

1 Law Offices of
2 KAREN L. GRANT
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9 Attorneys for Debtor and Debtor-in-Possession

10 IN THE UNITED STATES BANKRUPTCY COURT
11 CENTRAL DISTRICT OF CALIFORNIA - NORTHERN DIVISION

12 In re) CASE NO. 9:15-bk-12171-PC
13 Rancho Arroyo Grande LLC, a) (Chapter 11)
14 California Limited Liability)
15 Company,) MOTION FOR ORDER AUTHORIZING
16 Debtor.) DEBTOR AND DEBTOR-IN-POSSESSION
17) TO SELL REAL PROPERTY FREE AND
18) CLEAR OF LIENS; TO SELL PERSONAL
19) PROPERTY OF THE ESTATE; TO PAY
20) COSTS OF SALE, INCLUDING REAL
21) ESTATE COMMISSION AND SATISFY
22) CERTAIN OBLIGATIONS SECURED BY
23) THE PROPERTY; FOR A FINDING THAT
24) BUYER IS A GOOD FAITH PURCHASER
25) UNDER 11 U.S.C. §363(m); AND FOR
26) WAIVER OF THE STAY UNDER
27) BANKRUPTCY RULE 6004(h);
28) MEMORANDUM OF POINTS AND
) AUTHORITIES; DECLARATION OF
) CHRISTOPHER J. CONWAY IN SUPPORT
)
)
) Date: December 13, 2016
) Time: 10:00 a.m.
) Place: 1415 State Street,
) Santa Barbara, CA 93101
) Rm. 201
)

26 TO THE HONORABLE PETER H. CARROLL, UNITED STATES BANKRUPTCY JUDGE,
27 THE OFFICE OF THE UNITED STATES TRUSTEE, AND ALL OTHER INTERESTED
28 PARTIES:

1 The Debtor and Debtor-in-Possession, Rancho Arroyo Grande, LLC
2 ("the Debtor"), pursuant to 11 U.S.C. §§105(a), 363(b)(1), (f) and
3 (m), Federal Rule of Bankruptcy Procedure 6004, and Local Bankruptcy
4 Rule 6004-1 hereby moves the Court for an order authorizing the
5 Debtor to sell real property of this estate free and clear of liens,
6 including certain personal property owned by the estate, to pay
7 costs of sale, including commissions, to satisfy certain obligations
8 secured by the property, for a finding that the buyer is a good
9 faith purchaser under 11 U.S.C. §363(m), and for waiver of the 14
10 day stay provided for under Federal Rule of Bankruptcy Procedure
11 6004(h) ("Motion").

12 The real property proposed to be sold is located at 455-599 Hi
13 Mountain Road in Arroyo Grande, 93420 and known as Rancho Arroyo
14 Grande ("the Ranch Property") and is being sold to Soon K. Kim or
15 Assignee ("Buyer"), for the cash price of \$12,400,000.00. A true
16 and correct copy of the legal description for the Ranch Property is
17 attached to the Declaration of Christopher J. Conway as Exhibit "A".
18 Included in the sale is certain personal property and equipment
19 located on the Ranch Property and the registered Trademark name
20 "Rancho Arroyo Grande". The terms and conditions of the Proposed
21 Sale are described in the Residential Purchase Agreement and Joint
22 Escrow Instructions and Addendum attached thereto (the "Purchase
23 Agreement"), a copy of which is attached to the Declaration of
24 Christopher J. Conway as Exhibit "B". This sale is not subject to
25 overbid pursuant to the terms of the Purchase Agreement.


26 This Motion is based upon the attached notice of motion, the
27 Memorandum of Points and Authorities, the declaration of Christopher
28 J. Conway in support of the Motion,

1 and the papers and pleadings on file in connection with this matter.

2 Notice of this Motion has been given to the United States
3 Trustee, all creditors, and all parties requesting special notice.
4 A copy of the notice of motion together with a declaration of
5 service is attached hereto as Exhibit "C".

6
7 Dated: November 23, 2016 Law Offices of Karen L. Grant

8
9 By:


10 Karen L. Grant
11 Attorneys for Debtor and
12 Debtor-in-Possession Rancho
13 Arroyo Grande, LLC.
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1 MEMORANDUM OF POINTS AND AUTHORITIES

2 I.

3 STATEMENT OF FACTS

4 1. This case was commenced by the filing of a voluntary
5 petition under Chapter 11 of the Bankruptcy Code on October 30, 2015
6 ("Petition Date"). The Debtor is a debtor-in-possession and no
7 trustee has been appointed.

8 2. The Ranch Property, which is the subject of the motion,
9 consists of 3,468 acres of ranch land developed with a 9,768 sq. ft.
10 residence and 1,856 sq. ft. guest house, a partially completed
11 winery, a 224 acre vineyard, an equestrian center, an event center,
12 two ranch houses, a 27 acre olive orchard, 220 acres of planted hay,
13 as well as other improvements. The Debtor leases the 224 acre
14 vineyard to Diamond West Farming Co. Inc. for a semi-annual payment
15 of \$74,800. The Debtor leases the Equestrian facilities to Cody and
16 Becca Mora for \$2,000 per month. Cody and Becca Mora reside in one
17 of the ranch houses located on the real property. Todd Ruffoni dba
18 Ruffoni Farming and Management LLC manages the Ranch Property and
19 engages in the dry farming of 220 acres of hay pursuant to a Farming
20 and Housing Contract with the Debtor which is currently month to
21 month. Mr. Ruffoni also resides in one of the ranch houses located
22 on the real property.

23 3. The Ranch Property is subject to the following liens and
24 encumbrances:

25 (a) real property taxes assessed against the Ranch
26 Property by the County of San Luis Obispo for 2015-2016 totaling
27 \$237,753.46 pursuant to a proof of claim filed by the San Luis
28 Obispo County Tax Collector on December 24, 2015, as well as, post-

1 petition arrearages totaling 118,000;

2 (b) A first deed of trust recorded September 20, 2007, as
3 Instrument No. 2007063201 ("WF Deed of Trust") originally in favor
4 of Wachovia Bank, National Association ("Wachovia"), securing a Note
5 in the original amount of \$14,500,000 ("WF Note"). Wells Fargo Bank,
6 National Association ("Wells Fargo") is the successor to Wachovia to
7 the WF Note and WF Deed of Trust. The Debtor is also obligated to
8 Wells Fargo under a Swap Modification Agreement dated April 17, 2015
9 ("Swap Agreement") in the amount of \$1,511,818.40 which is also
10 subject to the WF Deed of Trust. As of the Petition Date, Wells
11 Fargo was owed \$12,860,502.91 pursuant to a proof of claim filed by
12 Wells Fargo on February 26, 2016. Additional, post-petition
13 arrearages are owed to Wells Fargo totaling approximately \$540,000;
14 and,

15 (c) a second deed of trust recorded December 5, 2014, as
16 Instrument No. 2014051575 in favor of USI Servicing, Inc. ("USI"),
17 securing a Note in the original amount of \$2,000,000.00 pursuant to
18 a proof of claim filed March 29, 2016. Additional post-petition
19 arrearages are owed to USI totaling approximately \$249,996.00. The
20 USI Note is cross-collateralized by a second deed of trust against
21 real property owned by the Debtor located at 1530 Roble Drive in
22 Santa Barbara, California ("Roble Property"). The Roble Property
23 consists of an 11,293 sq. ft. main house with 9 bedrooms and 6.5
24 baths, a 2 bedroom guest house, pool, tennis court and other
25 improvements, including approximately seven acres of landscaped
26 gardens and was appraised at \$12,000,000 as of December 1, 2015.
27 The Roble Property is subject to real property taxes totaling
28 approximately \$77,129.02 pursuant to proof of claim filed by the

1 Santa Barbara County Tax Collector on February 3, 2016, a First
2 Trust Deed held by Wells Fargo Bank in the amount of \$2,363,668.69
3 pursuant to a proof of claim filed by Wells Fargo Bank on February
4 29, 2016, together with post-petition arrearages totaling
5 approximately \$156,000 and the USI second deed of trust.

6 A copy of a preliminary title report for the Ranch Property dated
7 October 27, 2015 is attached to the Declaration of Christopher J.
8 Conway as Exhibit "D".¹ An updated preliminary title report will be
9 filed in support of this motion prior to the hearing on this motion.

