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12 Proposed Counsel for Debtor and Debtor in Possession  
13 Russel Dennis Hiles, III

14 **UNITED STATES BANKRUPTCY COURT**  
15 **CENTRAL DISTRICT OF CALIFORNIA - RIVERSIDE DIVISION**

16 In re:

17 **RUSSEL DENNIS HILES, III,**

18 Debtor and Debtor-in-Possession.

19 Case No. 6:16-bk-16877-WJ  
20 Chapter 11 Proceeding

21 **DEBTOR’S NOTICE OF MOTION AND**  
22 **MOTION FOR AUTHORITY TO:**

- 23 (1) **EMPLOY CONCIERGE AUCTIONS, LLC**  
24 **TO AUCTION DEBTOR’S PROPERTY**  
25 **(66876 Gist Rd., Bend, OR 97703) AND**  
26 **PAYMENT OF MARKETING FEES AND**  
27 **AUCTIONEER FEES (BUYERS**  
28 **PREMIUM);**
- (2) **EMPLOY CASCADE SOTHEBY’S**  
**INTERNATIONAL REALTY AS REAL**  
**ESTATE BROKER;**
- (3) **SELL THE PROPERTY AT AUCTION**  
**SUBJECT TO COURT APPROVAL AND**  
**ALLOWING ACCEPTANCE OF BACK-**  
**UP BIDDERS;**
- (4) **ESTABLISH BIDDING PROCEDURES;**
- (5) **SCHEDULE HEARING DATE FOR**  
**APPROVAL OF AUCTION;**
- (6) **PAY SECURED CREDITOR, PROPERTY**  
**TAXES, AND CLOSING COSTS; AND**
- (7) **APPROVE OF SALE FREE AND CLEAR**  
**OF LIENS PURSUANT TO 11 U.S.C.**  
**SECTION 363(f)**

**DECLARATIONS OF RUSSEL D. HILES,**  
**LAURA BRADY, AND BOBBY LOCKREM IN**  
**SUPPORT THEREOF**

**Hearing:**

Date: September 13, 2016  
Time: 1:00 p.m.  
Ctrm: 304

1           **TO THE HONORABLE WAYNE JOHNSON, UNITED STATES BANKRUPTCY**  
2 **JUDGE, THE UNITED STATES TRUSTEE AND ALL CREDITORS:**

3           Debtor and Debtor-in-Possession, Russel Dennis Hiles, III (“Debtor”), hereby respectfully  
4 moves the Court for an Order for authority to: (1) employ Concierge Auctions, LLC  
5 (“Concierge”) to auction Debtor’s property located at 66876 Gist Rd., Bend, OR 97703  
6 (“Property”) and authorize payment of marketing fees and auctioneer fees (buyers premium)  
7 pursuant to that certain Auction Marketing Agreement dated as of August 16, 2016; (2) employ  
8 Cascade Sotheby’s International Realty (“Sotheby’s”) as real estate broker; (3) sell the Property at  
9 auction subject to Court approval and allowing acceptance of back-up bidders; (4) establish  
10 bidding procedures; (5) schedule hearing date for approval of auction results; (6) pay secured  
11 creditor, property taxes, and closing costs; and (7) Approve of sale free and clear of liens pursuant  
12 to 11 U.S.C. Section 363(f) (“Motion”).

13           The Motion will be heard on **September 13, 2016 at 1:00 p.m. in Courtroom 304** of the  
14 United State Bankruptcy Court, 3420 Twelfth Street, Riverside, CA 92501.

15           **IF YOU DO NOT OPPOSE THE MOTION, YOU NEED TAKE NO FURTHER**  
16 **ACTION. HOWEVER, IF YOU OBJECT TO THE RELIEF REQUESTED BY THE**  
17 **MOTION, PURSUANT TO LOCAL BANKRUPTCY RULE 9013-1, YOU MUST SERVE**  
18 **AND FILE A WRITTEN OBJECTION WITH THE CLERK OF THE BANKRUPTCY**  
19 **COURT AND SERVE SUCH WRITTEN OBJECTION UPON THE DEBTOR TO WHOSE**  
20 **MOTION THE OBJECTION IS BEING FILED, AT THE DEBTOR’S COUNSEL’S**  
21 **ADDRESS SET FORTH ABOVE, AND UPON THE OFFICE OF THE UNITED STATES**  
22 **TRUSTEE LOCATED AT 3801 UNIVERSITY AVENUE, SUITE 720, RIVERSIDE,**  
23 **RIVERSIDE, CA 92501. OBJECTIONS MUST BE SERVED AND FILED NO LATER**  
24 **THAN FOURTEEN (14) DAYS PRIOR TO THE DATE SET FOR HEARING AS**  
25 **INDICATED ABOVE. YOU MUST FILE YOUR OPPOSING PAPERS AND PROOF OF**  
26 **SERVICE THEREOF WITH THE CLERK OF THE UNITED STATES BANKRUPTCY**  
27 **COURT LOCATED AT 3420 TWELFTH STREET, RIVERSIDE, CA 92501. ANY**  
28 **FAILURE TO TIMELY FILE AND SERVE ANY SUCH OBJECTIONS MAY RESULT IN**

1 **ANY SUCH OBJECTIONS BEING WAIVED. FOR FURTHER INFORMATION, SEE**  
2 **LOCAL BANKRUPTCY RULE 9013-1.**

3  
4 DATED: August 19, 2016

**GOE & FORSYTHE, LLP**

5  
6 By: /s/Robert P. Goe  
7 Robert P. Goe  
8 Proposed Attorneys for Russel Dennis  
9 Hiles, III, Debtor and Debtor-in-Possession  
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2 **A. Facts in Support of Motion**

3 1. Debtor's voluntary Chapter 11 petition in this case was filed on August 1, 2016.

4 2. The Property consists of an approximate 10,000 square foot house on 40 acres in  
5 Bend, Oregon. A true and correct copy of First American's Lot Book Services report ("Title  
6 Report") is attached to the Declaration of Russel Hiles ("Hiles Declaration") as **Exhibit "1"**.

7 3. Debtor has scheduled the Property with a value of \$12,000,000. The Property has  
8 been listed with Sotheby's for approximately \$11,900,000, but to date no acceptable offers have  
9 been received.

10 4. Bank of America ("BofA") holds a first lien on the Property in the approximate  
11 amount of \$783,134. There are no, or very little, property taxes owing.

12 5. The only other alleged encumbrance on the Property is a lawsuit filed (nothing  
13 recorded) in the Circuit Court for Deschutes County, Oregon, by Farmers Insurance Exchange  
14 ("FIE") against Debtor, Case No. 16CV20120 ("Oregon Suit")<sup>1</sup>. In addition to being highly  
15 disputed, it is improper for the Oregon Suit to show up as an alleged encumbrance, as there has  
16 been no recording, among other things, concerning the Oregon Suit.

17 6. Moreover, even if there was a recording, among other things, it would be subject to  
18 Debtor's strong arm powers under Section 544, and avoidable as a preference pursuant to Section  
19 547. Accordingly, the Oregon Suit is disputed and Debtor will seek an order to sell the Property  
20 free and clear of any such interest.

21 7. Thus, through the closing of escrow, BofA and all property taxes will be paid in  
22 full along with commissions, the auctioneer's buyer's premium, and customary closing costs.

23 **B. Employment of Concierge Auctions, LLC**

24 8. Debtor seeks to employ Concierge Auctions, LLC ("Concierge") to act as  
25 auctioneer to hold an advertised public auction of the Property on October 27, 2016. Debtor  
26 believes that

27  
28 \_\_\_\_\_  
<sup>1</sup> As set forth in Debtor's Schedule B, he will be asserting substantial damages against FIE and its counsel for, among other things, breach of the confidentiality provisions agreed to by FIE and Debtor in an arbitration.

1 by advertising the Property for public auction, Debtor will obtain the highest price for the Property  
2 in the least amount of time.

3 9. Oregon does not have licensing requirements for auctioneers. Concierge is  
4 licensed and/or bonded in numerous other states, including California. Concierge routinely  
5 utilizes local brokers in the auction process. A true and correct copy of the Auction Marketing  
6 Agreement (“Auction Agreement”) is attached to the declaration of Laura Brady (“Brady  
7 Declaration”) as **Exhibit “2”**. Attached to the Brady Declaration as **Exhibit “3”** is background  
8 information on Concierge.

9 10. Concierge has a California auctioneer bond in the amount of \$20,000. Attached as  
10 **Exhibit “4”** to the Brady Declaration is a true and correct copy of the bond.

11 11. Concierge was founded by President Laura Brady and Chairman Chad Roffers in  
12 2008. Ms. Brady was one of the top-producing luxury real estate agents in the country by the age  
13 of 30, and Mr. Roffers was a successful entrepreneur and luxury real estate brokerage owner.  
14 Through its auctions, Concierge’s team curates the world’s most elite properties and matches them  
15 with qualified buyers. Concierge is recognized as a cutting-edge global force, having sold over \$1  
16 billion in high-end properties in 29 states and 9 countries. Concierge hosts a database of over  
17 370,000 contacts in 211 countries.

18 12. Concierge was retained by the Debtor pre-petition and to the best of Debtor's  
19 knowledge, Concierge does not have any connection with Debtor, nor does Concierge have any  
20 connection with Debtor's creditors, any other party in interest, or their respective attorneys or  
21 accountants. None of Concierge’s employees are related to any judge of the United States  
22 Bankruptcy Court for the Central District of California, the United States Trustee, or to any person  
23 employed in the Office of the United States Trustee. Debtor originally scheduled Concierge as a  
24 creditor for \$55,000 based on Concierge’s position that Debtor breached the pre-petition  
25 agreement. However, by entering the post-petition Auction Agreement (subject to this Court’s  
26 approval) that claim will be waived.

27 13. Concierge is a disinterested person within the meaning of 11 U.S.C. § 101(14).  
28 Furthermore, Concierge does not have an interest adverse to Debtor or his estate in accordance

1 with 11 U.S.C. §327. Concierge is not a creditor of the estate and will not be owed any funds by  
2 Debtor upon approval of this Motion. Concierge has not received a retainer.

3 14. As set forth in the Concierge Agreement, the auction will be held online on  
4 October 27, 2016, with the winning bid being subject to Court approval (“Auction Approval  
5 Hearing”). Debtor will request the Auction Approval Hearing be scheduled for the week of  
6 October 31, 2016, or a convenient date for the Court.

7 15. Concierge will advance from its own pocket approximately \$35,000 on Debtor’s  
8 behalf as marketing and auction expenses (“Engagement Fee”). Typically, Concierge requires the  
9 Engagement Fee to be paid by the seller in advance, but due to the bankruptcy filing, has agreed to  
10 be paid the Engagement Fee upon the closing of the sale of the Property, which Debtor seeks  
11 authorization to pay. Further, Concierge seeks approval of its compensation, directly from  
12 escrow, via a buyer’s premium of the greater of \$175,000 or ten percent (10%) (“Buyer’s  
13 Premium”) of the sale price of the Property, which will be paid by the successful buyer (not  
14 Debtor).

15 16. Concierge requests compensation in conformity with Bankruptcy Code Sections  
16 328, 330 and 331 and understands that its compensation will be subject to the approval of the  
17 Court as set forth in this Motion. If the court grants this Motion and approves the Auction  
18 Agreement, then Concierge shall not be required to take any further action in order to receive its  
19 compensation.

20 **C. Employment of Sotheby’s**

21 17. Concierge will coordinate with Sotheby’s on the auction of the Property.  
22 Sotheby’s is an international firm specializing in the sale of high-end properties such as the  
23 Property. Sotheby’s will be paid a five percent (5%) commission from the Debtor to be split with  
24 any buyer’s broker. If there is no buyer’s broker, Sotheby’s will be paid four percent (4%) of the  
25 sale price. Again, to be clear, Concierge is being paid by the buyer while Sotheby’s is being paid  
26 by Debtor out of the proceeds from the sale of the Property.

27 18. Sotheby’s was employed by Debtor pre-petition pursuant to a MLSCO Listing  
28 Contract (“Sotheby’s Contract”) dated September 1, 2015, and Addendum thereto dated August

1 11, 2016. A true and correct copy of the Sotheby's Contract is attached to the declaration of  
2 Bobby Lockrem ("Lockrem Declaration") as **Exhibit "5"**.

3 19. Mr. Lockrem has extensive experience selling large ranch properties. From 2007  
4 through 2009, he worked with Mason and Morse Ranch Company selling farm and ranch  
5 properties throughout Oregon, Wyoming, Utah and Colorado. From 2009 to the present, Mr.  
6 Lockrem has worked with Cascade Sotheby's, specializing in farm, ranch, equestrian and large  
7 acreage throughout Oregon. A true and correct copy of Mr. Lockrem's resume is attached to the  
8 Lockrem Declaration as **Exhibit "6"**.

