

1 JON L.R. DALBERG (State Bar No. 128259)
LANDAU GOTTFRIED & BERGER LLP
2 1801 Century Park East, Suite 700
Los Angeles, California 90067
3 Telephone: (310) 557-0050
Facsimile: (310) 557-0056
4 jdalberg@lgbfirm.com

5 Counsel for John P. Reitman,
Chapter 11 Trustee

6 UNITED STATES BANKRUPTCY COURT
7 FOR THE CENTRAL DISTRICT OF CALIFORNIA
8 SAN FERNANDO DIVISION
9

10
11 In re
12 SHIRLEY FOOSE MCCLURE,
13 Debtor

Bk. No. 1:13-bk-10386-GM

Chapter 11

**MOTION OF JOHN P. REITMAN,
CHAPTER 11 TRUSTEE, FOR ENTRY OF
AN ORDER AUTHORIZING SALE OF
REAL PROPERTY LOCATED AT 13621
DALMATIAN AVE., LA MIRADA,
CALIFORNIA FREE AND CLEAR OF
LIENS, CLAIMS AND INTERESTS;
DECLARATIONS OF JOHN P. REITMAN
AND GREGORY BINGHAM**

Hearing Date and Time:

Date: TBD

Time: TBD

Place: Courtroom 103

United States Bankruptcy Court
21041 Burbank Boulevard
Woodland Hills, CA 91367

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1 **TO THE HONORABLE GERALDINE MUND, UNITED STATES BANKRUPTCY**
2 **JUDGE AND ALL INTERESTED PARTIES:**

3 John P. Reitman, as chapter 11 trustee (the “Trustee”) for the bankruptcy estate
4 (“Estate”) of Shirley Foose McClure, debtor (the “Debtor”) in the captioned bankruptcy case
5 under Chapter 11 of the United States Bankruptcy Code, as amended (the “Bankruptcy Code”),
6 hereby submits this motion (“Motion”), pursuant to sections 363 of the Bankruptcy Code and
7 Fed. R. Bankr. P. 6004, for entry of an order of the Court authorizing the sale of the Estate’s
8 residential real property located at 13621 Dalmatian Ave., La Mirada, California (the “Dalmatian
9 Property”), free and clear of all liens, claims and interests, and represents as follows:

10 **I.**

11 **STATEMENT OF FACTS**

12 **A. Procedural History**

13 The Debtor commenced this Bankruptcy Case by filing her voluntary petition for relief
14 under Chapter 11 of the Bankruptcy Code on December 21, 2012 (the “Petition Date”). The
15 Debtor’s Estate is comprised of her interest in multiple parcels of income producing real property
16 in Southern California, San Francisco and Maui,¹ cash and claims asserted in two lawsuits
17 against attorneys who formerly represented her.

18 On July 12, 2016, the Court entered an order directing the Office of the United States
19 Trustee to appoint a chapter 11 trustee (Docket No. 1090). On July 27, 2016, the United States
20 Trustee appointed Mr. Reitman as the Chapter 11 Trustee (Docket No. 1105) and on the same
21 date Mr. Reitman accepted that appointment (Docket No. 1106). On August 3, 2016, the Court
22 entered its order approving the United States Trustee’s appointment of Mr. Reitman as the
23 Trustee (Docket No. 1113).

24 **B. Background to the Motion**

25 On October 25, 2017, the Trustee filed and served his *Motion of John P. Reitman,*
26 *Chapter 11 Trustee, for Order Approving Stipulation re Settlement with Pacific Mercantile Bank*

27 _____
28 ¹ The Estate also has a 50% undivided interest in a plot of undeveloped property in Gaylord, Michigan, which the Trustee believes is of limited value.

1 Pursuant to *Fed. R. Bankr. P. 9019* (Docket no.1256) (the “PMB Settlement Motion”), by which
2 the Trustee sought an order of the Court approving a settlement stipulation (the “Stipulation”)
3 entered into between the Trustee, on one hand, and Pacific Mercantile Bank (“PMB”) and PMB
4 Asset Resolution, Inc. (“PMAR” and, together with PMB, collectively “Pacific Mercantile”), on
5 the other hand. Pacific Mercantile is the largest secured creditor of the Estate, with loans
6 encumbering Estate properties in San Francisco, Southern California and Maui (collectively, the
7 “Loans”).