10 4. The Debtor has received and accepted, subject to approval
11 of this court, an offer to purchase the Ranch Property from the
12 Buyer for \$12,400,000, consisting of a \$250,000 deposit, with the
13 balance payable in cash at close of escrow. The terms of the
14 proposed sale are set forth in the Purchase Agreement, a copy of
15 which is attached to the declaration of Christopher J. Conway as
16 Exhibit "B". The proposed sale shall include certain
17 personal property and equipment owned by Debtor used in the
18 operation of the property pursuant to the terms of the purchase
19 agreement, together with the registered trademark name "Rancho
20 Arroyo Grande". A copy of the personal property and equipment
21 proposed to be included in the sale is attached to the Purchase
22 Agreement as Exhibit "A". Escrow shall close by December 31, 2016.
23 Nothing contained in this motion shall alter, amend or otherwise
24 modify the terms and conditions of the proposed sale as set forth in
25 the Purchase Agreement.

26 5. On November 30, 2015, this Court entered an order
27 authorizing the Debtors to employ Kerry Mormann and Berkshire
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¹ Item 33 of the Preliminary Title Report lists a Financing Statement recorded on 01/16/09 by Farm Credit West, PCA which relates to a lease of certain winery equipment. On or about 08/02/11, the lease was assumed and assigned by the Debtor to Conway Vineyards Inc. ("Conway") and the leased equipment was removed by

1 Hathaway Home Services ("Mormann") to list the Ranch Property for
2 sale. A true and correct copy of the Order is attached to the
3 Declaration of Christopher J. Conway as Exhibit "E". On October
4 31, 2016, the Debtor executed a modification of terms/addendum to
5 the listing agreement extending the listing date to January 15, 2017
6 and reducing the listing price to \$14,000,000. A copy of the
7 modification is attached to the Declaration of Christopher J. Conway
8 as Exhibit "F". With regard to this proposed transaction, Mr.
9 Mormann has agreed to accept a 2% commission totaling \$248,000.

10 6. The proposed sale to the Buyer is the highest and best
11 offer received by the Debtor for the Ranch Property. Wells Fargo
12 was granted relief from the automatic stay pursuant to an order
13 entered by the Court on June 17, 2016. A foreclosure sale has been
14 set for December 2, 2016. It is the Debtor's understanding and
15 belief that Wells Fargo will agree to continue this foreclosure sale
16 to allow the escrow to close under the terms of the Purchase
17 Agreement on December 31, 2016 if this sale is approved by the
18 Court. The Debtor believes that the purchase price represents the
19 current fair market value of the Ranch Property and further believes
20 that confirmation of the sale is in the best interests of the Debtor
21 and its creditors in that the sale will satisfy the majority of the
22 secured debt owed to Wells Fargo against the Ranch Property and USI
23 will retain its security interest in the Roble Property.

24 7. The Debtor and its principals are not related or
25 affiliated in any way with the Buyer. Prior to this transaction,
26 the Debtor did not have any relationship or contact whatsoever with
27 the Buyer.
28

Conway from the Real Property. None of the lease equipment is subject to this sale. It is the Debtor's understanding and belief that Farm Credit West, PCA recorded a release of the Financing Statement.

1 The court may authorize this sale pursuant to the provisions of 11
2 U.S.C. §363(b)(1).

3 II

4 THE COURT SHOULD APPROVE THE SALE BECAUSE IT IS IN THE BEST
5 INTERESTS OF THE BANKRUPTCY ESTATE

6 8. 11 U.S.C. §363(b)(1) authorizes the Debtors to sell
7 property when such sale is in the best interest of the estate. The
8 proposed sale of the Ranch Property and personal property identified
9 herein meets that requirement. The Ranch Property and personal
10 property are being sold at arms-length and at fair market value.
11 The net proceeds from the proposed sale, after commissions and costs
12 will pay the outstanding real property taxes owed to the San Luis
13 Obispo Tax Collector, and the majority of the obligation secured by
14 Wells Fargo's First Deed of Trust. USI will retain its cross-
15 collateralized obligation secured by the Second Deed of Trust on Roble
16 Property. It is not anticipated that there will be additional cash
17 proceeds for the benefit of the other unsecured creditors in this
18 case from this sale.

19 A. The Sale Should Be Free and Clear of Encumbrances

20 9. The Debtor seeks authority to sell the Ranch Property to
21 the Buyer free and clear of liens, claims, interests and
22 encumbrances. Pursuant to 11 U.S.C. § 363(f), the court may
23 authorize the sale of estate property free and clear of any interest
24 of an entity in such property if, "(2) such entity consents." Here,
25 it is anticipated that Wells Fargo will consent to the sale and USI
26 will not object as it will retain its Second Deed of Trust on the
27 Roble Property.
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IV

CONCLUSION

WHEREFORE, Debtors pray for an order of the Court as follows:

1. Authorizing the Debtor to sell the Ranch Property and personal property to the Buyer for \$12,400,000 cash upon the terms and conditions set forth in the Purchase Agreement attached as Exhibit "B" to the Declaration of Christopher J. Conway;

2. To pay directly from escrow:

(a) All commissions and closing costs;

(b) Real property taxes assessed against the Ranch Property by the County of San Luis Obispo;

(c) Remaining net proceeds available after costs of sale, real estate commissions, real property taxes to Wells Fargo Bank secured by a First deed of trust recorded September 20, 2007, as Instrument No.

2007063201;

3. To sell the Ranch Property free and clear of all liens, claims, encumbrances and interests, with valid liens, claims, encumbrances and interests to attach to the proceeds of the sale in their order of priority;

4. For a finding that the Buyer is a good faith purchaser entitled to all the protections and benefits of 11 U.S.C. §363(m);

5. For a waiver of the 10-day period provided for in Federal Rule of Bankruptcy Procedure 6004(g); and,

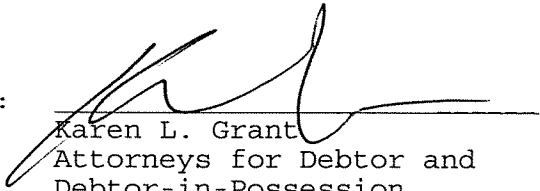
6. For such other and further relief as the court deems just and proper.

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Dated: November 23, 2016 Law Offices of Karen L. Grant

By: 
Karen L. Grant
Attorneys for Debtor and
Debtor-in-Possession

DECLARATION OF CHRISTOPHER J. CONWAY

I, Christopher J. Conway, state and declare as follows:

1. I am the managing member of Rancho Arroyo Grande LLC, a California Limited Liability Company, debtor and debtor-in-possession in the chapter 11 bankruptcy case filed on October 30, 2015 ("the Debtor").

2. I have personal knowledge of the facts stated in this declaration and could and would competently testify thereto if called upon to do so.

3. Among the assets of the estate is certain real property located at 455-599 Hi Mountain Road in arroyo Grande, 93420 and known as Rancho Arroyo Grande ("the Ranch Property"). A true and correct copy of the legal description for the RAG Property is attached hereto as Exhibit "A".

4. The Ranch Property consists of 3,468 acres of ranch land developed with a 9,768 sq. ft. residence and 1,856 sq. ft. guest house, a partially completed winery, a 224 acre vineyard, an equestrian center, an event center, two ranch houses, a 27 acre olive orchard, 220 acres of planted hay, as well as other improvements. The Debtor leases the 224 acre vineyard to Diamond West Farming Co. Inc. for a semi-annual payment of \$74,800. The Debtor leases the Equestrian facilities to Cody and Becca Mora for \$2,000 per month. Cody and Becca Mora reside in one of the ranch houses located on the real property. Todd Ruffoni dba Ruffoni Farming and Management LLC manages the Ranch Property and engages in the dry farming of 220 acres of hay pursuant to a Farming and Housing Contract with the Debtor which is currently month to month. Mr. Ruffoni also resides in one of the ranch houses located on the

1 real property.