9 20. Sotheby's was retained by the Debtor pre-petition and to the best of Debtor's  
10 knowledge, Sotheby's does not have any connection with Debtor, nor does Sotheby's have any  
11 connection with Debtor's creditors, any other party in interest, or their respective attorneys or  
12 accountants. None of Sotheby's employees are related to any judge of the United States  
13 Bankruptcy Court for the Central District of California, the United States Trustee, or to any person  
14 employed in the Office of the United States Trustee.

15 21. Sotheby's is a disinterested person within the meaning of 11 U.S.C. § 101(14).  
16 Furthermore, Sotheby's does not have an interest adverse to Debtor or its estate in accordance  
17 with 11 U.S.C. §327. Sotheby's is not a creditor of the estate and is not owed any funds by  
18 Debtor. Sotheby's has not received a retainer.

19 22. Sotheby's requests compensation in conformity with Bankruptcy Code Sections  
20 328, 330 and 331 and understands that its compensation will be subject to the approval of the  
21 Court.

22 23. Concierge and Sotheby's believe working together will maximize the price to be  
23 obtained at Auction, as set forth in the Addendum to Listing Agreement that sets forth the services  
24 Sotheby's will provide. Concierge is not providing brokerage services.

25 **D. The Auction**

26 24. By the Auction, the Debtor seeks to sell the Property expeditiously for its fair  
27 market value using recognized professionals in the real estate industry. Pursuant to Bankruptcy  
28 Code Section 363(b) and (f), the Court may authorize a sale outside the ordinary course of

1 business and free and clear of all liens and other interests.

2 25. The property taxes (if any), and secured creditor BofA, will be paid in full from the  
3 proceeds of the sale of the Property.

4 26. Pursuant to the Auction Agreement, Debtor seeks approval to conduct an auction of  
5 the Property and to compensate Concierge on the following terms:

6 (a) The Property shall be sold at auction with no reserve.

7 (b) The winning bid will be subject to Court approval at the Auction Approval  
8 Hearing, that Debtor will request be scheduled at the Court's first available  
9 date during the week of October 31, 2016.

10 (c) Bidders must register to bid and pay a \$100,000 bidder deposit to  
11 participate in the auction. Then, the winning bidder must increase its  
12 bidder deposit to 10% of the amount of its winning bid and agree that the  
13 purchase of the Property will have no contingencies or conditions to  
14 closing within 30 days of acceptance.

15 (d) The sale is made "as is" without representation or warranty.

16 (e) The sale will be subject to the Buyer's Premium of 10% of the sale price  
17 and payable to Concierge by the winning bidder.

18 (f) Back up bids may also be accepted.

19 (g) If a bidder fails to close due to its breach, it will lose its deposit. There will  
20 be no refunds whatsoever.

21 27. Debtor will seek Court approval of the winning bid/backup bid at the Auction  
22 Approval Hearing thereafter before this Court. Based upon the above, the Property should realize  
23 no less than its fair market value.

24 **E. The Auction Will Result in a Fair and Reasonable Price for the Property, and Should**  
25 **Be Approved Pursuant to Section 363(b)**

26 28. Due to the open and competitive nature of bidding during an auction, the Debtor  
27 believes that the auction will result in a bidding process leading to the fair market value for the  
28 Property.



1           29.     At the Auction Approval Hearing, the Debtor will present to this Court the high  
2 and next highest bid that were obtained at the auction.

3           30.     Under the circumstance of this case, the Debtor asserts that an auction will  
4 determine the value of the Property and that as a result the successful bid will represent a fair and  
5 reasonable price for the Property. See, e.g., In re Onouli-Kona Land Co., 846 F.2d 1170 (9<sup>th</sup> Cir.  
6 1988) (upholding the results of a section 363 auction where there was no evidence of bad faith);  
7 see also, e.g., In re Gucci, 126 F.3d 380 (2d Cir. 1997) (“[W]here the purchaser is found to have  
8 acted in good faith, the auction price suffices to demonstrate that the purchaser paid value for the  
9 assets.”); In re Alpha Industries, Inc., 84 B.R. 703, 706 (Bankr. Mont. 1988) (“Generally speaking,  
10 an auction may be sufficient to establish that one has paid ‘value’ for the assets of a bankrupt.”).

11 **F.     The Auction Sale Should Be Free and Clear of Property Taxes, the BofA Lien and**  
12 **All Other Liens and Encumbrances Pursuant to 11 U.S.C. § 363(f)(3)**

13           31.     Section 363(f)(3) of the Bankruptcy Code provides that the trustee may sell  
14 property of the estate free and clear of any lien on such property if the price at which such  
15 property is to be sold is greater than the aggregate value of all liens on such property. 11 U.S.C. §  
16 363(f)(3).

17           32.     The Trustee intends to sell the Property free and clear of property taxes and the  
18 BofA lien and any other interests, pursuant to subsection (f)(3) as the sale price will be greater  
19 than the value of the BofA lien and property taxes.

20 **G.     The Sale Should Be Free and Clear of Any Interest of FIE Pursuant to 11 U.S.C. §**  
21 **363(f)(4)**

22           33.     Debtor intends to sell the Property free and clear of any interest of FIE in the  
23 Oregon Suit pursuant to section 363(f)(4), which provides that the trustee may sell property of the  
24 estate free and clear of “any interest in such property of an entity other than the estate” if such  
25 interest is in “bona fide dispute.” 11 U.S.C. § 363(f)(4). “The purpose of § 363(f)(4) is to permit  
26 property of the estate to be sold free and clear of interests that are disputed by the representative of  
27 the estate so that liquidation of the estate's assets need not be delayed while such disputes are  
28 being litigated.” In re Clark, 266 B.R. 163, 171 (B.A.P. 9th Cir. 2001) (citing Collier on

1 Bankruptcy ¶ 363.06).

2 **H. A Bona Fide Dispute Exists Under Section 363(f)(4) Where There is an Objective**  
3 **Basis for Either a Factual or Legal Dispute as to the Validity of the Interest**

4 34. FIE does not have any “interest” in the Property, but even if FIE did, it is the  
5 subject of a bona fide dispute. The Bankruptcy Code does not define the phrase “bona fide  
6 dispute.” Courts applying section 363(f)(4) have developed a standard for determining whether a  
7 “bona fide dispute” exists; that is whether there is an objective basis for either a factual or legal  
8 dispute as to the validity of the asserted interest. In re Taylor, 198 B.R. 142, 162 (Bankr. D.S.C.  
9 1996); In re Octagon Roofing, 123 B.R. 583, 590 (Bankr. N.D. Ill. 1991); In re Gaylord Grain  
10 LLC, 306 B.R. 624, 627 (8th Cir. B.A.P. 2004); In re Kellogg-Taxe, 2014 Bankr. LEXIS 1033, 22  
11 (Bankr. C.D. Cal. Mar. 17, 2014).

12 35. In ruling on a motion to sell estate property free and clear under § 363(f)(4), “a  
13 court need not resolve the underlying dispute or determine the probable outcome of the dispute,  
14 but merely whether one exists.” In re Taylor, 198 B.R. 142, 162 (Bankr. D.S.C. 1996); see also  
15 Octagon Roofing, 123 B.R. at 590; Kellogg-Taxe, 2014 Bankr. LEXIS 1033, 22; In re Collins,  
16 180 Bankr. 447, 452 (Bkrcty. E.D. Va. 1995). “However, not any alleged dispute satisfies the  
17 subsection. It clearly entails some sort of meritorious, existing conflict.” Id. (citing In re Atlas  
18 Machine & Iron Works v. Bethlehem Steel, 986 F.2d 709 (4th Cir. 1993)). Some courts have held  
19 that a lengthy history of litigation over the validity of an interest is sufficient evidence that a bona  
20 fide dispute does indeed exist over such interest. See In re Daufuskie Island Props., LLC, 431  
21 B.R. 626 (Bankr. D.S.C. 2010); Kellogg-Taxe, 2014 Bankr. LEXIS 1033, 23.

22 36. Pursuant to the Oregon Suit, FIE is seeking to obtain an attachment lien, an  
23 injunction to prohibit the transfer of the Property, and for a constructive trust. As noted above,  
24 there is no interest of record.

25 37. Even if FIE did have an interest, it would be avoidable pursuant to Section 544.  
26 See, In re Tleel, 876 F.2d 769 (9<sup>th</sup> Cir. 1989). Further, the Oregon Action was filed on June 24,  
27 2016 (37 days before the petition date), and would be avoidable as a preference pursuant to  
28 Section 547.

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- WHEREFORE**, Debtor prays that the Court enter its Order as follows:
1. Authorizing Debtor, based upon the foregoing and pursuant to 11 U.S.C. §327 and § 328, and Rule 2014(a) of the Federal Rules of Bankruptcy Procedure, to employ Concierge and Sotheby’s, and to authorize payment to Concierge and to Sotheby’s from escrow on closing of a sale of the Property;
  2. Authorizing the Property be sold at auction free and clear of liens, with the winning bid being subject to further Court approval at the Auction Approval Hearing to be scheduled by the Court during the week of October 31, 2016;
  3. Authorizing payment for the property taxes, BofA, and normal closing costs; and
  4. Granting such other and further relief as the Court deems just and appropriate.

DATED: August 19, 2016

**GOE & FORSYTHE, LLP**

By: /s/Robert P. Goe  
Robert P. Goe  
Proposed Attorneys for Russel Dennis  
Hiles, III, Debtor and Debtor-in-Possession

**DECLARATION OF RUSSEL D. HILES**

1 I, Russel D. Hiles, declare and state:

2 I am the Debtor in this bankruptcy proceeding (“Debtor”). I have personal knowledge of  
3 the facts alleged herein and if called upon as a witness, I could and would competently testify  
4 thereto. I make this declaration in support of my motion to employ an auctioneer and for  
5 authorization to conduct an auction of the Property.

6 1. I filed a voluntary Chapter 11 petition on August 1, 2016.

7 2. I am seeking an order authorizing me to employ an auctioneer and a real estate  
8 broker to sell my property located at 66876 Gist Rd., Bend, OR 97703 (“Property”). I am seeking  
9 to employ Concierge Auctions, LLC (“Concierge”) as auctioneer, and Cascade Sotheby’s  
10 International Realty as real estate broker (“Sotheby’s”) pursuant to the provisions of 11 U.S.C.  
11 Sections 327, 328 and Rule 2014(a) of the Federal Rules of Bankruptcy Procedure, and for  
12 authorization to conduct an auction of the Property

13 3. The Property consists of an approximate 10,000 square foot house on 40 acres in  
14 Bend, Oregon. A true and correct copy of First American’s Lot Book Services report (“Title  
15 Report”) is attached hereto as **Exhibit “1”**.

16 4. I have scheduled the Property with a value of \$12,000,000. The Property has been  
17 listed with Sotheby’s for approximately \$11,900,000, but to date no acceptable offers have been  
18 received.

19 5. Bank of America (“BofA”) holds a first lien on the Property in the approximately  
20 amount of \$783,134. There are no, or very little, property taxes owing.

21 6. The only other alleged encumbrance on the Property is a lawsuit filed (nothing  
22 recorded) in the Circuit Court for Deschutes County, Oregon, by Farmers Insurance Exchange  
23 (“FIE”) against Debtor, Case No. 16CV20120 (“Oregon Suit”)<sup>1</sup>. In addition to being highly  
24 disputed, it is improper for the Oregon Suit to show up as an alleged encumbrance, as there has  
25 been no recording, among other things, concerning the Oregon Suit. I will seek an order to sell  
26 free and clear of any such interest.

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<sup>1</sup> As set forth in my Schedule B, I will be asserting substantial damages against FIE and its counsel for, among other things, breach of the confidentiality provisions agreed to by FIE and Debtor in an arbitration.

1           7.       Through the closing of escrow, BofA and all property taxes will be paid in full  
2 along with commissions, Concierge's buyer's premium, and customary closing costs.

3           8.       I seek to employ Concierge to act as auctioneer to hold a well-advertised public  
4 auction of the Property on October 27, 2016. I believe that by advertising the Property for public  
5 auction, I will obtain the highest price for the Property in the least amount of time. Concierge  
6 routinely utilizes local brokers in the auction process. (See Exhibits "2" and "3" attached to the  
7 Brady Declaration.)

8           9.       Concierge has a California auctioneer bond in the amount of \$20,000. Attached as  
9 Exhibit "4" to the Brady Declaration is a true and correct copy of the bond.

10          10.       I retained Concierge pre-petition and to the best of my knowledge, Concierge does  
11 not have any connection with me, nor does Concierge have any connection with my creditors, or  
12 any other party in interest, or their respective attorneys or accountants. None of Concierge's  
13 employees are related to any judge of the United States Bankruptcy Court for the Central District  
14 of California, the United States Trustee, or to any person employed in the Office of the United  
15 States Trustee. I originally scheduled Concierge as a creditor for \$55,000 based on Concierge's  
16 position that I breached the pre-petition agreement. However, by entering the post-petition  
17 Auction Agreement (subject to this Court's approval) that claim will be waived.