8 Pursuant to the Stipulation the Trustee agreed that Pacific Mercantile would have an
9 allowed secured claim (the “PMAR Allowed Secured Claim”), as specified in the Stipulation,
10 and Pacific Mercantile agreed, inter alia, that if the Trustee (i) turns over to PMAR certain of the
11 proceeds held in escrow and owed to PMAR from the sale by the Debtor of the Estate’s
12 Riverside Drive property (prior to the appointment of the Trustee) upon entry of an Order of the
13 Court approving the Stipulation, and (ii) pays the PMAR Allowed Secured Claim in full on or
14 before June 30, 2018, then (i) the allowed amount of default interest on all Loans will be reduced
15 by 2/3, and (ii) the aggregate amount of Pacific Mercantile's attorneys' fees and other expenses
16 will be reduced by \$75,000.00. It was a condition precedent to the effectiveness of the
17 Stipulation that it be approved by the Bankruptcy Court by Order entered on or before December
18 21, 2017.

19 The PMB Settlement Motion was opposed by the Debtor. However, following hearings
20 held on November 28, 2017 and December 19, 2017, the Court granted the motion, subject to
21 certain modifications to the Stipulation agreed to by Pacific Mercantile and the Trustee, and a
22 form of order was lodged with the Court on the same day (Docket No. 1298). On December 20,
23 2017, the Debtor objected to the PMB Settlement Order (Docket No 1301). On December 22,
24 2017, the Court overruled the Debtor’s objections to the PMB Settlement Order, which was
25 entered on the same day (Docket No. 1304) (the “PMB Settlement Order”). Although this was
26 one day after the deadline specified in the Stipulation for the Stipulation to become effective,
27 Pacific Mercantile agreed to waive that deadline, and the Stipulation became effective on that
28 date.

1 On January 4, 2018, the Debtor filed her notice of appeal of the PMB Settlement Order
2 (the “PMB Settlement Order Appeal”). Notwithstanding that appeal, the PMB Settlement Order
3 has not been stayed. The PMB Settlement Order Appeal is presently pending before the Hon.
4 George Wu, United States District Judge, as Case No. 2:18-cv-00698, and has been set for oral
5 argument on May 17, 2018.

6 In the PMB Settlement Motion, the Trustee indicated that it was his intent to sell
7 properties of the Estate to facilitate payment of the PMAR Allowed Secured Claim. To that end,
8 the Trustee assembled a team of real estate brokers and agents to undertake comprehensive and
9 coordinated marketing of the Estate’s properties in San Francisco, Southern California and Maui,
10 other than the Debtor’s residence at 3401 Gregory Avenue, Fullerton, California 92833 (the
11 “Sale Properties”), and on January 19, 2018, the Trustee filed his application for an Order of the
12 Court authorizing his employment of that team of brokers (collectively, the “Brokers”) (Docket
13 No. 1323) (“Coldwell Banker Application”). The Debtor objected to the Coldwell Banker
14 Application (Docket No. 1334). By Order entered on February 26, 2018, following a hearing,
15 the Court overruled the Debtor’s objections and approved the employment of the Brokers
16 (Docket No. 1341) (the “Coldwell Employment Order”).

17 **C. The Dalmatian Property**

18 The Dalmatian Property is a single-family residence located at 13621 Dalmatian Avenue,
19 La Mirada, California 90638. The Dalmatian Property is encumbered by a first deed of trust in
20 favor of Pacific Mercantile Bank in the principal amount of \$219,887.69 plus interest, default
21 interest and attorneys’ fees and other expenses (the “PMAR Allowed Dalmatian Secured
22 Claim”).² The PMAR Allowed Dalmatian Secured Claim will be paid through escrow from the
23 proceeds of the sale of the Dalmatian Properties if approved by the Court.

24 The Dalmatian Property is also encumbered by a junior deed of trust in favor of the
25 Debtor’s former counsel, Weintraub & Selth, APC (“W&S”) in the amount of \$75,000.00 (the
26 “W&S Lien”) pursuant to the Court’s Order granting the Debtor’s application to employ W&S,
27 entered on January 5, 2016 (Docket No. 861) (the “W&S Employment Order”). A copy of the

28 ² The PMAR Allowed Dalmatian Secured Claim is set forth with particularity on page 3 of the PMB Settlement Order.