2 5. The Ranch Property is subject to the following liens and
3 encumbrances:

4 (a) Real property taxes assessed against the Ranch
5 Property by the County of San Luis Obispo for 2015-2016 totaling
6 \$237,753.46 pursuant to a proof of claim filed by the San Luis
7 Obispo County Tax Collector on December 24, 2015, as well as, post-
8 petition arrearages totaling approximately 118,000;

9 (b) A first deed of trust recorded September 20, 2007, as
10 Instrument No. 2007063201 ("WF Deed of Trust") originally in favor
11 of Wachovia Bank, National Association ("Wachovia"), securing a Note
12 in the original amount of \$14,500,000 ("WF Note"). Wells Fargo Bank,
13 National Association ("Wells Fargo") is the successor to Wachovia to
14 the WF Note and WF Deed of Trust. The Debtor is also obligated to
15 Wells Fargo under a Swap Modification Agreement dated April 17, 2015
16 ("Swap Agreement") in the amount of \$1,511,818.40 which is also
17 subject to the WF Deed of Trust. As of the Petition Date, Wells
18 Fargo was owed \$12,860,502.91 pursuant to a proof of claim filed by
19 Wells Fargo on February 26, 2016. Additional, post-petition
20 arrearages are owed to Wells Fargo totaling approximately \$540,000;
21 and,

22 (c) a second deed of trust recorded December 5, 2014, as
23 Instrument No. 2014051575 in favor of USI Servicing, Inc. ("USI"),
24 securing a Note in the original amount of \$2,000,000.00 pursuant to
25 a proof of claim filed March 29, 2016. Additional post-petition
26 arrearages are owed to USI totaling approximately \$249,996.00. The
27 USI Note is cross-collateralized by a second deed of trust against
28 real property owned by the Debtor located at 1530 Roble Drive in

1 Santa Barbara, California ("Roble Property"). The Roble Property
2 consists of an 11,293 sq. ft. main house with 9 bedrooms and 6.5
3 baths, a 2 bedroom guest house, pool, tennis court and other
4 improvements, including approximately seven acres of landscaped
5 gardens and was appraised at \$12,000,000 as of December 1, 2015.
6 The Roble Property is subject to real property taxes totaling
7 approximately \$77,129.02 pursuant to proof of claim filed by the
8 Santa Barbara County Tax Collector on February 3, 2016, a First
9 Trust Deed held by Wells Fargo Bank in the amount of \$2,363,668.69
10 pursuant to a proof of claim filed by Wells Fargo Bank on February
11 29, 2016, together with post-petition arrearages totaling
12 approximately \$156,000 and the USI second deed of trust.

13 A copy of a preliminary title report for the Ranch Property
14 dated October 27, 2016 is attached to the Declaration of Christopher
15 J. Conway as Exhibit "D".²

16 4. The Debtor has received and accepted, subject to approval
17 of this court, an offer to purchase the Ranch Property from the
18 Buyer for \$12,400,000, consisting of a \$250,000 deposit, with the
19 balance payable in cash at close of escrow. The terms of the
20 proposed sale are set forth in the Purchase Agreement, a copy of
21 which is attached to the declaration of Christopher J. Conway as
22 Exhibit "B". The proposed sale shall include certain
23 personal property and equipment owned by Debtor used in the
24 operation of the property pursuant to the terms of the purchase
25 agreement, together with the registered trademark name "Rancho
26 Arroyo Grande". A copy of the personal property and equipment
27 proposed to be included in the sale is attached to the Purchase
28

² Item 33 of the Preliminary Title Report lists a Financing Statement recorded on 01/16/09 by Farm Credit West, PCA which relates to a lease of certain winery equipment. On or about 08/02/11, the lease was assumed and assigned by the Debtor to Conway Vineyards Inc. ("Conway") and the leased equipment was removed by

1 Agreement as Exhibit "A". Escrow shall close by December 31, 2016.
2 Nothing contained in this motion shall alter, amend or otherwise
3 modify the terms and conditions of the proposed sale as set forth in
4 the Purchase Agreement.

5 5. On November 30, 2015, this Court entered an order
6 authorizing the Debtors to employ Kerry Mormann and Berkshire
7 Hathaway Home Services ("Mormann") to list the Ranch Property for
8 sale. A true and correct copy of the Order is attached to the
9 Declaration of Christopher J. Conway as Exhibit "E". On October
10 31, 2016, the Debtor executed a modification of terms/addendum to
11 the listing agreement extending the listing date to January 15, 2017
12 and reducing the listing price to \$14,000,000. A copy of the
13 modification is attached to the Declaration of Christopher J. Conway
14 as Exhibit "F". With regard to this proposed transaction, Mr.
15 Mormann has agreed to accept a 2% commission totaling \$248,000.

16 9. Wells Fargo was granted relief from the automatic stay
17 pursuant to an order entered by the Court on June 17, 2016. A
18 foreclosure sale has been set for December 2, 2016. It is my
19 understanding and belief that Wells Fargo will agree to continue
20 this foreclosure sale to allow the escrow to close under the terms
21 of the Purchase Agreement on December 31, 2016 if this sale is
22 approved by the Court.

23 10. The proposed sale to the Buyer is currently the highest
24 and best offer received by the Debtor for the Ranch Property. I
25 believe that confirmation of the sale is in the best interests of
26 the Debtor and its creditors in that the sale will satisfy the
27 majority of the secured debt against the Ranch
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Conway from the Real Property. None of the lease equipment is subject to this sale. It is my understanding and belief that Farm Credit West, PCA recorded a release of the Financing Statement.

1 Property and result in a substantial reduction in the amount owed
2 under the cross-collateralized obligation to USI.

3 11. Neither my wife nor I am related or affiliated in any way
4 with the Buyer. Prior to this transaction, neither my wife nor I
5 had any business or social relationship or contact whatsoever with
6 the Buyer. The transaction between the Debtor and the Buyer is
7 reflected in the Agreement that was negotiated at arms-length
8 through the Debtor's prior broker Murphy/Cushman and with the
9 Buyer's broker John D. Thor of Thor Commercial Real Estate Inc.

10 I declare under penalty of perjury pursuant to the laws
11 of the United States of America that the foregoing is true and
12 correct. Executed this 23 day of November, 2016 in Santa Barbara,
13 California.


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15 _____
16 Christopher J. Conway
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EXHIBIT "A"

LEGAL DESCRIPTION

Real property in the unincorporated area of the County of San Luis Obispo, State of California, described as follows:

PARCEL 1: APN'S: 048-071-008 (PORTION) AND 020 (PORTION)

THE RANCHO ARROYO GRANDE OR SAN RAMON, IN THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, AS DESCRIBED IN THE PATENT ISSUED BY THE UNITED STATES OF AMERICA TO FRANCISCO BRANCH ON APRIL 10, 1867 AND RECORDED IN BOOK A, PAGE 89 ET SEQ OF PATENTS.

EXCEPTING THEREFROM SAID RANCHO A TRACT OF LAND CONVEYED BY GEORGE STEELE AND OTHERS TO D.F. WITTENBERG BY DEED DATED JANUARY 9, 1873 AND RECORDED IN BOOK E, PAGE 85 OF DEEDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ALSO EXCEPTING THEREFROM A CERTAIN OTHER TRACT OF LAND CONVEYED BY A.B. HASBROUCK AND OTHERS TO ROSA C. HASBROUCK BY DEED DATED APRIL 26, 1888 AND RECORDED IN BOOK 2, PAGE 389 OF DEEDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ALSO EXCEPTING THEREFROM THAT PORTION OF SAID LAND DESCRIBED IN THE DEED TO THE SAN LUIS OBISPO FLOOD CONTROL AND WATER CONSERVATION DISTRICT, RECORDED MARCH 21, 1961 IN BOOK 1114, PAGE 330 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ALSO EXCEPTING THEREFROM THE INTEREST IN ALL OIL, GAS, GASOLINE AND OTHER HYDROCARBON SUBSTANCES AND ALL OTHER MINERALS AS RESERVED AND/OR EXCEPTED IN THE FOLLOWING DEEDS;

(A) DEED FROM KOSHLAND REALTY COMPANY, A CORPORATION RECORDED JULY 17, 1943 IN BOOK 336, PAGE 374 OF OFFICIAL RECORDS.

(B) DEED FROM TIDE WATER ASSOCIATED OIL COMPANY, A DELAWARE CORPORATION RECORDED JULY 17, 1943 IN BOOK 336, PAGE 376 OF OFFICIAL RECORDS.

(C) DEED FROM KATHRYN HOUCHEIN, FRANCIS L. HOUCHEIN AND ANNA LUMIS, AS EXECUTORS OF THE LAST WILL OF C.E. HOUCHEIN, AKA C. ELMER HOUCHEIN, AKA CLARENCE ELMER HOUCHEIN, DECEASED TO GROVER B. HILL COMPANY, A CORPORATION RECORDED AUGUST 10, 1956 IN BOOK 858, PAGE 74 OF OFFICIAL RECORDS.

