MAIL:** On, 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 **June 12, 2017**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

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

June 12, 2017

Date

Vicki L Schennum

Printed Name

/s/ Vicki L Schennum

Signature

Service List - Served Via US Mail

Presiding Judge

Honorable Erithe Smith  
U.S. Bankruptcy Court  
411 W. Fourth St., #5040  
Santa Ana, CA 92701

Debtor-in-Possession

Philip Cantwell, Jr.  
103 Calle del Pacifico  
San Clemente, CA 92672

First Trust Deed Holder

Anthony Souza  
16531 Bolsa Chica St. Ste. 304  
Huntington Beach, CA. 92649-3595

Tax Collector

Orange County Tax Collector  
Attn: Bankruptcy Unit  
P. O. Box 1438  
Santa Ana, CA 92702-1438

**UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA - SANTA ANA DIVISION**

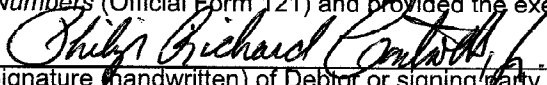
Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address Vicki L Schennum (Of Counsel)- Bar No. 159628 2677 North Main St, Ste 910 Santa Ana, CA 92705 Tele: (714) 835-3130 Fax: (714) 558-7435 Email: schennumlaw@gmail.com Attorney for: PHILIP RICHARD CANTWELL, JR.	CASE NO.: 8:17-bk-10032 ES CHAPTER: 11 ADVERSARY NO.: (if applicable)
In re: PHILIP RICHARD CANTWELL, JR.	<p><b>ELECTRONIC FILING DECLARATION (INDIVIDUAL) [LBR 1002-1(f)]</b></p>
Debtor(s).	

- |   |                   |
|---|-------------------|
| <input type="checkbox"/> Petition, statement of affairs, schedules or lists                               | Date filed: _____ |
| <input type="checkbox"/> Amendments to the petition statements of affairs, schedules or lists             | Date filed: _____ |
| <input checked="" type="checkbox"/> Other (specify): <u>Declaration re Amended Motion to Approve Sale</u> | Date filed: _____ |

**PART I – DECLARATION OF DEBTOR(S) OR OTHER PARTY**

I (We), the undersigned Debtor(s) or other party on whose behalf the above-referenced document is being filed (Signing Party), declare under penalty of perjury that: (1) I have read and understand the above-referenced document being filed electronically (Filed Document); (2) the information provided in the Filed Document is true, correct and complete; (3) the "/s/," followed by my name, on the signature line(s) for the Signing Party in the Filed Document serves as my signature and denotes the making of such declarations, requests, statements, verifications and certifications to the same extent and effect as my actual signature on such signature line(s); (4) I have actually signed a true and correct printed copy of the Filed Document in such places and provided the executed printed copy of the Filed Document to my attorney; and (5) I have authorized my attorney to file the electronic version of the Filed Document and this Declaration with the United States Bankruptcy Court for the Central District of California. If the Filed Document is a petition, I further declare under penalty of perjury that I have completed and signed a *Statement About Your Social Security Numbers* (Official Form 121) and provided the executed original to my attorney.

Date: 6/12/17

  
 \_\_\_\_\_  
 Signature (handwritten) of Debtor or signing party  
 Philip Richard Cantwel, Jr.  
 Printed name of signing party

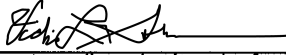
Date: \_\_\_\_\_

\_\_\_\_\_  
 Signature (handwritten) of Debtor 2 (Joint Debtor)(if applicable)  
 \_\_\_\_\_  
 Printed name of Debtor 2, if applicable

**PART II – DECLARATION OF ATTORNEY FOR SIGNING PARTY**

I, the undersigned attorney for the Signing Party, declare under penalty of perjury that: (1) the "/s/," followed by my name, on the signature lines for the attorney for the Signing Party in the Filed Document serves as my signature and denotes the making of such declarations, requests, statements, verifications and certifications to the same extent and effect as my actual signature on such signature lines; (2) the Signing Party signed *Part 1 - Declaration of Debtor(s) or Other Party* of this Declaration before I electronically submitted the Filed Document for filing with the United States Bankruptcy Court for the Central District of California; (3) I have actually signed a true and correct printed copy of the Filed Document in the locations that are indicated by "/s/," followed by my name, and have obtained the signature(s) of the Signing Party in the locations that are indicated by "/s/," followed by the Signing Party's name, on the true and correct printed copy of the Filed Document; (4) I shall maintain the executed originals of this Declaration and the Filed Document for a period of five years after the closing of the case in which they are filed; and (5) I shall make the executed originals of this Declaration and the Filed Document available for review upon request of the court or other parties. If the Filed Document is a petition, I further declare under penalty of perjury that: (1) the Signing Party completed and signed the *Statement About Your Social Security Numbers* (Official Form 121) before I electronically submitted the Filed Document for filing with the United States Bankruptcy Court for the Central District of California; (2) I shall maintain the executed original of the *Statement About Your Social Security Numbers* (Official Form 121) for a period of five years after the closing of the case in which they are filed; and (3) I shall make the executed original of the *Statement About Your Social Security Numbers* (Official Form 121) available for review upon request of the court.

Date: 6/12/2017

  
 \_\_\_\_\_  
 Signature (handwritten) of attorney for Signing Party  
 Vicki L Schennum  
 Printed Name of attorney for Signing Party