1 W&S Employment Order is attached as Exhibit A hereto.

2 On April 19, 2016, the Court entered its order approving and allowing, on an interim
3 basis, W&S's fees in the amount of \$100,336.00 and reimbursement of expenses in the amount
4 of \$2,714.53 (Docket No. 993) (the "W&S Fee Order"). A copy of the W&S Fee Order is
5 attached as Exhibit B hereto.³ Pursuant to the W&S Fee Order, the Court authorized the
6 payment to W&S of fees in the amount of \$51,525.26, leaving a balance of \$51,525.27 (the
7 "W&S Allowed Unpaid Amount"), which is approved and currently unpaid. In the event that the
8 Court approves the sale of the Dalmatian Property pursuant to this Motion, the Trustee requests
9 that the Court authorize him to pay W&S the W&S Allowed Unpaid Amount from the proceeds
10 of the sale, with the balance of the W&S Lien attaching to the proceeds of the sale to be held by
11 the Trustee in a segregated account.

12 Based on a preliminary title report obtained by the Trustee, unpaid real estate property
13 taxes in the aggregate amount of \$6,594.72 for fiscal year 2017 -2018 are owed on the Dalmatian
14 Property (the "Dalmatian Property Taxes"). Upon approval of the sale pursuant to this Motion,
15 such taxes will be paid through escrow from the proceeds of the sale.⁴

16 **D. Marketing and Proposed Sale of the Dalmatian Property.**

17 Of the Brokers employed by the Trustee pursuant to the Coldwell Employment Order,
18 Gregory Bingham of Coldwell Banker was principally responsible for listing, marketing and
19 showing the Dalmatian Property in La Mirada. William ("Bill") Friedman of Coldwell Banker
20 also assisted the Trustee in the marketing and sale of the Dalmatian Property, by advising the
21 Trustee on bids and overbids and by preparing sale documents that are specifically tailored to a
22 trustee's sale in bankruptcy subject to overbid and approval of the Court.

23 The Dalmatian Property has been extensively marketed. It was listed on February 16,
24 2018 on the Multiple Listing Service ("MLS"). Online marketing commenced on the following
25 day, February 17, 2018, on Zillow.com, Trulia.com, Realtor.com, and CB Homes.com. A "for

26 _____
27 ³ The Trustee requests that the Court take judicial notice of the W&S Employment Order and the W&S Fee Order as
parts of the Court's record in the Debtor's Bankruptcy Case, pursuant to Rule 201 of the Federal Rules of Evidence.

28 ⁴ Real property taxes for the current fiscal year will be prorated in accordance with the Stalking Horse Agreement, as
defined below.

1 sale” sign was placed in the yard of the Dalmatian Property on February 18, 2018. Declaration
2 of Gregory Bingham (“Bingham Decl.”), ¶ 3. The Bingham Decl. is attached as Exhibit D
3 hereto.

4 Attached as Exhibit 1 to the Bingham Decl. is a chart setting forth viewings of the
5 Dalmatian Property through the end of April 2018. Between February 16, 2018 and March 13,
6 2018, eight showings were held, and two open houses with a total of six people visiting.
7 Bingham Decl., ¶ 4.

8 On March 13, 2018, an offer was received, and the Trustee’s counter-offer to sell the
9 Dalmatian Property for a cash purchase price of \$580,000.00 was accepted on March 18, 2018,
10 and an escrow was opened. However, on April 5, 2018, the buyer informed the Trustee in
11 writing that he was cancelling the agreement because he could not obtain approval for his
12 purchase loan. Bingham Decl., ¶ 5.

13 Between April 4 and April 15, 2018, six more showings of the Dalmatian Property were
14 held. Bingham Decl., ¶ 6. On April 16, 2018, a new offer to purchase the Dalmatian Property
15 for \$570,000.00 was received from Adan Dadon (the “Stalking Horse Purchaser”). The Trustee
16 counter-offered in the amount of \$580,000.00, which was accepted by the Stalking Horse Buyer
17 and affirmed by the Trustee on April 18, 2018, subject to overbid and approval of the Court (the
18 “Stalking Horse Agreement”). A copy of the Stalking Horse Agreement is attached as Exhibit 1
19 to the Declaration of John P. Reitman (“Reitman Decl.”). The Reitman Decl. is attached as
20 Exhibit C hereto.

21 The Dalmatian Property continues to be listed and actively marketed to attract over
22 bidders. Bingham Decl. ¶ 7.

23 The Stalking Horse Purchasers have paid a deposit of \$17,400.00 and an escrow has been
24 opened with A & A Escrow Services, Inc. (“A&A Escrow”) as escrow No. 104227-AA (the
25 “Escrow”). On May 1, 2018, the Stalking Horse Purchaser gave notice to the Trustee that all
26 purchaser contingencies had been satisfied or waived.