(D) DEED FROM GERALD B. HILL, ET AL., RECORDED MAY 24, 1965 IN BOOK 1351, PAGE 397 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION OF SAID LAND DESCRIBED IN PARTIAL RECONVEYANCE RECORDED FEBRUARY 15, 1968 IN BOOK 1465, PAGE 386 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION OF SAID LAND DESCRIBED IN FINAL ORDER OF CONDEMNATION, RECORDED APRIL 28, 1969 IN BOOK 1515, PAGE 403 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE COUNTY OF SAN LUIS

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Page Number: 12

OBISPO FOR AN EQUESTRIAN STAGING AREA BY DEED RECORDED JANUARY 21, 1998 AS INSTRUMENT NO. 98-3144 OF OFFICIAL RECORDS.

PARCEL 2: APN'S: 048-071-004, 010, 012, 014, 018 AND 020 (PORTION)

THE RANCHO ARROYO GRANDE OR SAN RAMON, IN THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, AS DESCRIBED IN THE PATENT ISSUED BY THE UNITED STATES OF AMERICA TO FRANCISCO BRANCH ON APRIL 10, 1867 AND RECORDED IN BOOK A, PAGE 89, ET SEQ. OF PATENTS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM SAID RANCHO, A TRACT OF LAND CONVEYED BY GEORGE STEELE AND OTHERS TO D.F. WITTENBERG BY DEED DATED JANUARY 9, 1873 AND RECORDED IN BOOK E, PAGE 85 OF DEEDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ALSO EXCEPTING THEREFROM A CERTAIN OTHER TRACT OF LAND CONVEYED BY A.B. HASBROUCK AND OTHERS TO ROSA C. HASBROUCK BY DEED DATED APRIL 26, 1888 AND RECORDED IN BOOK 2, PAGE 389 OF DEEDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ALSO EXCEPTING THEREFROM THAT PORTION OF SAID LAND DESCRIBED IN THE DEED TO THE SAN LUIS OBISPO FLOOD CONTROL AND WATER CONSERVATION DISTRICT, RECORDED MARCH 21, 1961 IN BOOK 1114, PAGE 330 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ALSO EXCEPTING THEREFROM SECTIONS 35 AND 36 IN TOWNSHIP 31 SOUTH, RANGE 14 EAST OF THE SUBDIVISION OF THE RANCHO ARROYO GRANDE, ACCORDING TO MAP FILED IN BOOK B, PAGE 67 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ALSO EXCEPTING THEREFROM THAT PORTION OF SAID LAND DESCRIBED IN FINAL ORDER OF CONDEMNATION, RECORDED APRIL 28, 1969 IN BOOK 1515, PAGE 403 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THE INTEREST IN ALL OIL, GAS, GASOLINE AND OTHER HYDROCARBON SUBSTANCES AND ALL OTHER MINERALS AS RESERVED AND/OR EXCEPTED IN THE FOLLOWING DEEDS;

(A) DEED FROM KOSHLAND REALTY COMPANY, A CORPORATION RECORDED JULY 17, 1943 IN BOOK 336, PAGE 374 OF OFFICIAL RECORDS.

(B) DEED FROM TIDE WATER ASSOCIATED OIL COMPANY, A DELAWARE CORPORATION RECORDED JULY 17, 1943 IN BOOK 336, PAGE 376 OF OFFICIAL RECORDS.

(C) DEED FROM KATHRYN HOUCHEIN, FRANCIS L. HOUCHEIN AND ANNA LUIS, AS EXECUTORS OF THE LAST WILL OF C.E. HOUCHEIN, AKA C. ELMER HOUCHEIN, AKA CLARENCE ELMER HOUCHEIN, DECEASED TO GROVER B. HILL COMPANY, A CORPORATION RECORDED AUGUST 10, 1956 IN BOOK 858, PAGE 74 OF OFFICIAL RECORDS.

(D) DEED FROM GERALD B. HILL, ET AL., RECORDED MAY 24, 1965 IN BOOK 1351, PAGE 397 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION DESCRIBED AS FOLLOWS:

PART OF LOT 37, (SECTION 31), PART OF THE RANCHO ARROYO GRANDE, TOWNSHIP 31 SOUTH, RANGE 15 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FILED IN THE DISTRICT LAND OFFICE, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

Order Number: 4205-4823280
Page Number: 13

COMMENCING AT THE SOUTHWEST CORNER OF SAID TOWNSHIP; THENCE NORTH 89° 29' EAST 1,768.22 FEET ON THE SOUTHERLY LINE OF SAID TOWNSHIP TO THE TRUE POINT OF BEGINNING; THENCE NORTH 400 FEET; THENCE NORTH 89° 29' EAST, 760 FEET; THENCE SOUTH 400 FEET TO A POINT ON THE SOUTHERLY LINE OF SAID TOWNSHIP; THENCE ON SAID SOUTHERLY LINE SOUTH 89° 29' WEST, 760 FEET TO THE TRUE POINT OF BEGINNING, AS CONVEYED TO LEO A. BRISCO, ET UX. IN DEED RECORDED JUNE 25, 1974 IN BOOK 1785, PAGE 40 OF OFFICIAL RECORDS.

PARCEL 3: APN: 048-071-008 (PORTION)

THE NORTH 1,320 FEET OF SECTION 36, TOWNSHIP 31 SOUTH, RANGE 14 EAST OF THE SUBDIVISION OF THE RANCHO ARROYO GRANDE, IN THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, AND IN BOOK B, PAGE 67 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THE INTEREST IN ALL OIL, GAS, GASOLINE AND OTHER HYDROCARBON SUBSTANCES AND ALL OTHER MINERALS AS RESERVED AND/OR EXCEPTED IN THE FOLLOWING DEEDS:

(A) DEED FROM KOSHLAND REALTY COMPANY, A CORPORATION RECORDED JULY 17, 1943 IN BOOK 336, PAGE 374 OF OFFICIAL RECORDS.

(B) DEED FROM TIDE WATER ASSOCIATED OIL COMPANY, A DELAWARE CORPORATION RECORDED JULY 17, 1943 IN BOOK 336, PAGE 376 OF OFFICIAL RECORDS.

(C) DEED FROM KATHRYN HOUCHEIN, FRANCIS L. HOUCHEIN AND ANNA LUIS, AS EXECUTORS OF THE LAST WILL OF C.E. HOUCHEIN, AKA C. ELMER HOUCHEIN, AKA CLARENCE ELMER HOUCHEIN, DECEASED TO GROVER B. HILL COMPANY, A CORPORATION RECORDED AUGUST 10, 1956 IN BOOK 858, PAGE 74 OF OFFICIAL RECORDS.

(D) DEED FROM GERALD B. HILL, ET AL., RECORDED MAY 24, 1965 IN BOOK 1351, PAGE 397 OF OFFICIAL RECORDS.

PARCEL 4: APN: 085-171-008

GOVERNMENT LOTS 2, 3, 6, 7 AND 8 OF SECTION 5 IN TOWNSHIP 32 SOUTH, RANGE 15 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPTING THEREFROM THE INTEREST IN ALL OIL, GAS, GASOLINE AND OTHER HYDROCARBON SUBSTANCES AND ALL OTHER MINERALS AS RESERVED AND/OR EXCEPTED IN THE FOLLOWING DEEDS;

(A) DEED FROM LELAND L. MALLORY, RECORDED APRIL 16, 1946 IN BOOK 399, PAGE 281 OF OFFICIAL RECORDS.

(B) DEED FROM KATHRYN HOUCHEIN, FRANCIS L. HOUCHEIN AND ANNA LUMIS, AS EXECUTORS OF THE LAST WILL OF C.E. HOUCHEIN, AKA C. ELMER HOUCHEIN AKA CLARENCE ELMER HOUCHEIN, DECEASED TO GROVER B. HILL COMPANY, A CORPORATION RECORDED AUGUST 10, 1956 IN BOOK 858, PAGE 74 OF OFFICIAL RECORDS.

(C) DEED FROM GERALD B. HILL, ET AL., RECORDED MAY 24, 1965 IN BOOK 1351, PAGE 397 OF OFFICIAL RECORDS.