18          11.       Concierge is a disinterested person within the meaning of 11 U.S.C. § 101(14).  
19 Furthermore, Concierge does not have an interest adverse to me or my estate in accordance with  
20 11 U.S.C. §327. Concierge is not a creditor of the estate and will not be owed any funds by me.  
21 Concierge has not received a retainer.

22          12.       The auction will be held online on October 27, 2016, with the winning bid being  
23 subject to Court approval ("Auction Approval Hearing"). I will request the Auction Approval  
24 Hearing be scheduled for the week of October 31, 2016, or a convenient date for the Court.

25          13.       Concierge will advance from its own pocket approximately \$35,000 on my behalf  
26 as marketing and auction expenses ("Engagement Fee"). Concierge generally requires the  
27 Engagement fee to be paid by the seller in advance, but due to the bankruptcy filing, has agreed to  
28 be paid the Engagement Fee upon the closing of the sale of the Property. Further, Concierge seeks

1 approval of its compensation, directly from escrow, via a buyer's premium of the greater of  
2 \$175,000 or ten percent (10%) ("Buyer's Premium") of the sale price of the Property, which will  
3 be paid by the successful buyer (not me).

4 14. Concierge will coordinate with Sotheby's on the auction of the Property.  
5 Sotheby's is an international firm specializing in the sale of high-end properties such as the  
6 Property. Sotheby's will be paid a five percent (5%) commission from me to be split with any  
7 buyer's broker. If there is no buyer's broker, Sotheby's will be paid four percent (4%) of the sale  
8 price. Again, to be clear, Concierge is being paid by the buyer while Sotheby's is being paid by  
9 me.

10 15. Sotheby's was employed by me pre-petition pursuant to a MLSCO Listing Contract  
11 ("Sotheby's Contract") dated September 1, 2015, and Addendum thereto dated August 11, 2016.  
12 (See Exhibit "5" attached to the Bobby Lockrem Declaration.)

13 16. Mr. Lockrem has extensive experience selling large ranch properties. From 2007  
14 through 2009, he worked with Mason and Morse Ranch Company selling farm and ranch  
15 properties throughout Oregon, Wyoming, Utah and Colorado. From 2009 to the present, Mr.  
16 Lockrem has worked with Cascade Sotheby's, specializing in farm, ranch, equestrian and large  
17 acreage throughout Oregon. (See Exhibit "6" attached to the Bobby Lockrem Declaration.)

18 17. I retained Sotheby's pre-petition and to the best of my knowledge, Sotheby's does  
19 not have any connection with me, nor does Sotheby's have any connection with my creditors, any  
20 other party in interest, or their respective attorneys or accountants. None of Sotheby's employees  
21 are related to any judge of the United States Bankruptcy Court for the Central District of  
22 California, the United States Trustee, or to any person employed in the Office of the United States  
23 Trustee.

24 18. Sotheby's is a disinterested person within the meaning of 11 U.S.C. § 101(14).  
25 Furthermore, Sotheby's does not have an interest adverse to me or my estate in accordance with  
26 11 U.S.C. §327. Sotheby's is not a creditor of the estate and is not owed any funds by me.  
27 Sotheby's has not received a retainer.  
28

1           19.     Concierge and Sotheby's believe working together will maximize the price to be  
2 obtained at Auction, as set forth in the Addendum to Listing Agreement that sets forth the services  
3 Sotheby's will provide. Concierge is not providing brokerage services.

4           20.     By the Auction, I seek to sell the Property expeditiously at the fair market value  
5 using recognized professionals in the real estate industry.

6           21.     Pursuant to the Auction Agreement, I seek approval to conduct an auction of the  
7 Property and to compensate Concierge on the following terms:

8                   (a)     The Property shall be sold at auction with no reserve.

9                   (b)     The winning bid will be subject to Court approval at the Auction Approval  
10                   Hearing, that Debtor will request be scheduled at the Court's first available  
11                   date during the week of October 31, 2016.

12                   (c)     Bidders must register to bid and pay a \$100,000 bidder deposit to  
13                   participate in the auction. Then, the winning bidder must increase its bidder  
14                   deposit to 10% of the amount of its winning bid and agree that the purchase  
15                   of the Property will have no contingencies or conditions to closing within  
16                   30 days of acceptance.

17                   (d)     The sale is made "as is" without representation or warranty.

18                   (e)     The sale will be subject to the Buyer's Premium of 10% of the sale price  
19                   and payable to Concierge by the winning bidder.

20                   (f)     Back up bids may also be accepted.

21                   (g)     If a bidder fails to close due to its breach, it will lose its deposit. There will  
22                   be no refunds whatsoever.

23           22.     I will seek Court approval of the winning bid/backup bid at the Auction Approval  
24 Hearing thereafter before this Court. Based upon the above, the Property should realize no less  
25 than its fair market value.

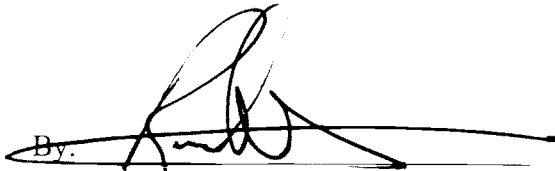
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1 I declare under penalty of perjury under the laws of the United States of America that the  
2 foregoing is true and correct.

3  
4 Dated: August 17, 2016

By.   
Russel D. Hiles

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**DECLARATION OF LAURA BRADY**

1 I, Laura Brady, hereby declare and state:

2 I am an individual over the age of eighteen (18). I have personal knowledge of the facts  
3 alleged herein and if called upon as a witness, I could and would competently testify thereto.

4 1. I am the President of Concierge Auctions, LLC (“Concierge”), who will act as  
5 auctioneer to hold a public auction of the Property on or about October 27, 2016. Concierge  
6 believes that by advertising the Property for public auction, Debtor will obtain the highest price  
7 for the Property in the least amount of time.

8 2. Oregon does not have licensing requirements for auctioneers. Concierge is  
9 licensed and/or bonded in numerous other states, including California. Concierge routinely  
10 utilizes local brokers in the auction process. A true and correct copy of the Auction Marketing  
11 Agreement (“Auction Agreement”) is attached hereto as **Exhibit “2”**. Attached hereto as **Exhibit**  
12 **“3”** is background information on Concierge.

13 3. Concierge has a California auctioneer bond in the amount of \$20,000. Attached as  
14 **Exhibit “4”** hereto is a true and correct copy of the bond.

15 4. Concierge was founded by Chairman Chad Roffers and myself in 2008. I was one  
16 of the top-producing luxury real estate agents in the country by the age of 30, and Mr. Roffers was  
17 a successful entrepreneur and luxury real estate brokerage owner. Through its auctions,  
18 Concierge’s team curates the world’s most elite properties and matches them with qualified  
19 buyers. Concierge is recognized as a cutting-edge global force, having sold over \$1 billion in  
20 high-end properties in 29 states and 9 countries. Concierge hosts a database of over 370,000  
21 contacts in 211 countries.

22 5. Concierge was retained by the Debtor pre-petition and to the best of my  
23 knowledge, Concierge does not have any connection with Debtor, nor does Concierge have any  
24 connection with Debtor's creditors, any other party in interest, or their respective attorneys or  
25 accountants. None of Concierge’s employees are related to any judge of the United States  
26 Bankruptcy Court for the Central District of California, the United States Trustee, or to any person  
27 employed in the Office of the United States Trustee. Pre-petition Concierge held the position that  
28 Debtor owed it \$55,000 pursuant to an alleged breach of the pre-petition agreement. However, by

1 entering the post-petition Auction Agreement (subject to this Court's approval) that claim will be  
2 waived.

3 6. Concierge is a disinterested person within the meaning of 11 U.S.C. § 101(14).  
4 Furthermore, Concierge does not have an interest adverse to Debtor or his estate in accordance  
5 with 11 U.S.C. §327. Concierge is not a creditor of the estate and is not owed any funds by  
6 Debtor. Concierge has not received a retainer.

7 7. The auction will be held online on the proposed date of October 27, 2016, with the  
8 winning bid being subject to Court approval.

9 8. Concierge will advance from its own pocket approximately \$35,000 on Debtor's  
10 behalf as marketing and auction expenses ("Engagement Fee"). Typically, Concierge requires the  
11 Engagement Fee to be paid by the seller in advance, but due to the bankruptcy filing, has agreed to  
12 be paid the Engagement Fee upon the closing of the sale of the Property, upon Court approval.  
13 Further, Concierge seeks approval of its compensation, directly from escrow, via a buyer's  
14 premium of the greater of \$175,000 or ten percent (10%) ("Buyer's Premium") of the sale price of  
15 the Property, which will be paid by the successful buyer (not Debtor).

16 9. Concierge and Sotheby's believe working together will maximize the price to be  
17 obtained at Auction, as set forth in the Addendum to Listing Agreement that sets forth the services  
18 Sotheby's will provide. Concierge is not providing brokerage services.

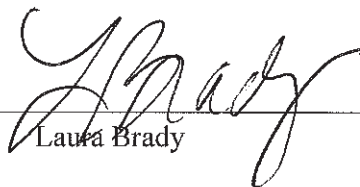
19 10. Pursuant to the Auction Agreement, and upon Court approval, Concierge will  
20 conduct an auction of the Property and be compensated on the following terms:

- 21 (a) The Property shall be sold at auction with no reserve.
- 22 (b) The winning bid will be subject to Court approval at the Auction Approval  
23 Hearing, that Debtor will request be scheduled at the Court's first available  
24 date during the week of October 31, 2016.
- 25 (c) Bidders must register to bid and pay a \$100,000 bidder deposit to  
26 participate in the auction. Then, the winning bidder must increase its bidder  
27 deposit to 10% of the amount of its winning bid and agree that the purchase  
28 of the Property will have no contingencies or conditions to closing within  
30 days of acceptance.

- 1 (d) The sale is made “as is” without representation or warranty.
- 2 (e) The sale will be subject to the Buyer’s Premium of 10% of the sale price
- 3 and payable to Concierge by the winning bidder.
- 4 (f) Back up bids may also be accepted.
- 5 (g) If a bidder fails to close due to its breach, it will lose its deposit. There will
- 6 be no refunds whatsoever.

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

9  
10 Dated: August 19, 2016

By:   
Laura Brady

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**DECLARATION OF BOBBY LOCKREM**

I, Bobby Lockrem, hereby declare and state:

I am an individual over the age of eighteen (18). I have personal knowledge of the facts alleged herein and if called upon as a witness, I could and would competently testify thereto.

1. I am a real estate agent with Cascade Sotheby's International Realty ("Sotheby's"). Sotheby's was employed by Debtor pre-petition pursuant to a MLSCO Listing Contract ("Sotheby's Contract") dated September 1, 2015, and Addendum thereto dated August 11, 2016. A true and correct copy of the Sotheby's Contract is attached hereto as **Exhibit "5"**.

2. I have extensive experience selling large ranch properties. From 2007 through 2009, I worked with Mason and Morse Ranch Company selling farm and ranch properties throughout Oregon, Wyoming, Utah and Colorado. From 2009 to the present, I have worked with Cascade Sotheby's, specializing in farm, ranch, equestrian and large acreage throughout Oregon. A true and correct copy of resume is attached hereto as **Exhibit "6"**.

3. Debtor retained Sotheby's pre-petition and to the best of my knowledge, Sotheby's does not have any connection with Debtor, nor does Sotheby's have any connection with Debtor's creditors, any other party in interest, or their respective attorneys or accountants. None of Sotheby's employees are related to any judge of the United States Bankruptcy Court for the Central District of California, the United States Trustee, or to any person employed in the Office of the United States Trustee.

4. Sotheby's is a disinterested person within the meaning of 11 U.S.C. § 101(14). Furthermore, Sotheby's does not have an interest adverse to Debtor or its estate in accordance with 11 U.S.C. §327. Sotheby's is not a creditor of the estate and is not owed any funds by Debtor. Sotheby's has not received a retainer.

5. Sotheby's requests compensation in conformity with Bankruptcy Code Sections 328, 330 and 331 and understands that its compensation will be subject to the approval of the Court.

6. Concierge, Debtor's auctioneer, and Sotheby's believe working together will maximize the price to be obtained at Auction, as set forth in the Addendum to Listing Agreement that sets forth the services Sotheby's will provide. Concierge is not providing brokerage services.

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

3  
4 Dated: August 17, 2016

DocuSigned by:  
By Bobby Lockrem  
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**EXHIBIT 1**

**EXHIBIT 1**



**First American**

**First American Title Company of Oregon**  
395 SW Bluff Drive, Ste 100  
Bend, OR 97702  
Phn - (541)382-4201  
Fax - (866)524-9203

**DESCHUTES COUNTY TITLE UNIT**

FAX (866)524-9203

Title Officer: **Teresa Hansen**

(541)382-4201

tehansen@firstam.com

**LOT BOOK SERVICE**

Cascade Sotheby's International Realty  
650 SW Bond Street, Suite 110  
Bend, OR 97702

Order No.: 7069-2695859

July 15, 2016

Attn: Bobby Lockrem  
Phone No.: (541)383-7600 - Fax No.: (541)383-3940  
Email: blockrem@gmail.com

Re:

Fee: \$200.00

We have searched our Tract Indices as to the following described property:

The land referred to in this report is described in Exhibit A attached hereto.

and as of July 11, 2016 at 8:00 a.m.