27 ///

1 II.

2 **RELIEF REQUESTED**

3 By this Motion, the Trustee seeks the following relief:

4 **A. Approval of Bidding Procedure**

5 The Trustee requests approval of the following bidding procedure:

6 (1) To qualify as an over bidder, a party interested in bidding must, no later than 4:00
7 p.m. on _____ 2018, (a) deliver to the Trustee's counsel a completed and signed copy of the
8 overbid form (the "Overbid Form") attached as Exhibit 1 to the *Notice of Motion of John P.*
9 *Reitman, Chapter 11 Trustee, for Entry of an Order Authorizing Sale of Real Property Located at*
10 *13621 Dalmatian Drive, La Mirada, California Free and Clear of Liens, Claims and Interests;*
11 (Docket No. __) filed concurrently herewith, making a binding offer for the Dalmatian Property of
12 no less than \$585,000.00 (the "Initial Overbid Amount"), (b) deliver to the Trustee a deposit in the
13 amount of at least \$17,400.00, either in the form of a cashier's check payable to the Trustee or by
14 wire transfer to A&A Escrow, and (c) provide to the Trustee's counsel information sufficient to
15 demonstrate to the reasonable satisfaction of the Trustee that the proposed over bidder has the
16 financial ability to complete the sale on the terms specified in the Purchase Agreement and Overbid
17 Form (collectively, the "Bid Package"). The Trustee will notify bidders whether they have qualified
18 to bid at the auction (a "Qualified Bidder") within two business days after receipt by the Trustee of
19 the Bid Package;

20 (2) All Qualified Bidders must appear, telephonically or in person, at the hearing on the
21 Motion, at __:0 __m., on _____, 2018, in Courtroom 303, United States Bankruptcy Court,
22 21041 Burbank Boulevard, Woodland Hills, California 91367;

23 (3) At the hearing on the Motion, the Court shall designate the successful bidder for the
24 Dalmatian Property (the "Successful Bidder"), which shall be (a) if no parties have qualified as
25 Qualified Bidders, the Stalking Horse Purchasers or his nominee, (b) if only one party has qualified
26 as a Qualified Bidder, and no further overbids are received at the hearing (including by the Stalking
27 Horse Purchaser), the Qualified Bidder, or (c) if multiple parties have qualified as Qualified
28 Bidders, the winning bidder at the auction process described in paragraphs (4) and (5);

1 (4) If multiple parties have qualified as Qualified Bidders prior to the hearing on the
2 Motion, an auction will be conducted by the Court or by the Trustee at the hearing, or by the Trustee
3 in a conference room in the courthouse identified in open court at the sale hearing, at which the
4 opening bid shall be the Initial Overbid Amount and the opening bidder shall be the first party who
5 qualified as a Qualified Bidder under paragraph (1), with each subsequent bid being at least
6 \$5,000.00 greater than the prior bid;

7 (5) The winning bidder at the auction shall be the party that submits the bid that the
8 Trustee determines, in the reasonable exercise of his discretion and with the approval of the Court, to
9 be the highest and best bid for the Dalmatian Property;

10 (6) At the hearing on the Motion, if the Trustee so requests, the Court may also designate
11 a back-up bidder for the Dalmatian Property (the "Back-Up Bidder"), which shall be (a) if only one
12 overbid is received, the Stalking Horse Purchaser, and (b) if more than one overbid is received, the
13 Qualified Bidder who submits the next highest and best bid, as determined by the Trustee, after the
14 winning bid submitted by the Successful Bidder;

15 (7) The closing date of the sale to the Successful Bidder shall be a date to which the
16 Trustee and the Successful Bidder agree in writing, but in no event more than 14 days after entry of
17 the order granting the Motion; and

18 (8) If the sale to the Successful Bidder does not close within 14 days after entry of the
19 order granting the Motion, for any reason other than the fault of the Trustee, the Trustee may retain
20 the entire deposit amount submitted by the Successful Bidder without recourse by such bidder.⁵

21 **B. Sale of the Dalmatian Property**

22 The Trustee requests that the Court authorize him to take all steps necessary or that he
23 reasonably deems appropriate to complete the sale of the Dalmatian Property to the Successful
24 Bidder or, if the Successful Bidder does not close within 14 days after the order approving such
25 sale is entered by the Court and the Trustee elects to terminate the sale to the Successful Bidder,
26 to the Back-Up Bidder.