EXHIBIT "B"



CALIFORNIA
ASSOCIATION
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**CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS
TABLE OF ATTACHED FORMS
(04/15)**

Attached Forms

The RPA-CA includes the following forms in the following order:

- Disclosure Regarding Real Estate Agency (2 pages)
(C.A.R. Form AD-2)..... (starting on second page)
- Possible Representation - Buyer/Seller (1 page)
(C.A.R. Form PRBS)..... (starting on fourth page)
- Table of Contents - Residential Purchase Agreement
(C.A.R. Form TOC-RPA).....(starting on fifth page)
- Residential Purchase Agreement (10 pages)
(C.A.R. Form RPA-CA)..... (starting on sixth page)
- Buyer Inspection Advisory (1 page)
(C.A.R. Form BIA)..... (starting on sixteenth page)

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2079.13 As used in Sections 2079.14 to 2079.24, inclusive, the following terms have the following meanings: (a) "Agent" means a person acting under provisions of Title 9 (commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained. (b) "Associate licensee" means a person who is licensed as a real estate broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker's agent in connection with acts requiring a real estate license and to function under the broker's supervision in the capacity of an associate licensee. The agent in the real property transaction bears responsibility for his or her associate licensees who perform as agents of the agent. When an associate licensee owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the associate licensee functions. (c) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee. (d) "Commercial real property" means all real property in the state, except single-family residential real property, dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, mobilehomes, as defined in Section 798.3, or recreational vehicles, as defined in Section 799.29. (e) "Dual agent" means an agent acting, either directly or through an associate licensee, as agent for both the seller and the buyer in a real property transaction. (f) "Listing agreement" means a contract between an owner of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer. (g) "Listing agent" means a person who has obtained a listing of real property to act as an agent for compensation. (h) "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the listing agent. (i) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property. (j) "Offer to purchase" means a written contract executed by a buyer acting through a selling agent that becomes the contract for the sale of the real property upon acceptance by the seller. (k) "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property that constitutes or is improved with one to four dwelling units, any commercial real property, any leasehold in these types of property exceeding one year's duration, and mobilehomes, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code. (l) "Real property transaction" means a transaction for the sale of real property in which an agent is employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase. (m) "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer, and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year's duration. (n) "Seller" means the transferor in a real property transaction, and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor. (o) "Selling agent" means a listing agent who acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a buyer for the real property, or an agent who locates property for a buyer or who finds a buyer for a property for which no listing exists and presents an offer to purchase to the seller. (p) "Subagent" means a person to whom an agent delegates agency powers as provided in Article 5 (commencing with Section 2349) of Chapter 1 of Title 9. However, "subagent" does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.

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

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

2079.16 Reproduced on Page 1 of this AD form.

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

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

(DO NOT COMPLETE. SAMPLE ONLY)

is the agent of (check one): the seller exclusively; or both the buyer and seller.

(Name of Listing Agent)

(DO NOT COMPLETE. SAMPLE ONLY)

is the agent of (check one): the buyer exclusively; or the seller exclusively; or

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

both the buyer and seller.

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

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

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

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

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

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

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

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

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CALIFORNIA
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**POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER
 OR SELLER - DISCLOSURE AND CONSENT**
 (C.A.R. Form PRBS, 11/14)

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

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

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

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

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

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

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

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

Seller _____ **Rancho Arroyo Grande LLC, DIP** Date 11/23/16
 Seller _____ Date 11/23/16
 Buyer _____ **Soon K. Kim, or assignee** Date _____
 Buyer _____ Date _____

Real Estate Broker (Firm) **Kerry Mormann / Berkshire Hathaway** CalBRE Lic # **01317331** Date _____
 By _____ CalBRE Lic # **00598625** Date _____
Kerry Mormann

Real Estate Broker (Firm) _____ CalBRE Lic # **01317331** Date _____
 By _____ CalBRE Lic # **00598625** Date _____
Kerry Mormann

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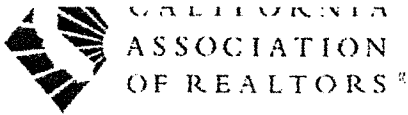


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(C.A.R. Form TOC-RPA 11/14)

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CALIFORNIA
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CALIFORNIA
**RESIDENTIAL PURCHASE AGREEMENT
 AND JOINT ESCROW INSTRUCTIONS**

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

Date Prepared: 11/23/2016

1. OFFER:

- A. THIS IS AN OFFER FROM Soon K. Kim, or assignee ("Buyer").
 B. THE REAL PROPERTY to be acquired is 455-599 Hi Mountain Rd, Arroyo Grande, CA 93420, situated in
Arroyo Grande (City), San Luis Obispo (County), California, 93420 (Zip Code), Assessor's Parcel No. many ("Property").
 C. THE PURCHASE PRICE offered is Twelve Million, Four Hundred Thousand Dollars \$ 12,400,000.00.
 D. CLOSE OF ESCROW shall occur on December 31, 2016 (date) (or _____ 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 Kerry Mormann / Berkshire Hathaway (Print Firm Name) is the agent of (check one):
 the Seller exclusively; or both the Buyer and Seller.
 Selling Agent _____ (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 _____ \$ 250,000.00
 (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 _____ \$ _____ 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 _____ % 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 FHAVA 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 _____ \$ 12,150,000.00
 to be deposited with Escrow Holder pursuant to Escrow Holder instructions.
 G. PURCHASE PRICE (TOTAL): _____ \$ 12,400,000.00

Buyer's Initials (SK) (_____)

Seller's Initials (AKC) (AKC)

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- 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 checked="" type="checkbox"/> Other see attached addendum |
- 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: **This sale is subject to Bankruptcy Court approval and as such a motion must be filed which includes public notice. Sellers attorney will petition the court for no overbids. Seller personally agrees to confidentiality and will not accept any other offers once this offer has been accepted. This sale is 'AS IS' however the buyer is encouraged to make any inspections which affect the buyers intended use of the property. * see attached addendum**
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 **seller choice**
- (2) Buyer Seller shall pay for the following Report _____ prepared by _____
- (3) Buyer Seller shall pay for the following Report _____ prepared by _____

Buyer's Initials (GM) (_____)

Seller's Initials (LL) (AWC)



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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 50/50
 (b) Escrow Holder shall be 1st American Title Co
 (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 1st American Title Co.
 (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 if any
- (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 if an
- (8) Buyer Seller shall pay for usual recording fees
- (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: seller owned items left on ranch as of acceptance of this offer
- (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 ([Signature])

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



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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. 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 () ()
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Seller's Initials () ()



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(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.

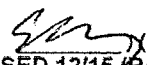
- A. Seller shall, within the time specified in paragraph 14A, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, and make any and all other disclosures required by law.
- B. Buyer has the right to conduct Buyer Investigations 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.

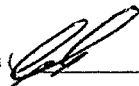

12. **BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:**

- 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.

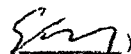
Buyer's Initials ()
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Seller's Initials () ()



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- 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 () (_____)
RPA-CA REVISED 12/15 (PAGE 7 OF 10)

Seller's Initials () () 

- 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

Seller's Initials

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) 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

Seller's Initials

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 () ()

Seller's Initials () ()

(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.

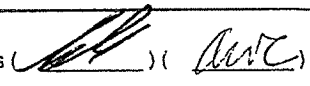
31. **EXPIRATION OF OFFER:** This offer shall be deemed revoked and the deposit, if any, shall be returned to Buyer unless the offer is Signed by Seller and a Copy of the Signed offer is personally received by Buyer, or by _____ who is authorized to receive it, by 5:00 PM on the third Day after this offer is signed by Buyer (or by AM / PM, on November 25, 2016 (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 
(Print name) Soon K. Kim, or assignee

Date _____ BUYER _____
(Print name) _____

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

Seller's Initials 



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 11/23/16 SELLER _____
 (Print name) Rancho Arroyo Grande LLC, DIP

Date 11/23/16 SELLER Ann W. Conway
 (Print name) Ann W. Conway

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

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

REAL ESTATE BROKERS:

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

Real Estate Broker (Selling Firm) _____ CalBRE Lic. # 01317331
 By Kerry Mormann CalBRE Lic. # 00598625 Date _____
 Address _____ City _____ State _____ Zip _____
 Telephone _____ Fax _____ E-mail _____
 Real Estate Broker (Listing Firm) Kerry Mormann / Berkshire Hathaway CalBRE Lic. # 01317331
 By Kerry Mormann CalBRE Lic. # 00598625 Date 11/23/2016
 Address 1170 Coast Village Rd City Montecito State CA Zip 93110
 Telephone (805)689-3242 Fax (805)969-4982 E-mail kerrym@coastalranch.com

ESCROW HOLDER ACKNOWLEDGMENT:

Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked, a deposit in the amount of \$ _____), counter offer numbers _____ Seller's Statement of Information and _____, and agrees to act as Escrow Holder subject to paragraph 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 _____ Escrow # _____
 By _____ Date _____
 Address _____
 Phone/Fax/E-mail _____
 Escrow Holder has the following license number # _____
 Department of Business Oversight, Department of Insurance, Bureau of Real Estate.