We find that the last deed of record runs to

Russel D. Hiles

We find the following apparent encumbrances within twenty (20) years prior to the effective date hereof:

1. Potential taxes due to disqualification for Farm Land use, in the amount of \$34,315.34 for APN 130924.
2. Potential taxes due to disqualification for Farm Land use, in the amount of \$11,643.43 for APN 130923.
3. The assessment roll and the tax roll disclose that the within described premises were specially zoned or classified for Farm use. If the land has become or becomes disqualified for such use under the statute, an additional tax or penalty may be imposed.

4. The premises described herein fall within the boundaries of Three Sisters Irrigation District and are subject to rules and regulations, including levies, assessments, water and irrigation rights and easements for ditches and canals thereof.

5. Subject to rules and regulations, including the levies, liens, assessments, rights of way, and easement of Sun Mountain Water Systems, Inc.

Assignment of Easement(s) recorded February 05, 2016 as Instrument No. 2016-04253

6. The rights of the public in and to that portion of the premises herein described lying within the limits of streets, roads and highways.

7. Easement, including terms and provisions contained therein:

Recording Information: August 15, 2002 in Instrument No. 2002-44355  
In Favor of: John Kreuger and Irina Kreuger, husband and wife  
For: Utilities  
(Affects: PARCEL II)

8. Deed of Trust and the terms and conditions thereof.

Grantor/Trustor: Russel D Hiles  
Grantee/Beneficiary: Bank of America, N.A.  
Trustee: First American Title Insurance Company  
Amount: \$862,500.00  
Recorded: September 23, 2008  
Recording Information: Instrument No. 2008-38837  
(Affects: PARCEL I)

9. Farm and Forest Management Easement - Replacement Dwelling, including terms and provisions thereof.

Recorded: September 30, 2010 as Instrument No. 2010-38663  
(Affects: PARCEL I)

10. Proceedings pending in the Circuit Court for Deschutes County, Oregon .

Suit No.: 16CV20120  
Filed: June 24, 2016  
Plaintiff: Farmers Insurance Exchange, an inter-insurance exchange  
Defendant: Russel D. Hiles, an individual  
Being a suit for: Fraudulent Transfer, Provisional Process

We have also searched our General Index for Judgments and State and Federal Liens against the Grantee(s) named above and find:

NONE



Lot Book Service

Guarantee No.: **7069-2695859**  
Page 3 of 4

We find the following unpaid taxes and city liens:

1. Taxes for the fiscal year 2016-2017 a lien due, but not yet payable.

NOTE: Taxes for the year 2015-2016 PAID IN FULL

Tax Amount:	\$13,992.95
Map No.:	1511310002200
Property ID:	130924
Tax Code No.:	6012

NOTE: Taxes for the year 2015-2016 PAID IN FULL

Tax Amount:	\$45.86
Map No.:	1511310002300
Property ID:	130923
Tax Code No.:	6012

NOTE: Taxes for the year 2015-2016 PAID IN FULL

Tax Amount:	\$1,934.79
Map No.:	1511310002201
Property ID:	201617
Tax Code No.:	6012

NOTE: Taxes for the year 2015-2016 PAID IN FULL

Tax Amount:	\$27.15
Map No.:	1511310000099
Property ID:	169610
Tax Code No.:	6012

THIS IS NOT a title report since no examination has been made of the title to the above described property. Our search for apparent encumbrances was limited to our Tract Indices, and therefore above listings do not include additional matters which might have been disclosed by an examination of the record title. We assume no liability in connection with this Lot Book Service and will not be responsible for errors or omissions therein. The charge for this service will not include supplemental reports, rechecks or other services.

**EXHIBIT A  
LEGAL DESCRIPTION**

PARCEL I:

PARCEL 1 OF PARTITION PLAT NO. 2000-55, FILED OCTOBER 15, 2000, A PARCEL OF LAND LOCATED IN THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER (SW1/4 SW1/4) OF SECTION 31, TOWNSHIP 15 SOUTH, RANGE 11 EAST OF THE WILLAMETTE MERIDIAN, DESCHUTES COUNTY, OREGON.

PARCEL II:

PARCEL 2 OF PARTITION PLAT NO. 2000-55, FILED OCTOBER 15, 2000, A PARCEL OF LAND LOCATED IN THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER (SW1/4 SW1/4) OF SECTION 31, TOWNSHIP 15 SOUTH, RANGE 11 EAST OF THE WILLAMETTE MERIDIAN, DESCHUTES COUNTY, OREGON.

PARCEL III:

A PARCEL OF LAND SITUATED IN THE SOUTHWEST QUARTER OF SECTION 31, TOWNSHIP 15 SOUTH, RANGE 11 EAST OF THE WILLAMETTE MERIDIAN, DESCHUTES COUNTY, OREGON. BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER (SE1/4 SW1/4) OF SAID SECTION 31, LYING SOUTH OF PLAINVIEW ROAD AND LYING WEST OF SISEMORE ROAD AND LYING NORTH OF THAT CERTAIN PARCEL OF LAND DESCRIBED IN VOLUME 132, PAGE 421 OF DEED RECORDS.

# EXHIBIT 2

# EXHIBIT 2

# CONCIERGE AUCTIONS



This Auction Marketing Agreement (this "Agreement") is effective as of August 11, 2016 between Concierge Auctions, LLC, a Florida limited liability company, with offices at 405 Lexington Avenue, 26<sup>th</sup> Floor, New York, NY 10174, 212-202-2940 ("Concierge"), and Russel D. Hiles, whose address is 155 Metate Place, Palm Desert, CA 92260 ("Owner"). The Auction Date shall be October 13, 2016 at approximately 6:00 p.m., unless modified by Concierge, and the Auction shall be conducted through Concierge's mobile bidding application.

The Parties acknowledge that Owner has filed for bankruptcy protection and is a Chapter 11 debtor in possession of the Property and further agree that this Agreement and Concierge's professional employment and compensation are subject to approval by the U.S. Bankruptcy Court for the Central District of California and Owner agrees to use best efforts, at its sole expense, promptly to obtain such approval. Concierge shall have the prior right to approve any application for employment filed with such court, in its reasonable discretion.

The "Property" is described as follows: 66876 Gist Road, Bend, Oregon 97703. Unless Owner notifies Concierge otherwise in writing, the Property shall be offered for sale unfurnished in its current condition.

#### Auction Method:

The Auction shall be conducted without reserve. Owner shall be obligated to sell the Property to the highest bidder, regardless of price.

#### Engagement Fee:

The "Engagement Fee" in the amount of \$35,000, shall be due and payable by Owner to Concierge upon closing of the sale of the Property.

#### Existing Mortgages/Liens on the Property:

<u>Description</u>	<u>Lender</u>	<u>Balance</u>
First Mortgage	Bank of America	+/- \$800,000

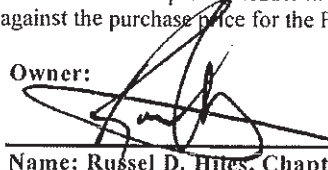
#### Opening Bids:

Owner agrees to provide a 5% credit of the amount of any opening bid to any bidder that submits a pre-auction opening bid, assuming that such opening bidder is the winning bidder at the Auction. This opening bidder incentive shall be applied at closing of the sale of the Property as a credit from Owner to such Buyer against the purchase price for the Property.

Concierge Auctions, LLC

By:   
Its: President

Owner:

  
Name: Russel D. Hiles, Chapter 11 debtor in possession

By signing above, Owner and Concierge agree to be bound by the terms and conditions of this Agreement on the following pages, and any related documents and addenda, all of which form the Agreement between Concierge and Owner. In the event of any inconsistency or conflict between the terms contained on this face page of the Agreement and the attached terms and conditions (as amended), this face page shall control.

1. Engagement. Owner engages Concierge on an exclusive basis to market the Property for sale via auction (the "Auction"). The Property will be offered for sale by the Owner's listing agent on an "AS-IS, WHERE IS AND WITH ALL FAULTS" basis.

2. Services of Concierge. Concierge will use commercially reasonable efforts to market the Property for Auction. Concierge may change the Auction Date by up to 30 days and Concierge will promptly notify Owner of any such change. Concierge agrees to provide written notice of pre-auction opening bids to Owner prior to commencement of the Auction. Concierge will have the right, in its sole discretion, to decline the registration of any potential bidder for the pre-auction or Auction, or to include potential bidders with whom it has a past business relationship without requiring pre-Auction deposits.

3. Duties of Owner. Owner agrees to cooperate with Concierge in all ways consistent with this Agreement and in connection with the Auction of the Property. Owner will provide Concierge, its agents, the listing broker and potential bidders with access to the Property at all reasonable times. Owner will maintain the Property to a standard consistent with luxury homes, and will, at its expense, timely complete any necessary repairs (as a result of damages occurring during the term of this Agreement) and maintenance to the Property. Owner will convey fee simple, insurable title to the Property by appropriate deed if the Property is sold. Owner shall immediately remove or clear any title defects or other monetary liens not previously disclosed to Concierge, if they may impact a sale of the Property. Owner will promptly notify Concierge of any inquiries regarding the Auction, and will instruct such person(s) to contact Concierge. The Owner will not allow the Property to become subject to any mortgages, liens or encumbrances other than those listed herein. Owner will not enter into any agreement to sell any portion of the Property, or grant any person the right to acquire any portion of the Property or any interest in the Property, except under this Agreement. Owner agrees to take such other actions and execute such documents consistent with the terms of this Agreement as may be reasonably requested by Concierge to conduct the Auction and to complete the sale of the Property. Owner may not bid, or instruct, or permit any other person to bid on his/her/its behalf, for the Property.

If the Property is sold at the Auction, Owner will immediately execute a contract substantially in the form delivered by Concierge and/or prepared by the state's realtor's association or similar entity and any required addenda (the "Purchase and Sale Contract") with the winning bidder (or any backup bidder) to sell the Property at the Auction price. If Concierge has received pre-Auction bids, at Concierge's request, Owner agrees to execute a Purchase and Sale Contract with the opening bidder on or before the Scheduled Auction Date; provided that any such Pre-Auction Purchase and Sale Contract will only be released if there is no higher bid at the Auction. In connection with the sale of the Property, Owner shall pay all costs associated with title and title insurance and Buyer shall pay all other costs associated with the transfer of the Property.

4. Representations of Owner. Owner represents and warrants to Concierge that: (i) Owner has full power and authority to execute this Agreement and to consummate the transactions contemplated by this Agreement, which is a valid and binding agreement of Owner, enforceable against Owner in accordance with its terms; (ii) Owner has good and marketable fee simple title to the Property, free and clear of all liens, claims and/or encumbrances or limitations of any nature except as set forth herein; (iii) Owner has not caused any work or improvements to be performed upon the Property for which there remains outstanding any obligation that could serve as the basis for any lien or encumbrance; and (iv) no litigation or proceeding is pending which could affect title to the Property.

5. Compensation to Concierge. In addition to the Engagement Fee, Concierge will receive as compensation for its services, a buyer's premium equal to the greater of: (i) ten percent (10%) of either (a) the high bid for the Property at Auction, or (b) the accepted purchase price of the Property if sold outside of Auction, or (ii) \$175,000.00 (the "Buyer's Premium"). The successful bidder will be required to pay the Buyer's Premium to Concierge if the Property is sold at Auction and the Buyer's Premium shall be deemed earned upon the conclusion of the Auction. Owner acknowledges and agrees that Capstone Title shall hold any bidder deposits and that the Buyer's Premium shall be disbursed to Concierge by Capstone Title upon closing. In the event that the Property is sold prior to the Auction, Owner will be obligated to pay Concierge the Buyer's Premium. In the event that the Property is not sold at the Auction (or the Auction is cancelled and this Agreement is terminated) and is contracted to be sold or otherwise transferred by Owner during the one hundred and twenty (120) day period after the expiration of this Agreement, Owner will be obligated to pay Concierge the Buyer's Premium. A sale or transfer of the Property shall include any long-term lease or other form of conveyance intended to accomplish the equivalent of a sale of the Property. After execution by Owner and buyer of a Purchase and Sale Contract, if the sale of the Property does not close due to the intentional actions of Owner or its agents or assigns, Owner shall pay Concierge the Buyer's Premium as if the Property had sold for the contracted sale price. Owner shall be obligated to provide Concierge with a copy of the Purchase and Sale Contract.

If Owner elects to sell the Property after the date of execution of this Agreement but before the Auction, Owner agrees that the terms of such sale shall be substantially similar to the Purchase and Sale Contract. At a minimum the offer shall be an "as is" sale with no contingencies or conditions, requiring a minimum 10% cash deposit from such buyer and closing no later than 60 days after acceptance, as long as such terms are acceptable based on applicable real estate laws and regulations. Seller further agrees and acknowledges that Concierge shall be entitled to its full compensation from Owner as set forth in this Section 5.