27 _____
28 ⁵ The Trustee reserves the right to alter the Bid Procedures by notifying Qualified Bidders at or before the auction that the Bid Procedures have been altered.

1 realized by the estate under the circumstances.” *Simantob v. Claims Prosecutor, LLC (In re*
2 *Lahijani)*, 325 B.R. 282, 288 (9th Cir. BAP 2005). Absent special circumstances, public
3 auctions are generally preferred as a means of obtaining the highest possible price. *See, e.g.,*
4 *Sheen v. Diamond (In re American Computer & Digital Components, Inc.)*, 2005 Bankr. LEXIS
5 3360, at *13 (9th Cir. BAP 2005) (“Frequently, the maximum value of estate property will be
6 realized by competitive bidding.”). The bidding procedure proposed by the Trustee is designed
7 to encourage competitive bidding while ensuring that all persons participating in the auction
8 process have the financial wherewithal to close the sale in a timely fashion. The Trustee believes
9 that this procedure will permit him to achieve the highest price for the Dalmatian Property
10 without unduly delaying the sale, and therefore the procedure should be approved by the Court.

11 **B. The Trustee Should be Authorized to Sell the Dalmatian Property**

12 The Trustee should be authorized to sell the Dalmatian Property outside of the ordinary
13 course of business, because the Dalmatian Property are assets of the Estate that can be liquidated
14 to generate funds for the payment of creditors, and because the sale of the Dalmatian Property at
15 this time is necessary to permit the Trustee to realize the benefits of the PMB Stipulation for the
16 Estate. Under 11 U.S.C. § 363(b)(1), “[t]he trustee . . . may use, sell, or lease, other than in the
17 ordinary course of business, property of the estate.” For the court to approve a sale of estate
18 assets outside of the ordinary course of business, the trustee must provide an “articulated
19 business justification” for the proposed sale. *See, e.g., In re ASARCO, LLC*, 650 F.3d 593, 601
20 (5th Cir. 2011); *Walter v. Sunwest Bank (In re Walter)*, 83 B.R. 14, 19-20 (9th Cir. BAP 1988);
21 *In re Ionosphere Clubs, Inc.*, 100 B.R. 670, 674-75 (Bankr. S.D.N.Y. 1989). In the present case,
22 the business justification articulated by the Trustee for the proposed sale of the Dalmatian
23 Property – that the sale will generate funds for the payment of creditors and is necessary to allow
24 the Trustee to secure the benefit of the PMB Stipulation, which the Trustee anticipates will
25 exceed \$700,000.00 – is both reasonable and compelling, fully justifying the proposed sale.

26 In an individual debtor’s bankruptcy case, it is up to the trustee to decide whether to sell
27 estate property. This is true even where the property is the debtor’s residence and the debtor is
28 entitled to claim an exemption, with the debtor’s interest being limited to receiving sale proceeds

1 equal to the amount of that exemption. *See, e.g., Heath v. Farmer (In re Heath)*, 2007 Bankr.
2 LEXIS 4847, at *8 (9th Cir. BAP Apr. 2, 2007) (“[The individual debtors] had no rights in the
3 Property; the chapter 7 bankruptcy estate, represented by [the] trustee, was the owner of all rights
4 in the Property; and [the trustee’s] efforts in liquidating the Property were necessary, indeed
5 mandated, under the Bankruptcy Code.”); *In re Farthing*, 340 B.R. 376, 380 (Bankr. D. Ariz.
6 2006) (“The house itself, as distinguished from the Debtors’ inchoate interest in a portion of its
7 possible proceeds, remained property of the estate. Because the Trustee is now in a position to
8 sell the home for an amount substantially in excess of all liens against it and the maximum
9 homestead claim of Debtors, it is appropriate for the Trustee to do so and the Debtors’ objection
10 to the sale is therefore denied.”).

11 Here, the Dalmatian Property is not the Debtor’s residence, and the Debtor has not (and
12 could not) claim any homestead exemption with respect to it. Indeed, the Trustee does not here,
13 and does not presently intend to, seek authority to sell the Debtor’s Gregory Ave. residence.
14 Accordingly, the Court should authorize and approve the proposed sale and bidding procedures
15 for the benefit of the Estate.