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

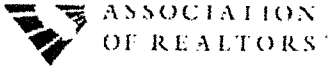
REJECTION OF OFFER: (_____) (_____) No counter offer is being made. This offer was rejected by Seller on _____ (date).
 Seller's Initials _____

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 525 South Virgil Avenue, Los Angeles, California 90020

Buyer Acknowledges that page 10 is part of this Agreement (KMC) (_____) Buyer's Initials
 Reviewed by _____
 Broker or Designee





BUYER'S INSPECTION ADVISORY
(C.A.R. Form BIA, Revised 11/14)

Property Address: 455-599 Hi Mountain Rd, Arroyo Grande, CA 93420 ("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 Soon K. Kim, or assignee Buyer _____

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Reviewed by _____ Date _____



BIA REVISED 11/14 (PAGE 1 OF 1)

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

B-34

**ADDENDUM TO
CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS**

This Addendum to Californian Residential Purchase Agreement and Joint Escrow Instructions (this "**Addendum**") is entered into by and between Soon K. Kim or assignee ("**Buyer**"), and Rancho Arroyo Grande, LLC, debtor in possession ("**Seller**"). The covenants, agreements, representations, warranties and declarations contained in this Addendum shall have the same force and effect as if set forth in the body of that certain California Residential Purchase Agreement and Joint Escrow Instructions dated November 23, 2016 for references purposes between Buyer and Seller (the "**Principal Agreement**"). To the extent that the provisions of this Addendum are inconsistent with the terms and conditions of the Principal Agreement, the provisions of this Addendum shall control. Except for purposes of determining whether a conflict exists between the Principal Agreement and this Addendum, the term "**Agreement**" (as used herein and in the Principal Agreement) shall refer collectively to the Principal Agreement and this Addendum. Unless otherwise stated herein or indicated by context, the capitalized terms of this Addendum shall have the meaning ascribed to those terms in the Principal Agreement.

1.D. and 14.B Close of Escrow and Time Period (continued). In the event that the Seller's motion for Bankruptcy Court's final approval of the sale pursuant to this Agreement and the Bankruptcy Court's order granting such approval free and clear of claims, liens and encumbrances, as set forth in Paragraph 38 of this Agreement, does not occur on or before December 13, 2016, the time period stated in paragraph 14.B shall be extended to a date that is fifteen (15) days after Buyer's receipt of the Bankruptcy Court order granting such final approval (the "**Extended Due Diligence Period**"), and the date of the Close of Escrow shall be extend to a date that is fifteen (15) days after the end of the Extended Due Diligence Period. Notwithstanding anything to the contrary, the date of the Close of Escrow shall occur, if at all, after the lapse of all appeal periods pertaining to such Bankruptcy Court order. In addition, the date of the Close of Escrow may be extended by mutual agreement of the Parties.

7.C. Escrow and Title (continued): Notwithstanding anything in the Agreement to the contrary, Seller shall pay all escrow fees and title company fees in the event this Agreement is terminated by Buyer due to Seller's breach of or default under the Agreement. Except as otherwise expressly stated in the Agreement, Seller and Buyer shall each pay its own fees and expenses and those of its agents, advisors, attorneys and accounts with respect to this Agreement or the transaction contemplated in this Agreement.

8.B.(7) Items Included in the Sale (continued): Without limiting the generality of the other provisions in paragraph 8.B, all of the following items (which are, together with all other personal properties included in the sale under paragraph 8.B, collectively referred to as the "**Personal Property**") are included in the sale under this Agreement:

(a) All grape vines, olive and other fruit trees and oat hay, subject only to the valid, existing right of any tenant at the Property to the crops.

(b) All equipment, apparatus, machinery, cranes, appliances, furniture, furnishings and other items of personal property listed or described in Exhibit A hereto.

(c) All site plans, surveys, soil and substrata studies, architectural renderings, "as-built" plans and specifications, engineering plans and studies, development or marketing plans

and studies, plans and studies relating to the vineyard, olive orchards or other agricultural use, floor plans and other plans or studies of any kind, and leasing or marketing brochures.

(d) All intangible property now or hereafter owned or held by Seller between Acceptance and the Close of Escrow, in connection with the Property or the Personal Property, including without limitation: (i) all guaranties and warranties, including guaranties and warranties relating to any construction, installation or improvement at the Property, or to any Personal Property; (ii) all air rights, water rights, excess floor area rights and other development rights relating or appurtenant to the Property; (iii) all rights to obtain utility service in connection with the Property; (iv) assignable licenses and other governmental permits and permissions relating to the Property, the Personal Property and/or the operation of the Property or the Personal Property; (v) all existing leases and other contracts affecting the Property or relating to the operation, use or maintenance thereof, which leases and contracts are expressly assumed in writing by Buyer (collectively, "**Property Contracts**"); and (vi) all trademarks and trade names owned by Seller and used relating to the Property or the operation thereof (all of the foregoing are collectively, "**Intangible Property**").

Seller shall execute and deliver to Buyer concurrently with the Close of Escrow an assignment and bill of sale regarding the transfer of the Personal Property to Buyer, in the form satisfactory to Buyer. Such execution and deliver shall be a condition to Buyer's obligation to close the Escrow and to the disbursement of the purchase price in accordance with the terms of the Escrow and this Agreement.

9.F. Items to be Delivered to Buyer at Close of Escrow (continued): Seller shall also deliver to Buyer at the Close of Escrow the originals (or copies, to the extent originals are not in Seller's possession or control) all of the following to Buyer, to the extent the same are in Seller's possession or control and have not previously been delivered to Buyer:

- (a) The Property Contracts;
- (b) All documents and records of account concerning the operation or maintenance of the Property for three (3) years immediately preceding the date of Acceptance;
- (c) Leasing files, including all correspondence with the tenant and subtenant(s) under the existing leases;
- (d) Receipts for deposits, including without limitation, utility deposits and security deposits received from or by any tenant or other occupant under the existing leases or other contracts affecting the Property or relating to the operation, use or maintenance thereof;
- (e) Unexpired guaranties and warranties, including those relating to any construction, installation or improvement at the Property or any Personal Property;
- (f) "As-built" plans and specifications and other available plans and specifications;
- (g) All documents and records reasonably required for the ongoing maintenance of the Property; and

(h) All documents described in paragraph 8.B.(7) of this Agreement, which are not specifically set forth above in this paragraph 9.F.

Seller's obligations under paragraph 9.F. shall survive the Close of Escrow.

14.A. Documents to be Delivered by Seller Under Paragraph 14.A. Without limiting the scope of the Reports, disclosures and information to be provided by Seller under the Agreement, Seller shall Deliver to Buyer within the deadline stated in paragraph 14.A. true and correct copies of all of the following pertaining to the Property and/or the Personal Property:

- (1) Certificates of occupancy and other necessary governmental licenses, permits or approvals.
- (2) "As-built" plans and specifications for the Property and any modifications or amendments thereto, and copies of any reports or studies (including engineering, soil boring and physical inspection reports of employees, principals, consultants, governmental authorities or insurance carriers) in Seller's possession or control in respect of the physical condition or operation of the Property or recommended improvements thereto.
- (3) Sprinkler certification for five (5) years immediately preceding the date of Acceptance for the sprinkler system, if any.
- (4) Operating history statements detailing, among other things, income, expenses and capital expenditures, (ii) a list of capital improvements completed, (iii) copies of insurance policies and billing statements therefor, (iv) real estate and personal property tax bills, and (v) utility bills, each for the three (3) years immediately preceding the date of Acceptance.
- (5) All existing leases and other contracts affecting the Property or relating to its operation, use or maintenance.
- (6) All guaranties, warranties and other documents or instruments evidencing or relating to the Property and/or the Personal Property.
- (7) All contracts for construction, repair or capital replacement to be performed at the Property or covering such work performed during the three (3) years immediately preceding the date of Acceptance.
- (8) A list of lawsuits, if any, pertaining to Seller or the Property.
- (9) A list of all employees of Seller engaged in the operation and maintenance of the Property, or if there are none, a written certification from Seller that there are no such employees.
- (10) All other studies, reports, maps and documents related to the Property or the Personal Property that are in the possession or control of Seller, including without limitation, appraisals, engineering reports, surveys, environmental reports (including any Phase 1 and Phase 2 reports, if any), traffic circulation, operating methods, flood control and drainage plans, design renderings, shop drawings, feasibility studies, documents relating to any special use, conforming use or zoning variance and all correspondence with governmental agencies and their personnel concerning the same.