The Buyer's Premium shall be reflected on any settlement statement issued for the Property regardless of who is paying the Buyer's Premium and regardless of whether the Property is sold at Auction or otherwise. Owner hereby authorizes Concierge to provide the title company and/or settlement agent a breakdown of all fees and commissions to be paid, and by whom. Owner also authorizes the title company and/or settlement agent to provide Concierge with a copy of the settlement statement for the Property.

6. Buyer Default. In the event that Owner enters into any contract for the sale of the Property for which Concierge would be entitled to the Buyer's Premium, and the buyer defaults, then Concierge and Owner each will be entitled to receive 50% of any deposit made by the buyer under the Purchase and Sale Contract (or any other amounts collected from the buyer). In addition, Concierge shall have the right at no additional cost, in its sole discretion, to conduct another auction of the Property at any time within the 60-day period after Owner provides written notice to Concierge of Buyer's default. Notwithstanding the foregoing, Concierge shall have no obligation to initiate legal action or otherwise to pursue any action to enforce buyer's obligations under the Purchase and Sale Contract.

7. Expenses. Each of the parties will pay all expenses it incurs in connection with its performance under this Agreement, except as otherwise provided in this Agreement. Concierge will be responsible for the cost of marketing the Property as set forth in its proposal referenced in Section 2 above. Owner authorizes Concierge to conduct a survey of the Property and a professional home inspection, all at Owner's cost and expense.

8. Acknowledgements of Owner. Owner acknowledges and agrees that: (i) there is no guarantee that the Property will be sold at the Auction, that any buyer will perform its obligations or that Owner will receive any specific amount or sales price from the Auction or otherwise; (ii) that Concierge may, in its discretion, choose: (a) to offer the Property for sale exclusively online through the Internet, and/or (b) to include other properties in the Auction in order to decrease costs or to increase public attendance at the Auction; (iii) Concierge shall have no responsibility whatsoever for any act associated with the closing or consummation of any sale, and Owner and/or its third party agents are solely responsible for such acts; (iv) Owner authorizes Concierge: (a) to place an "Auction" sign on the Property and to remove all other signs, (b) to maintain utility services at the Property, at Owner's expense, (c) to permit inspections of the Property, (d) to disseminate any information regarding the Property, (e) to Auction the Property for sale to registered bidders, (f) to regulate all aspects of the Auction bidding process, (g) to disclose Owner as Principal, (h) intentionally omitted; and (i) to publicly announce and publicize the high bid of the Property post auction; (v) Owner shall maintain at all times adequate insurance coverage pertaining to the Property, including liability insurance for the duration of the sale, the Auction and related activities; (vi) Owner agrees to assist in gaining the cooperation of the listing broker with the auction marketing process, or to replace any listing broker who is generally uncooperative or unresponsive to Concierge; and (vii) Owner is responsible for all commissions due to the listing broker and selling or cooperating broker, if any. Owner agrees to execute and to cause its listing broker to execute Concierge's standard Addendum to Listing Agreement (a copy of which is attached) in advance of the marketing of the Property. Owner authorizes Concierge and its representatives to enter upon and use the Property for all purposes related to its services under this Agreement, without any fee. Owner acknowledges that Concierge is acting as agent for Owner only in its capacity as auctioneer and is not acting as its real estate broker. Concierge shall not be deemed to represent any bidder for any purpose, or Owner for any purpose other than as expressly set forth herein. Owner is responsible for the accuracy of the information provided to Concierge and expressly releases Concierge from any liability in connection with the sale of the Property; provided that Concierge presented such Property in good faith with information available at the Auction.

9. Limitation of Liability. Owner acknowledges and agrees that Concierge shall not be responsible for damage or injury to the Property resulting from or arising in connection with the sale of the Property, except to the extent that such damage or injury is caused by Concierge's gross negligence. Concierge shall not be liable for any loss suffered by Owner relating to the Property, including but not limited to a bidder/buyer that refuses to enter into a Purchase and Sale Contract or to perform its obligations.

Concierge's maximum liability for the breach of any obligation in connection with this Agreement, and for damages of any type or nature (whether in contract or in tort, compensatory, consequential or punitive in nature) sustained or claimed by Owner or any other person in connection with this Agreement, even if such party shall have been informed of the possibility of such damages or could have foreseen such damages, shall be limited to the compensation actually received by Concierge under this Agreement. In no event shall Concierge be liable to Owner for any indirect, incidental, consequential, special or punitive damages arising out of any breach of its obligations in connection with this Agreement.

10. Cancellation of Auction and Termination. The term of this Agreement will commence upon execution and terminate either (i) on the date of the closing of the sale of the Property or (ii) the date of delivery of written notice of termination if permitted herein. Concierge shall have the right to cancel, postpone or reschedule the Auction in its sole discretion for any reason. If Concierge cancels the Auction as permitted under this Agreement, this Agreement shall terminate on such date and Concierge shall promptly inform all registered and prospective bidders of such cancellation and shall provide prompt written notice of termination to the other party. Upon the termination of this Agreement, this Agreement shall become null and void and have no effect and both parties will be relieved of all rights and obligations and liabilities hereunder, except for those obligations which by their terms survive the termination of this Agreement.

11. Notices. Any notice to a party under this Agreement shall be in writing and shall be delivered by electronic mail (to Concierge at laura.bradyc@conciiergeauctions.com), by facsimile, personally or sent by registered mail, return receipt requested, postage prepaid, or prepaid overnight courier to the parties at the addresses set forth on the signature page of this Agreement.

12. Entire Agreement. This Agreement and the related Exhibits/Addendum contain the complete and final obligation and understanding between the parties relating to the subject matter hereof and merge all prior discussions, negotiations and agreements between them, whether written or oral, and the parties shall not be bound by any representations, warranties, covenants, or other understandings, except as expressly provided or referred to herein.

13. Assignment. This Agreement may not be assigned by any party without the written consent of all of the other parties; except that Concierge may assign to its affiliates. This Agreement shall be binding upon and inure to the benefit of the parties and their successors, heirs, representatives, and permitted assigns.

14. Waiver and Amendment. This Agreement may be amended or modified only in writing signed by both parties. Compliance with any provision of this Agreement may be waived only by a writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought. Time is of the essence of this Agreement.

15. Intentionally Omitted.

16. Technology. Owner acknowledges that the Auction may be conducted online over the Internet and that it may utilize third party technology in order to conduct the Auction and/or to accept bids, all in Concierge's discretion. CONCIERGE DOES NOT WARRANT THAT THE FUNCTIONS, FEATURES OR CONTENT CONTAINED IN ITS WEBSITE OR ANY AUCTION PLATFORM OR BIDDING SOFTWARE, INCLUDING ANY THIRD-PARTY SOFTWARE, PRODUCTS OR OTHER MATERIALS USED IN CONNECTION WITH THE AUCTION, WILL BE TIMELY, SECURE, UNINTERRUPTED OR ERROR-FREE, OR THAT DEFECTS WILL BE CORRECTED.

17. Venue: Prevailing Party. The parties agree to submit all controversies, disputes, claims and matters of difference arising out of or relating to this Agreement, including but not limited to its enforcement, scope and/or interpretation, exclusively in the US Bankruptcy Court for the Central District of California. In the event of any such court action, the prevailing party shall be entitled to reimbursement from the non-prevailing party of all reasonable attorney's fees and costs/expenses of the prevailing party and any award of the court will include costs and reasonable attorneys' fees to the prevailing party.

18. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

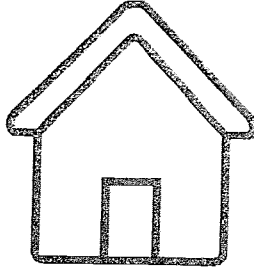
19. Governing Law. This Agreement has been entered into and shall be construed and enforced in accordance with the laws of the State of California without regard to conflicts of law principles.

20. Licensing/Bonding. Concierge is licensed and/or bonded in the following states: California Auction Bond No. 62662376 (on file with the Secretary of State); Colorado Real Estate License No. EL100032451; Connecticut Real Estate License No. REB0789006; Florida Auction License No. AB2760; Florida Real Estate License No. CQ1032600; Georgia Auction License No. AU-C002842; Illinois Auction License No. 481.011750; Illinois Real Estate License No. CA 471011750; Minnesota Real Estate License No. CA #40259032; North Carolina Auction License No. NCAL#9427; North Carolina Real Estate License No. 23755; Nevada Clark County Auction Bond No. 523455; New York Real Estate License No. 10991209483; Pennsylvania Auction License No. AY002062; South Carolina Auction License No. 4023; Tennessee Auction License No. 00005704; Tennessee Real Estate License No. 00261683; Texas Auction License No. 16847; Vermont Auction License No. 057.0088758; Virginia Auction License No. AU# 2907 002987; Virginia Real Estate License No. 2908000-850; Washington Auction Bond No. 10003391H; Wyoming Real Estate License No. 190600.

# EXHIBIT 3

# EXHIBIT 3

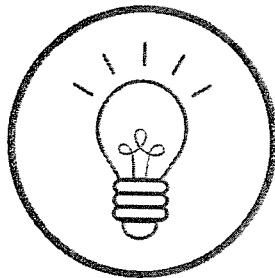




## WE ARE REAL ESTATE

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So much so, that you could say real estate is in our blood. Our origin story can be pinned to Sarasota, Florida, when President and Founder Laura Brady met Chairman Chad Roffers back in 2004. She, one of the top-producing luxury real estate agents in the country by the age of 30. He, a successful entrepreneur and luxury real estate brokerage owner. Frustrated by limitations in the industry, they came together to create a more efficient method for buying and selling the finest homes.



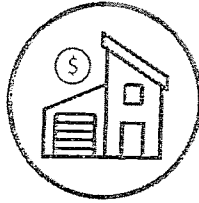
## THE SMART CHOICE

We understand that the traditional model for buying and selling high-end real estate has limitations. And, we're here to help. The world's finest art, cars and antiques are sold at auction — so, why not real estate? Enter the smart way to buy and sell luxury properties. Our expert team curates the world's most elite properties, matches them with qualified buyers, and facilitates an easy, market-driven transaction.



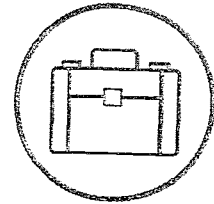
**BUYERS**

- Curated inventory*
- Easy bidding process*
- Your price*
- Smooth, simple transaction*



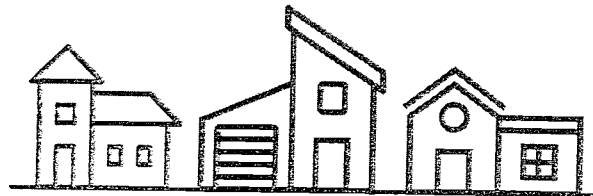
**SELLERS**

- Accelerated sales solution*
- Global exposure*
- Industry-leading database*
- Market value on your timeline*



**AGENTS**

- A broker-loyal partnership*
- Award-winning marketing*
- On-site sales support*
- Commissions protected*



**THE PICASSOS OF PROPERTIES**

We know every luxury home, and select only the best. One of every 20, to be exact. The result? A curated selection of the finest properties from across the globe. Our buyers are



## A BROKER-LOYAL EXPERIENCE

We protect both selling and buying agent commissions. In fact, we have never auctioned a property without an agent partner.



## AWARDS

Today, our award-winning team is recognized as a cutting-edge global force, having sold \$1 billion in high-end properties in 32 states and 14 countries. We host a database of over 370,000 global contacts and a Private Client List of HNW individuals who have raised their hands – and their paddles – at our auctions.

*Named one of America's  
fastest-growing  
companies two years in a  
row*



*President Laura Brady  
named one of the 100  
Most Influential Leaders in  
Real Estate*

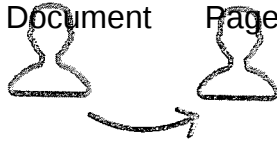


*Best Overall Marketing*



*13 Marketing Awards,  
including "Best in Show"*





# AFFILIATIONS

We are an exclusive or preferred auction provider to the following global broker networks.



# CONCIERGE AUCTION ALERT

Our latest updates, straight  
to your inbox.

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PROPERTIES

LIFESTYLES

FILMS

COMPANY

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405 Lexington Ave, 26th Floor, NYC, NY 10174

212-202-2940

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# EXHIBIT 4

# EXHIBIT 4



# State of California Secretary of State

## SURETY BOND AUCTIONEER/AUCTION COMPANY (Civil Code Section 1812.600)

(Office Use Only)

Bond Number 62662376

The premium of this bond is \$ 350.00 for the term of Continuous from 02-03-2016

### KNOW ALL PERSONS BY THESE PRESENTS:

That Concierge Auctions, LLC  
(Name of Principal)

doing business as \_\_\_\_\_  
(Name of Business)

an  Auctioneer  Auction Company (Please check one), whose address is

405 Lexington Ave., 26th Floor New York NY 10174  
Street Address City State Zip

as PRINCIPAL, and WESTERN SURETY COMPANY, a corporation  
(Name of Surety)

organized under the laws of South Dakota, and authorized to transact a general surety business in the State of California, as SURETY, are held and firmly bound to the People of the State of California in the penal sum of twenty thousand dollars (\$20,000), for which payment we bind ourselves, our heirs, executors, administrators, successors and assigns jointly and severally, firmly by these presents.