16 **C. The Sale Should be Free and Clear of All Liens, Claims and Interests**

17 The Trustee is unaware of any liens, claims and/or interests that attach to the Dalmatian
18 Property, other than PMAR Allowed Dalmatian Secured Claim, the W&S Lien and the
19 Dalmatian Real Property Taxes, all of which will be paid from the proceeds of the sale through
20 escrow, as set forth in Section I C, above. Nonetheless, the Court should approve the sale of the
21 Dalmatian Property free of any and all such liens, claims and interests as may exist under 11
22 U.S.C. § 363(f), because, first, such a sale is authorized under §363(f)(2) to the extent that the
23 holder of a lien, claim, or interest fails to object to the Motion. *See In re Haven Eldercare*, 390
24 B.R. 762, 771 (Bankr. D. Conn. 2008) (finding that sale free and clear is “appropriate by consent
25 pursuant to Section 363(f)(2)” where “[t]here have been no objections filed or presented”); *In re*
26 *Elliot*, 94 B.R. 343, 345 (E.D. Pa. 1988) (“[I]mplied consent is sufficient to authorize a sale
27 under § 363(f)(2).”); *see also Citicorp Mortgage v. Brooks (In re Ex-Cel Concrete Co.)*, 178
28 B.R. 198, 203 n.7 (9th Cir. BAP 1995) (noting that approval of sale free and clear of interest of

1 Citicorp would be permissible under § 363(f)(2) if there was “consent or non-opposition by
2 Citicorp”).

3 Second, to the extent that there does exist a holder of a lien, claim or interest in the
4 Dalmatian Property and such holder objects to the proposed sale, the Trustee proposes that any
5 such lien, claim or interest shall attach to the proceeds of the sale in the same validity and
6 priority and subject to the same defenses and avoidability, if any, as before the closing of the
7 sale. Under such circumstances, a sale of the property free and clear of any such claims is
8 permitted under § 363(f). *See, e.g., In re Spanish Peaks Holdings II LLC*, 2012 Bankr. LEXIS
9 1944, at *26 (Bankr. D. Mont. May 3, 2012) (“This Court routinely authorizes trustees to sell
10 property of the estate free and clear of liens under authority of 11 U.S.C. § 363(f), with a
11 provision that all valid liens attach to the proceeds of the sale according to their priority.”); *In re*
12 *Canonigo*, 276 B.R. 257, 263 (Bankr. N.D. Cal. 2002) (holding that § 363(f) authorizes sale free
13 and clear of a secured claim provided that the lien attaches to the sale proceeds).

14 Accordingly, the Court should order that the sale of the Dalmatian Property will be free
15 and clear of all liens, claims, and interests, whether or not of record.

16 **D. The Court Should Authorize the Payment of Commission and Costs from the**
17 **Sale Proceeds**

18 The Court should authorize the payment of the real estate brokers’ commission and the
19 other costs of sale from the gross sale proceeds without further order of the Court. The Trustee
20 will not be able to close escrow without paying these amounts, and the claims that will be
21 satisfied would otherwise constitute administrative expense claims under 11 U.S.C. § 503(b).

22 **E. The Court Should Make a Good Faith Finding Under 11 U.S.C. § 363(m)**

23 The Court should find that the Successful Bidder (and the Back-Up Bidder, if any) is a
24 good faith purchaser, because neither the Stalking Horse Purchaser nor any potential overbidder
25 has engaged in fraud, collusion, or an attempt to take unfair advantage of other bidders. The
26 Bankruptcy Code provides that the “reversal or modification on appeal of an authorization . . . of
27 a sale or lease of property does not affect the validity of a sale or lease under such authorization
28 to an entity that purchased or leased such property in good faith.” 11 U.S.C. § 363(m). While