14.A.(1) Tenant Estoppel Certificate. Seller, at least ten (10) business days before the Close of Escrow and as a condition to the Buyer's obligation to purchase the Property and pay the purchase price for the Property, shall have caused all of the tenant(s) and subtenant(s) under the existing leases affecting the Property to execute and deliver to Buyer an original tenant estoppel certificate in the form satisfactory to Buyer, which shall not disclose any material, adverse facts.

14.B.(3) Buyer's Right to Terminate. Buyer's right to not remove any contingency under this Agreement and to cancel this Agreement shall be in its sole and absolute discretion, for any reason or for no reason. In such event, the entire Buyer's deposit in Escrow shall be returned to Buyer, except for Buyer's portion of escrow costs as specifically provided in this Agreement, and neither party shall have any further rights or obligations to the other under this Agreement.

33. Representations and Warranties of Seller. In order to induce Buyer to enter into this Agreement, Seller hereby represents and warrants to Buyer as follows, and all of the foregoing and following representations and warranties shall be true and correct as of the date of this Agreement and the date of the Close of Escrow (and the truth and accuracy of all of which shall constitute a condition to Buyer's obligation to close the Escrow and to the disbursement of the purchase price in accordance with the terms of the Escrow and this Agreement):

(a) Seller is the sole owner of the Property and the Personal Property. This Agreement has been duly authorized and executed on behalf of Seller, and this Agreement constitutes a valid and binding agreement, enforceable in accordance with its terms. Seller has obtained or will obtain prior to Close of Escrow all consents, releases and permissions and given all required notifications related to the transactions contemplated in this Agreement and required under any Applicable Law (as hereinafter defined) or required by any covenant or agreement to which Seller is a party or by which Seller is bound.

(b) Except for this Agreement, Seller is not a party to any contract, agreement or commitment to sell, convey, assign, transfer, provide rights of first refusal or other similar rights or otherwise dispose of any portion or portions of the Property. Neither Seller nor any person or entity claiming by, through or under Seller has or will have, at any time or times prior to the Close of Escrow, done or suffered anything whereby any lien, encumbrance, claim or right of others has been or will be created on or against the Property or any part thereof or interest therein, except for liens of record stated in the Preliminary Report as a title exception.

(c) True and complete copies of all Property Contracts have been, or will be by the time period stated in paragraph 14.A, delivered to Buyer. Seller is not, and Seller will not at the Close of Escrow be, in default under any Property Contracts.

(d) All disclosures by Seller required pursuant to the Agreement, such as the Statutory Disclosures, Seller Property Questionnaire, and property information sheet, are true and correct to the best of Seller's knowledge.

(e) To Seller's knowledge, other than any legal proceeding described of record in the Preliminary Report, in the List of lawsuits provided in accordance with paragraph 14.A(8) or in the pending bankruptcy proceeding of Seller, there is no litigation or other proceeding pending or threatened against Seller or the Property.

34. Certain Covenants of Seller. Seller hereby covenants with Buyer as follows, the full and timely performance of all of which by Buyer shall be a condition to Seller's obligation to close the

Escrow and to the disbursement of the purchase price in accordance with the terms of the Escrow and this Agreement:

(a) New Contracts. Seller shall not enter into any lease, license or other contract affecting the ownership or operation of the Property or any Personal Property, or enter into any amendment or other modification of any existing lease, license or contracts affecting the ownership or operation of the Property or any Personal Property, without Buyer's prior written consent.

(b) Operation of the Property. Seller shall operate and manage the Property in a reasonable manner, maintaining present services, and shall maintain the Property in good repair and working order; and shall perform, when due, all of Seller's obligations under the Property Contracts and other agreements relating to the Property and otherwise in accordance with all Applicable Law. Seller shall deliver the Property at Close of Escrow in substantially the same condition as it is on the Effective Date, reasonable wear and tear excepted. None of the Personal Property or fixtures shall be removed from the Property, unless replaced by personal property or fixtures of equal or greater utility or value.

(c) Documents of Record. Seller shall not grant any easement or modify any covenant, condition or restriction affecting the Property.

(d) Change In Conditions. Seller shall promptly notify Buyer of any change in any condition with respect to the Property, or of the occurrence of any event or circumstance that makes any representation or warranty of Seller to Buyer under this Agreement untrue or misleading, or any covenant of Seller under this Agreement incapable or less likely of being performed, it being understood that Seller's obligation to provide such notice to Buyer shall in no way relieve Seller of any liability for a breach by Seller of any of its representations, warranties or covenants under this Agreement.

35. Damage or Destruction. If between the date of Acceptance and the date of the Close of Escrow, all or any portion of the Property is damaged or destroyed by fire or other casualty, Seller shall notify Buyer in writing of such damage or destruction and Buyer, at its sole option, may terminate this Agreement, in which event Buyer's deposit in Escrow shall be returned to Buyer and, except as specifically provided in this Agreement, neither party shall have any further rights or obligations to the other under this Agreement.

36. Absence of Material Adverse Change. In addition to all other conditions or contingencies to the Close of Escrow, it shall be a condition to Buyer's obligation to close the Escrow and to the disbursement of the purchase price in accordance with the terms of the Escrow and this Agreement that there is no material adverse change on or after the date of Acceptance affecting the Property or the Personal Property, or in the business, operation or condition of the Property or the Personal Property.

37. Limitation of Liability. Upon the Close of Escrow, Buyer shall neither assume nor undertake to pay, satisfy or discharge any liabilities, obligations or commitments of Seller and shall not assume or discharge any debts, obligations, liabilities or commitments of Seller, whether accrued as of the Effective Date or thereafter, fixed or contingent, known or unknown, other than those expressly agreed to in writing between the Parties.

38. Bankruptcy Court Approval of Sale. The transactions contemplated by this Agreement and Seller and Buyer's obligations hereunder pursuant to this Agreement are subject to and conditioned upon the approval of the Bankruptcy Court and will only be consummated upon the final

approval of the sale by entry of order by the Bankruptcy Court approving the sale free and clear of all claims, liens and encumbrances and the expiration of any appeal periods as provided by applicable rules. The Debtor shall be responsible for seeking and securing Bankruptcy Court approval of the sale.

39. No-Shop Provision. Except only to the extent required by law, including but not limited to compliance with the bankruptcy laws, rules and court orders): from and after the date of Acceptance, except for the sale of personal property in the ordinary course of operation of the Property, Seller shall not (and shall not permit any affiliate or any other person or entity acting for or on behalf of Seller or any affiliate of Seller to), without the prior written consent of Buyer (i) offer for sale or transfer the Property or any Personal Property (or any material portion thereof) or any ownership interest of Seller, (ii) solicit offers to buy all or any material portions of the Property or the Personal Property or any ownership interest of Seller, (ii) hold discussions with any party (other than Buyer) relating to such offer or solicitation or looking toward a merger or consolidation of Seller, (iv) enter into any agreement with any party (other than Buyer) with respect to the sale or other disposition of the Property or the Personal Property (or any material portion thereof) or any ownership interest in Seller or with respect or any merger, consolidation or similar transaction involving Seller, or (v) furnish or cause to be furnished any information with respect to Seller of the Property or the Personal Property to anyone that Seller or such affiliate or such person or entity acting for or on behalf of Seller or its affiliate knows is considering any such acquisition, merger, consolidation or similar transaction. Seller will request the Bankruptcy Court to approve the sale contemplated in the Agreement without an overbidding process.