**WHEREAS**, the provisions of Section 1812.600 of the Civil Code, require that the Principal file or have on file with the Secretary of State a copy of a bond in the sum of twenty thousand dollars (\$20,000) and this bond is executed and tendered in accordance therewith.

**NOW THEREFORE**, the conditions of the foregoing obligations are that if the Principal complies with the provisions of Title 2.95 (commencing with Section 1812.600), Part 4 of Division 3 of the Civil Code of the State of California, and pays all sums due any individual or group of individuals when such Principal or its representative or agent has received such sums, and pays all damages occasioned to any person by unlawful acts or omissions of the Principal mentioned above, or of its agents or employees while acting within the scope of their employment, then this obligation is to be void; otherwise it is to remain in full force and effect.



PROVIDED HOWEVER, this bond is issued subject to the following express conditions:

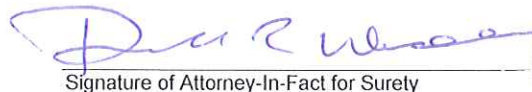
1. This bond shall be deemed continuous in form and shall remain in full force and effect for the term of the initial bond and all subsequent riders, for all liabilities, acts, omissions, or causes arising after this bond becomes effective and before the cancellation or withdrawal of the Surety from the bond.
2. This bond is executed by the Surety to comply with the provisions of Title 2.95 (commencing with Section 1812.600), Part 4 of Division 3 of the Civil Code and of Chapter 2 (commencing with Section 995.010), Title 14, Part 2 of the Code of Civil Procedure and said bond shall be subject to all of the terms and provisions thereof.
3. The aggregate liability of the Surety hereunder on all claims whatsoever shall not exceed the penal sum of this bond in any event.
4. This bond may be canceled by the Surety in accordance with the provisions of Sections 996.310 et seq. of the Code of Civil Procedure.

WESTERN SURETY COMPANY  
(Name of Surety)

P.O. Box 5077, Sioux Falls, South Dakota 57117-5077  
(Address of Surety)

I certify under penalty of perjury, under the laws of the State of California, that I have executed the foregoing bond under an unrevoked power of attorney.

Executed in Crystal Lake, IL 60014 on February 3rd, 2016  
(City, State) (Date)

  
Signature of Attorney-In-Fact for Surety

Donald R. Weadley  
Printed or Typed Name of Attorney-In-Fact for Surety

**INSTRUCTIONS:**

1. Pursuant to Section 1812.600 (a) of the Civil Code every auctioneer and auction company shall maintain a bond.
2. The term for all bonds submitted shall not be less than twenty-four (24) months.
3. Send the executed document and filing fee (if any) to:  

California Secretary of State  
P.O. Box 942870  
Sacramento CA 94277-2870
4. Include the filing fee of \$30.00.
5. There is no fee for filing an amendment to a previously filed bond.

Acknowledgment of Principal

Acknowledgment of Surety (Attorney-in-Fact)

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

STATE OF Illinois }  
COUNTY OF Mc Henry } ss

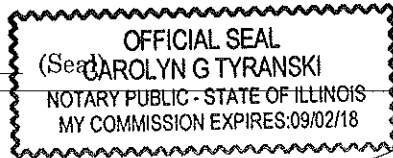
On \_\_\_\_\_ date before me, \_\_\_\_\_ here insert name and title of the officer,  
personally appeared Donald R Weadley  
name(s) of signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Carolyn G Tyranski



(The balance of this page is intentionally left blank.)



# Western Surety Company

## POWER OF ATTORNEY

### KNOW ALL MEN BY THESE PRESENTS:

That WESTERN SURETY COMPANY, a corporation organized and existing under the laws of the State of South Dakota, and authorized and licensed to do business in the States of Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming, and the United States of America, does hereby make, constitute and appoint

Donald R Weadley of Crystal Lake, State of Illinois, with limited authority, its true and lawful Attorney-in-Fact, will full power and authority hereby conferred to sign, execute, acknowledge and deliver for and on its behalf as Surety and as its act and deed, the following bond:

One Auction Company

bond with bond number 62662376

for Concierge Auctions, LLC

as Principal in the penalty amount not to exceed: \$ 20,000.00

Western Surety Company further certifies that the following is a true and exact copy of Section 7 of the by-laws of Western Surety Company duly adopted and now in force, to-wit:

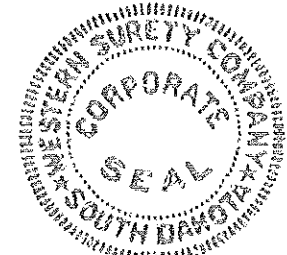
Section 7. All bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, any Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys-in-Fact or agents who shall have authority to issue bonds, policies, or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile.

In Witness Whereof, the said WESTERN SURETY COMPANY has caused these presents to be executed by its Vice President with the corporate seal affixed this 3rd day of February, 2016.

ATTEST

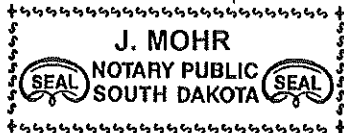
A. Vietor  
A. Vietor, Assistant Secretary

WESTERN SURETY COMPANY  
By Paul T. Bruflat  
Paul T. Bruflat, Vice President



STATE OF SOUTH DAKOTA }  
COUNTY OF MINNEHAHA } ss

On this 3rd day of February, 2016, before me, a Notary Public, personally appeared Paul T. Bruflat and A. Vietor who, being by me duly sworn, acknowledged that they signed the above Power of Attorney as Vice President and Assistant Secretary, respectively, of the said WESTERN SURETY COMPANY, and acknowledged said instrument to be the voluntary act and deed of said Corporation.



J. Mohr  
Notary Public

To validate bond authenticity, go to [www.cnasurety.com](http://www.cnasurety.com) > Owner/Obligee Services > Validate Bond Coverage.



**Transaction Report & Invoice**

CNA Surety  
PO Box 957289  
St Louis, MO 63195-7289

**Principal Information:** ID:  
  
Concierge Auctions, LLC  
405 Lexington Ave., 26th Floor  
  
New York, NY 10174

Agency Code: 12-18229

Arthur J. Gallagher Risk Management Services, Inc.  
500 Coventry Ln., Ste. 280  
Crystal Lake, IL 60014

**YOU CAN PAY ONLINE BY VISITING ONLINEPAY.CNASURETY.COM**

**Transaction Description:**

**Transaction Effective Date:** 02/03/2016

**Bond/Policy #:** 62662376

Written By: Western Surety Company  
Description: Auction Company  
Obligee: State of California

Effective Date: 02/03/2016  
Expiration Date: 02/03/2018  
Current Penalty: \$20,000.00  
Renewal Method:

<b>Gross Premium Charge:</b>	\$350.00
<b>Commission Amount:</b>	\$140.00
<b>Net Amount Due:</b>	\$210.00

**Change Detail:**

Agent: You may remove stub below to use as a billing/credit invoice

**CNA Surety**

**INVOICE**

CO. #	BOND/POLICY #	EFFECTIVE DATE	ANNIVERSARY DATE	PROCESS DATE	PENALTY
0601	62662376	02/03/2016	02/03/2018	02/03/2016	\$20,000.00
PRINCIPAL	Concierge Auctions, LLC 405 Lexington Ave., 26th Floor, New York, NY 10174				
RISK STATE	CA	WRITTEN BY Western Surety Company			
DESCRIPTION	Auction Company				
OBLIGEE	State of California				
AGENCY CODE	12-18229				
			\$350.00		

Your agent is: Arthur J. Gallagher Risk Management Services, Inc.  
500 Coventry Ln., Ste. 280  
Crystal Lake, IL 60014

Western Surety Company

February 3, 2016

Method of Delivery: USPS MAIL

Concierge Auctions LLC  
800 Brazos Street, Suite 220  
Austin, TX 78701

RE:	<b>Surety Bond Description:</b>	<b>CA 20K AUCTIONEER BOND</b>
	<b>Surety Name:</b>	<b>Western Surety Company</b>
	<b>Bond Number:</b>	<b>62662376</b>
	<b>Coverage Period:</b>	<b>2/3/2016 to 2/3/2018</b>

Dear Concierge Auctions LLC:

Thank you for placing your bond needs with AJ Gallagher & Co. We have enclosed the bond along with our invoice in the amount of \$350.00. Our commission is 40%.

Bond forms vary widely with respect to cancellation provisions. Please refer to your particular form for specific provisions and contact us with any questions or concerns. A copy of the Guide to Best's Rating and Important Disclosures including Compensation Disclosure are attached for your reference.

We thank you for placing your bond business with us and look forward to working with you this year.

Sincerely,



Jason Bechen  
Account Executive

Attachment

Proposed Surety Companies A.M. Best's Ratings	
Proposed Sureties	A. M. Best's Rating
The Western Surety Company	A XIII

The above A.M. Best Rating was verified on the date the proposal document was created.

**Guide to Best Ratings**  
Rating Levels and Categories

Level	Category	Level	Category	Level	Category
A++, A+	..... Superior	B, B-	..... Fair	D	..... Poor
A, A-	..... Excellent	C++, C+	..... Marginal	E	..... Under Regulatory Supervision
B++, B+	..... Good	C, C-	..... Weak	F	..... In Liquidation
				S	..... Suspended

**Financial Size Categories**

*(In \$000 of Reported Policyholders' Surplus Plus Conditional Reserve Funds)*

FSC I		Up to 1,000	FSC IX	250,000	to	500,000
FSC II	1,000	to 2,000	FSC X	500,000	to	750,000
FSC III	2,000	to 5,000	FSC XI	750,000	to	1,000,000
FSC IV	5,000	to 10,000	FSC XII	1,000,000	to	1,250,000
FSC V	10,000	to 25,000	FSC XIII	1,250,000	to	1,500,000
FSC VI	25,000	to 50,000	FSC XIV	1,500,000	to	2,000,000
FSC VII	50,000	to 100,000	FSC XV	2,000,000	or more	
FSC VIII	100,000	to 250,000				

Best's Insurance Reports, published annually by A.M. Best Company, Inc., presents comprehensive reports on the financial position, history, and transactions of insurance companies operating in the United States and Canada. Companies licensed to do business in the United States are assigned a Best's Rating which attempts to measure the comparative position of the company or association against industry averages.

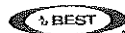
A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. It is not a warranty of a company's financial strength and ability to meet its obligations to policyholders. View the A.M. Best Important Notice: Best's Credit Ratings for a disclaimer notice and complete details at <http://www.ambest.com/ratings/notice>.

Best's Credit Ratings are under continuous review and subject to change and/or affirmation. For the latest Best's Credit Ratings and Best Credit Reports (which include Best Ratings), visit the A.M. Best website at <http://www.ambest.com>. See Guide to Best's Credit Ratings for explanation of use and charges. Copies of the Best's Insurance Reports for carriers listed above are also available upon request of your Gallagher representative.

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Gallagher companies use A.M. Best Company's rating services to evaluate the financial condition of insurers whose policies we propose to deliver. Gallagher companies make no representations and warranties concerning the solvency of any carrier, nor does it make any representation or warranty concerning the rating of the carrier which may change.