1 the Bankruptcy Code does not define “good faith,” the Ninth Circuit has held that “[l]ack of
2 good faith . . . is determined by fraudulent conduct during the sale proceedings.” *Community*
3 *Thrift & Loan v. Suchy (In re Suchy)*, 786 F.2d 900, 902 (9th Cir. 1985). Similarly, the Ninth
4 Circuit Bankruptcy Appellate Panel has stated that “the misconduct that would destroy a
5 purchaser’s good faith status at a judicial sale involves fraud, collusion between the purchaser
6 and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders.”
7 *Prichard v. Sherwood & Roberts, Inc. (In re Kings Inn, Ltd.)*, 37 B.R. 239, 243 (9th Cir. BAP
8 1984), quoting *In re Rock Industries Machinery Corp.*, 572 F.2d 1195, 1198 (7th Cir. 1978).
9 The Trustee’s court-approved real estate brokers have conducted a diligent marketing process
10 with the goal of attracting as many potential purchasers as possible. They will continue to
11 actively market the Dalmatian Property until the hearing on the Motion and will encourage all
12 interested parties to qualify as overbidders and participate in the auction. Further, at or prior to
13 the hearing on the Motion, the Stalking Horse Purchaser and any parties qualifying as
14 overbidders will be required to submit statements under penalty of perjury regarding the matters
15 relevant to a § 363(m) determination. Accordingly, the Successful Bidder (and the Back-Up
16 Bidder, if any) will be selected through an open, fair, and competitive process, and should be
17 determined to be a good faith purchaser under § 363(m).

18 **F. The Court Should Waive the 6004(h) Stay Period**

19 The Court should waive the stay period imposed by Federal Rule of Bankruptcy
20 Procedure 6004(h) so that the sale of the Dalmatian Property can close promptly to facilitate the
21 Trustee’s ability to meet the June 30, 2018 deadline to pay the PMAR Allowed Secured Claim
22 under the PMB Stipulation, and to avoid unnecessary delay in the Trustee’s administration of the
23 Estate. Federal Rule of Bankruptcy Procedure 6004(h) provides that “[a]n order authorizing the
24 use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days
25 after entry of the order, unless the court orders otherwise.” The Rule therefore contemplates that
26 the Court may order that the stay period is waived, and the Court should waive the stay period so
27 that the Trustee can close the sale of the Dalmatian Property as expeditiously as possible.

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IV.

CONCLUSION

For the reasons set forth above, the Trustee respectfully requests that the Court enter an order: (a) approving the bidding procedure set forth above; (b) authorizing the Trustee to sell the Dalmatian Property to the Successful Bidder or, if appropriate, the Back-Up Bidder; (c) ordering that the sale will be free and clear of liens, claims, and interests, whether or not of record, with any and all liens (other than any undisputed property tax liens, which will be paid through escrow at the closing of the sale), claims, and interests in the Dalmatian Property to attach to the net sale proceeds in the same validity and priority and subject to the same defenses and avoidability, if any, as before the closing of the sale; (d) authorizing the Trustee to pay a commission of up to 5% of the final purchase price and other costs of sale from the gross sale proceeds without further order of the Court; (e) finding that the Successful Bidder (and the Back-Up Bidder, if any) is a good faith purchaser within the meaning of 11 U.S.C. § 363(m); and (f) waiving the 14-day stay period set forth in Federal Rule of Bankruptcy Procedure 6004(h).

DATED: May 16, 2018

/s/ Jon L.R. Dalberg

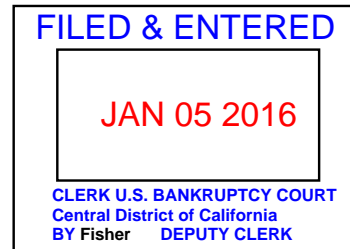
JON L.R. DALBERG

LANDAU GOTTFRIED & BERGER LLP

Counsel for John P. Reitman, Chapter 11 Trustee

EXHIBIT A

1 Daniel J. Weintraub - Bar #132111
James R. Selth - Bar #123420
2 Elaine V. Nguyen - Bar #256432
WEINTRAUB & SELTH, APC
3 11766 Wilshire Boulevard, Suite 1170
4 Los Angeles, CA 90025
Telephone: (310) 207-1494
5 Facsimile: (310) 442-0660



6 Proposed Special Bankruptcy Counsel for
7 Debtor and Debtor in Possession, SHIRLEY FOOSE McCLURE

8 UNITED STATES BANKRUPTCY COURT
9 CENTRAL DISTRICT OF CALIFORNIA - SAN FERNANDO VALLEY DIVISION

11 In re) Case No. 1:13-bk-10386-GM
12 SHIRLEY FOOSE McCLURE AKA SHIRLEY) Chapter 11
ANN McCLURE,)
13) **ORDER GRANTING APPLICATION OF**
14 Debtor and Debtor in Possession.) **DEBTOR TO EMPLOY WEINTRAUB &**
15) **SELTH, APC AS SPECIAL BANKRUPTCY**
16) **COUNSEL AND RELEASE OF \$35,000**
17) **HELD BY NORTH HARBOR ESCROW,**
18) **ESCROW NUMBER 2067-AS TO FUND**
19) **RETAINER**
20)
21) **Date: December 29, 2015**
22) **Time: 10:00 a.m.**
23) **Location: Courtroom "303"**
24) **21041 Burbank Blvd.**
25) **Woodland Hills, CA**