40. Confidentiality. Neither Buyer, the Seller, nor their respective officers, directors, employees and agents (including their respective counsel and any broker) shall disclose the content of this Agreement to any third party (other than to their respective advisors, attorneys, accountants, creditors, or financial sources), except as may be required by law, the bankruptcy court rules and procedures or as permitted in writing by the Parties. Buyers acknowledge that a copy of the agreement will be served and filed with the bankruptcy court as an exhibit to any motion to approve the sale and that such document will be subject to public inspection.

41. Notices. Unless otherwise provided herein, all notices, requests, demands and other communications required or permitted under this Agreement shall be in writing and shall be served on the parties at the following addresses:

If intended for Buyer:

Dr. Soon K. Kim
c/o Signature Healthcare Services, LLC
2065 Compton Avenue
Corona, CA 92881
Facsimile Number: (951) 549-8032

With a copy to:

Richard Ruger, Esq.
Lee Anav Chung White Kim
Ruger & Richter, LLP
The Biltmore Court Building
520 S. Grand Avenue, Suite 1070
Los Angeles, CA 90071
Facsimile Number: (213) 402-8635

If intended for Seller:

Rancho Arroyo Grande, LLC, DIP

c/o Karen L. Grant, Esq.
924 Anacapa Street, Suite 1M
Santa Barbara, CA 93101
Facsimile Number: (805) 568-1641

Any such notices shall be either (i) sent by certified mail return receipt requested, in which case notice shall be deemed delivered three (3) business days after deposit, postage prepaid, in the United States Mail, (ii) sent by overnight delivery using a nationally recognized courier, in which case notice shall be deemed delivered one (1) business day after deposit, with such courier, (iii) sent by facsimile, in which case notice shall be deemed delivered upon transmission of such notice as evidenced by the facsimile transmission report, provided that a copy of such notice is mailed to the receiving party in accordance herewith within 24 hours of such facsimile transmittal, or (iv) by personal hand delivery, in which case notice shall be deemed delivered at the time of the personal hand.

42. Survival. All representations, warranties, covenants and indemnities of Seller contained in this Agreement or in any of the documents to be delivered by Seller to Buyer at the Close of Escrow shall be deemed remade as of the date of the Close of Escrow and survive the Close of Escrow. This Agreement shall not be canceled or merged into the deed on the Close of Escrow. Each and every warranty and representation of Seller shall be deemed to have been relied upon by Buyer, notwithstanding any investigation Buyer may have made with respect thereto, or any information developed by or made available to Buyer prior to the Close of Escrow and consummation of this transaction.

43. Assignment. The terms, conditions and covenants of this Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective nominees, successors, beneficiaries and assigns; provided, however, no conveyance, assignment or transfer of any interest whatsoever of, in, or to the Property or of this Agreement shall be made by Seller during the term of this Agreement. Buyer may assign all or any of its right, title and interest under this Agreement to any corporate or other legal entity affiliated with, or related to Buyer. In addition to its right of assignment, Buyer shall also have the right, exercisable prior to Close of Escrow, to designate any affiliate, as the grantee or transferee of any or all of the conveyances, transfers and assignments to be made by Seller at Close of Escrow hereunder, independent of, or in addition to, any assignment of this Agreement. In the event of an assignment of this Agreement by Buyer, its assignee shall be deemed to be the Buyer hereunder for all purposes hereof, and shall have all rights of Buyer hereunder (including, but not limited to, the right of further assignment), and the assignor shall be released from all liability hereunder. In the event that an affiliate shall be designated as a transferee hereunder, that transferee shall have the benefit of all of the representations and rights which, by the terms of this Agreement, are incorporated in or relate to the conveyance in question.

44. Further Assurances. Seller and Buyer each agree to use commercially reasonable efforts to comply with all conditions set forth in this Agreement, to take all other reasonable action necessary to complete the transaction contemplated by this Agreement, to cause the purchase of the Property to be consummated with all reasonable dispatch, and to refrain from any action that is inconsistent with that result. Each Party agrees in good faith to execute such further or additional documents as may be necessary or appropriate to fully carry out the intent and purpose of this Agreement.

45. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

BUYER:

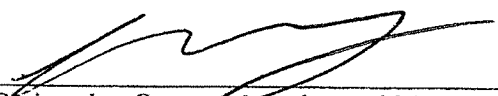
Soon K. Kim, or assignee

By: 

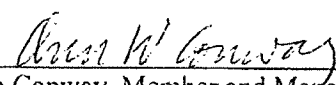
Soon K. Kim

SELLER:

Rancho Arroyo Grande, LLC., DIP

By: 

Christopher Conway, Member and Manager

By: 

Ann Conway, Member and Manager

Exhibit A

List of Certain Tangible Personal Property

[See attached]

Rancho Arroyo Grande			
Equipment & Inventory Asset List			
21-Nov-16			
		Age/Yr Of Purchase	Est or Cost Basis
<u>Administrative Equipment</u>			
40,41, 207, 76	Avaya Phone System	2007/2008	16,512
16,17, 18, 19, 20	Desks, Tables, Bookcases	2007/2008	94,263
21, 22,23,24,25,	Desks: 7		
	File Cabinets: 8		
	Chairs: 21		
	Sofas: 2		
	Nightstands: 7		
	Bookcases: 4		
	Small Tables: 2		
	Armoires: 4		
	Glass Table & 10 Chairs		
<u>Farm Equipment</u>			
37	Kubota Hay Tractor	1983	16,473
46	Bird Net Retriever	2001	3,294
49	International 4x4 Harvester Tractor	1974	8,786
50	AIM Vine Trimmer	2002	3,295
52	Frost & Reservoir Pumps:		30,750
52	Cummins 6BTC Irrigation Pump	1998	
52	Cummins 855 Bear Lake Frost Pump	1999	
52	Cummins B39C Irrigation Pump	1998	
52	Cummins 855 Frost Pump (Zeferino)	1999	
52	Cummins Reservoir Pump (Coquina)	1998	
102	New Holland TN95F Tractor	2008	49,725
107	42" Tenax Bird Netting	2008	13,658
108	42" Tenax Bird Netting	2008	31,809
109	Smeiser Ripper SN#3PV08	2008	4,408
190	2009 Bird Netting	2009	9,347
58	Olive Press	2009	2,855
33	Fuel Farm	2005	25,616
54	ASV - 4820	1998	8,786
65	Chainsaw	2007	430
66	Back Pack Blower	2007	308
67	Chainsaw	2007	430
68	Kombisystem	2007	338
69	Trimmer	2007	308
70	Brushcutter	2007	666
71	Hedge Trimmer	2007	482
86	Three 8-Gallon LPG Tanks	2008	517
<u>Poly Tank Injection Units:</u>			
246	2-2100 Gallon Tanks	2008	3,861
247	2-2100 Gallon Containment Tanks	2008	6,650
248	2-220 Volt Injection Units	2008	7,079
87	2-VS 220 PH Controller	2008	11,422
88	2-PH Sensors	2008	912
64	Miscellaneous Ranch Equipment	Pre 2007	30,000
	300 Gallon Ozone Water Tank		
	Vacuum		
	Refrigerator		
	Washer & Dryer		
	Bin Trailers		
	Folding Disc		

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Rancho Arroyo Grande			
Equipment & Inventory Asset List			
21-Nov-16			
		Age/Yr Of Purchase	Est or Cost Basis
	Post Hammer		
	Toro Lawn Mower		
	Lincoln Welder		
	Backpack Sprayer		
	Galleon Roller		
	Chisel Plow		
	Field Cultivator		
	Misc Shop tools:		
	Two Rolls of Hydraulic Hose		
	Chemical Injection Pump		
	Press		
	Slide Hammer		
	Shelf Unit of Gauges and Electrical Accessories		
	Shelf Unit and Two Boxes of Holland Tractor Parts		
	Bolt Organizers and Hardware		
48	Miscellaneous Vyd Equipment	Pre 2007	30,000
	Misc Vineyard Tools		
	1998 Honda ATV		
	Ox Bow Vineyard Sprayer		
	Honda Dirt Bike		
	Suzuki Motorcycle License 14P1007		
	<u>Other</u>		
	Flooring & Scaffolding & Roof Tiles	2008	100,000
	Total		\$ 512,979

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