GUIDE TO BEST'S FINANCIAL STRENGTH RATINGS			
A Best's Financial Strength Rating is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. The rating is based on a comprehensive quantitative and qualitative evaluation of a company's balance sheet strength, operating performance and business profile.			
<b>Best's Financial Strength Ratings</b>			
	<b>Rating</b>	<b>Descriptor</b>	<b>Definition</b>
<b>Secure</b>	A++, A+	Superior	Assigned to companies that have, in our opinion, a superior ability to meet their ongoing insurance obligations.
	A, A-	Excellent	Assigned to companies that have, in our opinion, an excellent ability to meet their ongoing insurance obligations.
	B++, B+	Good	Assigned to companies that have, in our opinion, a good ability to meet their ongoing insurance obligations.
<b>Vulnerable</b>	B, B-	Fair	Assigned to companies that have, in our opinion, a fair ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
	C++, C+	Marginal	Assigned to companies that have, in our opinion, a marginal ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
	C, C-	Weak	Assigned to companies that have, in our opinion, a weak ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
	D	Poor	Assigned to companies that have, in our opinion, a poor ability to meet their ongoing insurance obligations. Financial strength is extremely vulnerable to adverse changes in underwriting and economic conditions.
	E	Under Regulatory Supervision	Assigned to companies (and possibly their subsidiaries/affiliates) placed under a significant form of regulatory supervision, control or restraint - including cease and desist orders, conservatorship or rehabilitation, but not liquidation - that prevents conduct of normal, ongoing insurance operations.
	F	In Liquidation	Assigned to companies placed in liquidation by a court of law or by a forced liquidation.
	S	Suspended	Assigned to rated companies when sudden and significant events impact operations and rating implications cannot be evaluated due to a lack of timely or adequate information; or in cases where continued maintenance of the previously published rating opinion is in violation of evolving regulatory requirements.
<b>Rating Modifiers</b>			
<b>Modifier</b>	<b>Descriptor</b>	<b>Definition</b>	
u	Under Review	Indicates the rating may change in the near term, typically within six months. Generally is event driven, with positive, negative or developing implications.	
pd	Public Data	Indicates rating assigned to insurer that chose not to participate in A.M. Best's interactive rating process. (Discontinued in 2010)	
s	Syndicate	Indicates rating assigned to a Lloyd's syndicate.	
<b>Rating Outlooks</b>			
Indicates potential direction of a Best's Financial Strength Rating over an intermediate term, generally defined as 12 to 36 months.			
Positive	Indicates possible rating upgrade due to favorable financial/market trends relative to the current rating level.		
Negative	Indicates possible rating downgrade due to unfavorable financial/market trends relative to the current rating level.		
Stable	Indicates low likelihood of a rating change due to stable financial/market trends.		
<b>Under Review Implications</b>			
Indicates the potential direction of a Best's Financial Strength Rating that is in Under Review status based on information currently available.			
Positive	Indicates there is a reasonable likelihood the company's rating will be raised as a result of A.M. Best's analysis of a recent event.		
Negative	Indicates there is a reasonable likelihood the company's rating will be lowered as a result of A.M. Best's analysis of a recent event.		
Developing	Indicates there is uncertainty as to the final rating outcome, but there is a reasonable likelihood the company's rating will change as a result of A.M. Best's analysis of a recent event.		
<b>Not Rated Designation</b>			
NR: Assigned to companies that are not rated by A.M. Best.			
<b>Rating Disclosure</b>			
A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. The ratings are not assigned to specific insurance policies or contracts and do not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. A Best's Financial Strength Rating is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. In arriving at a rating decision, A.M. Best relies on third-party audited financial data and/or other information provided to it. While this information is believed to be reliable, A.M. Best does not independently verify the accuracy or reliability of the information. For additional details, see A.M. Best's <i>Terms of Use</i> at <a href="http://www.ambest.com">www.ambest.com</a> .			
Best's Financial Strength Ratings are distributed via press release and/or the A.M. Best website at <a href="http://www.ambest.com">www.ambest.com</a> and are published in the <i>Credit Rating Actions</i> section of <i>Best's Journal</i> ™. Best's Financial Strength Ratings are proprietary and may not be reproduced without permission. Copyright © 2014 by A.M. Best Company, Inc. <span style="float: right;">Version 080114</span>			



## Important Disclosures

The proposal is an outline of certain terms and conditions of the surety program proposed by the insurers, based on the information provided by your company

We will not be operating in a fiduciary capacity, but only as your broker, obtaining a variety bonds to protect the risks of your enterprise. We will seek to place bonds based upon your authorization. Contact us with questions on these or any other issues of concern.

## Compensation Disclosure

One of the core values highlighted in The Gallagher Way states, "We are an Open Society," and our open society extends to the compensation Gallagher receives. In general, Gallagher may be compensated as follows:

1. Gallagher Companies are primarily compensated from the usual and customary commissions or fees received from the brokerage and servicing of insurance policies, annuity contracts, guarantee contracts and surety bonds (collectively "insurance coverages") handled for a client's account, which may vary from company to company and insurance coverage to insurance coverage. As permitted by law, Gallagher companies occasionally receive both commissions and fees.
2. In placing, renewing, consulting on or servicing your insurance coverages, Gallagher Companies may participate in contingent and supplemental commission arrangements with intermediaries and insurance companies. Contingent commissions provide for additional contingent compensation if underwriting, profitability, volume or retention goals are achieved. Such goals are typically based on the total amount of certain insurance coverages placed by Gallagher with the insurance company and/or through the intermediary, not on an individual policy basis. Some insurance markets, including Gallagher-owned intermediaries, have modified their commission schedule with Gallagher, resulting in an increase in some commission rates. These additional commissions, commonly referred to as "supplemental commissions" are known as of the effective date, but some insurance companies are paying this commission later and apart from when commission is normally paid at policy issuance. As a result, Gallagher may be considered to have an incentive to place your insurance coverages with a particular insurance company. **Note:** Upon request, your Gallagher representative can provide more specific market information regarding contingent and supplemental commission related to your insurance coverage.
3. Gallagher Companies may also receive investment income on fiduciary funds temporarily held by them, such as premiums or return premiums.
4. Gallagher Companies may access other facilities, including wholesalers, reinsurance intermediaries, captive managers, underwriting managers and others that act as intermediaries for both Gallagher and other brokers in the insurance marketplace. Gallagher Companies may own some of these facilities, in whole or in part. If such a facility was utilized in the placement of a client's account, the facility may have earned and retained customary brokerage commission or fees for its work.
5. Gallagher assists its customers in procuring premium finance quotes and unless prohibited by law may earn compensation for this value added service.
6. From time to time, Gallagher may participate in insurance company promotional events or training and development that insurers provide for Gallagher employees.
7. Gallagher strives to find appropriate coverage at a competitive price for our customers. In order to achieve these goals, we gather and analyze data about our customers and their insurance coverage. This data and the resulting analytical tools help us better understand the current marketplace, more accurately predict future trends and offer tailored solutions to our customers. The data may also be provided to insurers pursuant to consulting service agreements from which we earn fees.



If you have specific questions about the compensation received by Gallagher and its affiliates in relation to your insurance placements, please contact your Gallagher representative for more details.

In the event you wish to register a formal complaint regarding compensation Gallagher receives from insurers or third parties, please send an e-mail to [Compensation\\_Complaints@ajg.com](mailto:Compensation_Complaints@ajg.com) or send a letter to:

Compliance Officer  
Arthur J. Gallagher & Co.  
Two Pierce Place, 20<sup>th</sup> Floor  
Itasca, IL 60143

# EXHIBIT 5

# EXHIBIT 5

MLS CO LISTING CONTRACT

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Seller Name(s): Russel D Hiles  
Listing Firm: Cascade Sotheby's International Realty  
Listing Licensee: Deb Tebbs Bobb Jackson  
Managing Principal Broker: Corinne Bettsworth (collectively referred to hereinafter as "Broker")  
Property Address: (Property) 66876 Glet Road, Bend, OR 97703

1. **EXCLUSIVE RIGHT TO SELL:** In consideration of services to be provided by Broker, Seller grants to Broker the exclusive right to offer for sale the Property, more particularly described on the attached MLS CO Property Features Form. Seller represents that there are no listing contracts or pending sales on this Property. The terms "sale" or "sell" shall include, but not be limited to, any direct or indirect exchange, trade, conveyance, option, lease with the option to purchase, or transfer of the Property to which Seller consents.
2. **TERM:** This Contract is effective on the date signed by Seller, and shall expire at 11:59 pm on September 1, 2016. Seller authorizes Broker to input into MLS CO as of September 1, 2015.
3. **RIGHT TO COMPENSATION:** Seller shall pay Broker the Brokerage Fee pursuant to the terms set forth in Section 15, Brokerage Fee, below if:
  - a) A sale is completed during the term of this Contract or any extension or renewal.
  - b) Seller sells or agrees to sell the Property during the term of this Contract or any extension or renewal.
  - c) Broker or a cooperating broker produces a buyer ready, willing and able to purchase the Property on the terms described in the attached MLS CO Property Features Form or other such price and terms as Seller may accept.
  - d) Seller enters into a contract to sell the Property and that transaction fails to close due to Seller's failure or refusal to close.
  - e) A sale is made within 120 days after the expiration or termination of this Contract to any person to whom the Property was shown by Broker, cooperating Broker, Seller or any other person during the term of this Contract.
  - f) Broker of any cooperating Broker is the procuring cause of an agreement to sell the Property.

\*Items (e) and (f) above shall not apply if, after termination or expiration of this Contract, Seller lists the Property with a subsequent Broker.

3.1 If Seller enters into a contract to sell the property prior to the expiration or termination of this Contract, or any extension or renewal, Seller shall be obligated to pay Broker the full Brokerage Fee pursuant to Section 15, Brokerage Fee, below, at close of escrow, even if close of escrow occurs after the expiration or termination of this Contract.
4. **AUTHORITY:** During the term of this Contract, Seller authorizes Broker to:
  - a) advertise the Property for sale
  - b) access the Property and allow cooperating Brokers to access the Property for purposes of showing it to prospective buyers during reasonable hours
  - c) allow access to the Property by appraisers for the purpose of an appraisal of the Property in the event of an accepted offer
  - d) place information regarding this listing and the Property in the Multiple Listing Service of Central Oregon (MLS CO) and abide by all its rules and regulations
  - e) cooperate with other Brokers and to share with such other Brokers any Brokerage Fee or compensation payable under this Contract
  - f) accept earnest money deposits on Seller's behalf
  - g) take any other ordinary, necessary or reasonable action to bring about a sale
  - h) after closing of any sale of the Property disclose to MLS CO, Managing Principal Broker and to licensed/certified appraisers any buyers closing costs paid by the Seller or any other Seller concessions.
5. **SELLER'S REPRESENTATIONS AND WARRANTIES:** Seller represents and warrants to Broker that they have full authority to enter into this Contract and to convey the Property to a buyer. Seller agrees to cooperate with Broker in their efforts to procure a buyer for the Property and to close a sale. Seller shall provide any information and documentation requested by Broker.
6. **DISCLOSURE STATEMENT:** Seller has supplied Broker with all information relevant to the condition, value and sale of the Property. Unless exempt, Seller has completed a Seller's Property Disclosure Statement regarding the Property as provided by Oregon law. Seller shall immediately notify Broker if Seller becomes aware of any conditions that affect the Property, its value, or any defects in the condition of the Property or the falsity of any facts provided to Broker. Seller authorizes Broker to deliver a copy of such Disclosure Statement to any prospective buyer, and to rely solely upon Seller's representations set forth in this Contract and in the Disclosure Statement without further inquiry or diligence by Broker. Seller warrants that the information on the attached MLS CO Property Features Form is correct and complete.
7. **AGENCY:** Seller has received and read a copy of the Oregon Real Estate Agency Disclosure Pamphlet.
8. **CLOSING:** Seller agrees that any sale of the Property shall be closed in escrow with a licensed escrow agent. Unless specifically modified by a Sale Agreement, Seller, at Seller's expense, shall furnish to the buyer of the Property at closing a good and sufficient conveyance and standard owner's title insurance policy in the amount of the sales price. Seller shall also pay one-half of the escrow costs at closing unless otherwise agreed in writing between Seller and the buyer of the Property.

Seller Initials DR Seller Initials DR Date 9/1/15

- 62 9. INDEMNITY: Seller shall defend, indemnify and hold harmless Broker, its licensees and employees, any cooperating
- 63 Broker and its licensees and employees from any liability, claims costs, damages or attorney's fees, causes of action or
- 64 suits arising out of, or relating to any breach of the Representations and Warranties set forth in this contract for sale of
- 65 the Property, and from the failure to disclose all defects of the Property or by providing inaccurate, incomplete or false
- 66 information to Broker.
- 67 10. ATTORNEY'S FEES: In the event any mediation, arbitration or litigation, suit or action ("Dispute") is commenced under
- 68 this Contract or relating to the Property, the prevailing party shall be entitled to their reasonable attorney's fees and
- 69 costs in connection with such Dispute and in any appeal and enforcement.
- 70 11. EQUAL HOUSING OPPORTUNITY: Seller shall comply with the obligation to offer the Property for sale to any
- 71 prospective buyer without regard to race, color, religion, sex, handicap, familial status or national origin and all classes
- 72 protected by the laws of the United States, State of Oregon and local jurisdictions.
- 73 12. MODIFICATION: This Contract may be modified only in writing signed by Seller and Broker.
- 74 13. TERMINATION: If Seller terminates this Contract prior to the expiration date in Section 2, Term, above, or any extension
- 75 of renewal, Seller agrees to reimburse Broker for all receipted-for marketing expenses Broker has incurred for the
- 76 marketing of Seller's Property as of the date of termination. Such payment shall not relieve Seller from the obligation to
- 77 pay the balance of the Brokerage Fee set forth in Section 15, Brokerage Fee, and provided for in Section 3, Right to
- 78 Compensation; (a) through: (f) above should any event described in such subsections occur.
- 79 14. DISPUTE RESOLUTION: Seller and Broker mutually agree that all claims within the jurisdiction of Small Claims Court
- 80 shall be brought and decided there, in lieu of mediation, arbitration or litigation in any other court of law. All other disputes
- 81 or claims shall be submitted to mediation in accordance with the procedures of the Home Seller/Home Buyer Dispute
- 82 Resolution System of the National Association of Realtors® or other organization-adopted mediation program
- 83 (collectively the "System"). Provided, however, if the System is not available through the Broker's Association of
- 84 Realtors® then Seller and Broker shall not be required to engage in mediation. All claims that have not been resolved by
- 85 mediation shall be submitted to final and binding private arbitration in accordance with Oregon laws. Filing for arbitration
- 86 shall be treated the same as filing in court for purposes of meeting any applicable statutes of limitation or for purposes of
- 87 filing a lis pendens. Seller and Broker may use any professional arbitration company which provides such service to the
- 88 county where the Property is located, as selected by the party first filing for arbitration.
- 89 BY CONSENTING TO THIS PROVISION YOU ARE AGREEING THAT DISPUTES ARISING UNDER THIS
- 90 AGREEMENT SHALL BE HEARD BY ONE OR MORE NEUTRAL ARBITRATORS AND YOU ARE GIVING UP THE
- 91 RIGHT TO HAVE THE MATTER TRIED BY A JUDGE OR JURY. THE RIGHT TO APPEAL AN ARBITRATION
- 92 DECISION IS LIMITED UNDER OREGON LAW.
- 93 15. BROKERAGE FEE: Seller shall pay to Broker a Brokerage Fee in an amount equal to 5.000 % of the selling
- 94 price, or total option price, an option exercise price of the Property if an option, or the listing price if an exchange,
- 95 conveyance, or other transfer occurs, or a flat fee of \$ 5000. In the event Seller is required to pay
- 96 Broker a Brokerage Fee pursuant to Section 3, Right To Compensation, Seller assigns to Broker the proceeds of any sale
- 97 of the Property to which Seller would otherwise be entitled to the extent of Broker's Brokerage Fee and instructs escrow to
- 98 pay said Brokerage Fee to Broker at closing of the sale out of such proceeds. In the event of forfeiture of earnest money
- 99 for any sale relating to this Contract, the earnest money shall be paid as follows after the deduction of any title insurance,
- 100 escrow cancellation fees, and other charges paid on Seller's behalf: 100.000 % to Seller and 0 % to Broker,
- 101 to the extent of the Brokerage Fee, with balance to Seller. (Seller Initials)
- 102 16. ADDITIONAL PROVISIONS [Handwritten Signature]

107 THIS IS A LEGALLY BINDING CONTRACT. SELLER IS ADVISED TO SEEK LEGAL ADVICE BEFORE SIGNING.

109 Seller Printed Name(s) Russel D Hiles

110 Seller Signature [Signature] Date: 9/1/15

111 Seller Signature \_\_\_\_\_ Date: \_\_\_\_\_

112 Seller Mailing Address 155 METATE PL., PALM DESERT 92260

113 Phone Number (310) 948-2408 Email rhiles@hilesborgeson.com

114 Listing Licensee Signature [Signature] Date: 9/1/15

115 Managing Principal Broker Signature [Signature] Date: \_\_\_\_\_

116 Corinne Bettsworth

Seller Initials [Signature] Seller Initials \_\_\_\_\_ Date 9/1/15

Page 2 of 2  
Rev 1-1-13

This Addendum to Listing Agreement (the "Addendum") is made and entered into as of August 11, 2016 between Bobby Lockrem of Cascade Sotheby's International Realty ("Broker") and Russel D. Hiles ("Owner").

A. The Broker and Owner entered into a listing agreement (the "Listing Agreement") with respect to Property located at 66876 Gist Road, Bend, Oregon 97703 (the "Property").

B. Broker acknowledges that Owner and Concierge Auctions, LLC ("Concierge") have entered into that certain Auction Marketing Agreement dated as of August 11, 2016 (the "AMA") pursuant to which Concierge will seek to market the Property for auction (the "Auction").

C. The Broker has agreed to cooperate with Concierge in connection with the Auction in order to make the Auction a success, and agrees not to interfere with the AMA, as more fully set forth in this Addendum and in Concierge's Listing Broker Handbook.

NOW THEREFORE, in consideration of the foregoing recitals and for other good and valuable consideration (the receipt and sufficiency of which is mutually acknowledged), the parties agree as follows:

1. Consent. The Broker consents to Owner's execution of the AMA. In the event of any conflict between this Addendum and the Listing Agreement, the provisions of this Addendum shall be deemed to be paramount and shall prevail.

2. Services of Broker. During the term of the AMA, in addition to any other services to be performed by Broker pursuant to the Listing Agreement, Broker agrees to cooperate with Concierge in all commercially reasonable ways in order to market the Property for auction and to conduct the Auction, including but not limited to the following (and more fully described in Concierge's Listing Broker Handbook):

- assist in the collection of material for creation of marketing material;
- present the Auction at earliest opportunity to Broker's office;
- coordinate with Owner to provide Concierge with all available (or required) documentation including, but not limited to, Property specification list, disclosures, survey, appraisal, inspection, any relevant Home Owner Association documents, etc.;
- a minimum of ten professional Property photos, including one aerial, if appropriate and available;
- input and/or amend the Multiple Listing profile per directions from Concierge 24 hours prior to commencement of marketing;
- remove brokerage sign from Property and replace with one co-branded sign that advertises auction;
- auction-opportunity quote for use in public relations exposure;
- local MLS board database and allow Concierge to distribute eblasts to the list, all via Rezora (privacy secured eblast technology use by Concierge);
- company logo, personal and brokerage licensure information as filed with the state as well as identify any signage and open house restrictions and/or community access issues;
- work with Concierge in-house counsel to prepare the auction sale contract, including all necessary addenda and disclosures;
- entire MLS history for the Property, including all prior listings, sales, price reductions, etc.
- full MLS profiles for all currently active properties in the area that could be considered reasonable comparable homes, include all sold properties (last 180 days) and currently pending sales (include listing history such as list price, reductions, etc.);
- showing and offer history of the Property;
- conduct a broker caravan for cooperating brokers outside of Broker's office;
- submit weekly prospect log (provided by Concierge) that includes all inquiries, showings, and open house visitors (names, phone numbers, emails); and
- be available for periodic update calls with Concierge management, including calls with Owner.

3. Pre-Auction Offers. Broker agrees to notify Concierge via email immediately upon receipt of any pre-auction offers. If Owner elects to accept a Pre-Auction offer, Broker acknowledges that Owner has contractually agreed only to accept "as is" offers without contingencies or conditions, have a minimum 10% non-refundable cash deposit and closing no later than 60 days after acceptance.

4. Broker Services; Commissions; Co-Brokerage/Referral Fees. The Broker acknowledges that Concierge is not providing any real estate brokerage services to Owner. The Broker will be responsible for all Broker duties and Property-related disclosures per the applicable laws of the state and, if applicable, local jurisdiction where the Property is located. Broker agrees to defend and indemnify Concierge against any liability arising out of the Broker's failure to comply with such disclosure laws. Notwithstanding the foregoing, Broker acknowledges that Concierge may be entitled to receive a brokerage or referral fee for services provided to a buyer of Owner's property to the extent that such buyer is not represented by a third party broker and that such fee is consistent with applicable law. Further, Broker acknowledges and agrees to pay any cooperating broker or referral agent registered with Concierge on behalf of the high bidder in connection with the Auction its share of any commission due in connection with the sale of the Property as determined by Concierge in its

reasonable discretion. Under no circumstances will Concierge be required to pay any commission due to any broker or referral agent in connection with the sale of Owner's property.

5. Execution of Auction Day Purchase and Sale Agreement. Owner agrees that it will pre-execute the purchase and sale agreement to be used for the Auction. The pre-executed contract will be held in trust by the Broker and Broker will be authorized to complete such contract (including adding the purchase price and other details determined by the winning bid amount at Auction) on Auction day in accordance with the AMA and the Auction Terms and Conditions, and then submit the contract to the winning bidder for execution.

6. Miscellaneous. This Addendum will be effective as of the date first set forth above, upon execution of this Addendum by the Broker and Owner. This Addendum may be executed in any number of counterparts, each of which shall be deemed an original and all of which, taken together, will constitute one and the same Addendum. Except as expressly provided above, the terms and conditions of the Listing Agreement remain in full force and effect, unmodified, as of the date hereof.

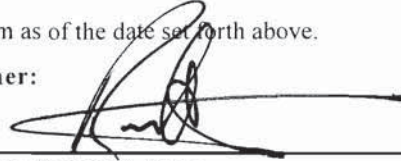
IN WITNESS WHEREOF, the parties have executed this Addendum as of the date set forth above.

Broker

tional Realty

Owner:

Bobby Lockrem



Name: Russel D. Hiles

By: B

Its: Broker

# EXHIBIT 6

# EXHIBIT 6

# Sotheby's

INTERNATIONAL REALTY

<http://www.sothebysrealty.com>

Real Estate Professional in Bend, Oregon

Contact associate



## Bobby Lockrem

Real Estate Professional in Bend, Oregon United States

Licensed in the state of Oregon. Bobby Lockrem is a native of Bend Oregon where his passion for the outdoors was first cultivated. In the late 80's he received a baseball scholarship at Arizona State. After college, Bobby continued to excel in his athletic endeavors playing professional Rugby for the United States Eagles. In competing world wide he moved to South Africa to play again professional rugby where he was greatly received by the Durban Collegians. In the late 90's Bobby returned to the United States playing for the Eagles and opened High Mountain Fitness, a health club in the heart of the Colorado Rocky Mountains, Aspen valley. His knowledge as a nutritionist and discipline as a trainer awarded his clients with a healthy life style and tools to reach their goals most effectively.

Bobby's sincere integrity and work ethic fostered a new business aspiration in real-estate. Colorado was a perfect launching ground for his internal interests in land and the great outdoors. Recently Bobby has found his ideal blend, returning to his roots in Bend Oregon with his wife and three children.

English

**Designations:** Graduate, REALTOR Institute, Broker

Cascade Sotheby's International Realty (</eng/office/180-b-814-4000259/cascade-sothebys-international-realty>)

650 SW Bond Street

EXHIBIT "6"

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United States

# Sotheby's

INTERNATIONAL REALTY

(<http://www.sothebysrealty.com>)

[Click to Call](#)

[Click to Call](#)

Real Estate Professional in Bend, Oregon

**PROOF OF SERVICE OF DOCUMENT**

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 18101 Von Karman Avenue, Suite 1200, Irvine, CA 92612

A true and correct copy of the foregoing document entitled (*specify*): **DEBTOR'S NOTICE OF MOTION AND MOTION FOR AUTHORITY TO: (1) EMPLOY CONCIERGE AUCTIONS, LLC TO AUCTION DEBTOR'S PROPERTY (66876 Gist Rd., Bend, OR 97703) AND PAYMENT OF MARKETING FEES AND AUCTIONEER FEES (BUYERS PREMIUM); (2) EMPLOY CASCADE SOTHEBY'S INTERNATIONAL REALTY AS REAL ESTATE BROKER; (3) SELL THE PROPERTY AT AUCTION SUBJECT TO COURT APPROVAL AND ALLOWING ACCEPTANCE OF BACK-UP BIDDERS; (4) ESTABLISH BIDDING PROCEDURES; (5) SCHEDULE HEARING DATE FOR APPROVAL OF AUCTION; (6) PAY SECURED CREDITOR, PROPERTY TAXES, AND CLOSING COSTS; AND (7) APPROVE OF SALE FREE AND CLEAR OF LIENS PURSUANT TO 11 U.S.C. SECTION 363(f); DECLARATIONS OF RUSSEL D. HILES, LAURA BRADY, AND BOBBY LOCKREM IN SUPPORT THEREOF** will be served or was served (**a**) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (**b**) in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) August 19, 2016, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- **Robert P Goe** kmurphy@goeforlaw.com, rgoe@goeforlaw.com;goeforecf@gmail.com
- **William F McDonald** Caecf@tblaw.com, wfm@tblaw.com;snchampney@tblaw.com
- **Jason K Schrader** jason.K.Schrader@usdoj.gov
- **United States Trustee (RS)** ustpregion16.rs.ecf@usdoj.gov
- **Rebecca J Winthrop** rebecca.winthrop@nortonrosefulbright.com, darla.rodrido@nortonrosefulbright.com
- **Jennifer C Wong** bknotice@mccarthyholthus.com

**2. SERVED BY UNITED STATES MAIL:**

On (*date*) August 19, 2016, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows: Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

**Via Certified Mail:** Brian T. Moynihan, Chairman & CEO, Bank of America, 100 N. Tryon St., Charlotte, NC 28255

**Via Certified Mail:** Bank of America, Resident Agent, CT Corp. System, 818 W. 7<sup>th</sup> St., #930, Los Angeles, CA 90017

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL:**

(*state the method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) August 19, 2016, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows: Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

- Honorable Wayne Johnson, USBC, 3420 Twelfth Street, Riverside, CA 92501

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

August 19, 2016	Susan C. Stein	/s/Susan C. Stein
<i>Date</i>	<i>Printed Name</i>	<i>Signature</i>