24 AT WOODLAND HILLS, CALIFORNIA ON THE DATE WRITTEN BELOW:

25 Upon the *Application of Debtor to Employ Weintraub & Selth, APC as*
26 *Special Bankruptcy Counsel and Release of \$35,000 Held By North Harbor Escrow,*
27 *Escrow Number 2067-AS To Fund Retainer* ("Employment Application"), to
28

1 employ Weintraub & Selth, APC (“WS”) as counsel to the estate, hearings were
2 held on December 22 and 29, 2015 before the United States bankruptcy Court, the
3 Honorable Geraldine Mund presiding. Debtor Shirley Ann McClure appeared
4 through proposed counsel Daniel J. Weintraub and Elaine Nguyen and the Debtor’s
5 special litigation counsel, Faye Rasch. Objecting party Barrett S. Litt (“Litt”),
6 appeared through his counsel George E. Schulman of Danning, Gill, Diamond &
7 Kollitz, LLP.
8

9
10 The Court, having considered the Employment Application and the
11 *Supplemental Chapter 11 Bankruptcy Representation Addendum for Weintraub &*
12 *Selth, APC in support of Employment as General Counsel* (“Supplement”), filed by
13 the Debtor on December 24, 2015, and the *Opposition to Application to Employ*
14 *Weintraub & Selth, APC as Special Bankruptcy Counsel and Release of \$35,000*
15 *Held By North Harbor Escrow, Escrow Number 2067-AS To Fund Retainer* and the
16 *Opposition to Supplemental Chapter 11 Bankruptcy Representation Addendum for*
17 *Weintraub & Selth, APC in support of Employment as General Counsel*, both of
18 which were filed by Litt, the pleadings declarations and other matters on file in this
19 chapter 11 case and the oral argument and representations of counsel, and for good
20 cause, finds as follows:
21

- 22 1. Notice with respect to the Employment Application is proper;
- 23 2. Among the assets of the Chapter 11 bankruptcy estate is approximately
24 \$40,000.00 in cash (“Estate Proceeds”), which represents the
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1 unallocated balance of proceeds of the sale of real property which was
2 formerly owned by the bankruptcy estate located in Riverside,
3 California (“Riverside Sale”).
4

5 3. The Estate Proceeds are on deposit at North Harbor Escrow, in escrow
6 account number 2067-AS.
7

8 4. The Debtor has agreed to pay WS a cash retainer in the amount of
9 \$35,000 from the Estate Proceeds.

10 5. The Bankruptcy Court is willing to order the release of this sum from
11 the Estate Proceeds to WS but is uncertain of its jurisdiction and ability
12 to make such order given Litt’s appeal of the Proceeds Order,
13 referenced immediately below, and declines to rule on this issue
14 pending further order or instruction from the District Court, George H.
15 Wu, United States District Court, presiding, regarding payment of the
16 retainer.
17

18 6. On October 20, 2015, the Bankruptcy Court entered its Order
19 Approving Use of Proceeds (the “Proceeds Order”).
20

21 7. On October 20, 2015, Litt filed a Notice of Appeal and Statement of
22 Election from the Proceeds Order, which appeal was assigned District
23 Court Case No. 2:15-cv-08324-GW.¹
24
25

26
27 ¹ On November 19, 2015, the Court consolidated Litt’s appeal from
28 the Proceeds Order, Case No. 2:15-cv-08324-GW, with District Court Case
No. 2:14-cv-07640-GW and District Court Case No. 2:15-cv-02745-GW, and

1 8. The Bankruptcy Court, at this point, declines to order the distribution
2 from the Estate Proceeds as the Court does not wish to exceed its
3 jurisdiction or issue an order which may ultimately be found to be void
4 due to lack of jurisdiction and therefore defers to the Honorable George
5 H. Wu, United States District Court Judge.
6

7
8 **NOW, BASED UPON THE FOREGOING**, the Courts orders as follows:

9 A. The Employment Application, as amended by the Supplement, is granted.

10 WS is appointed general bankruptcy counsel to the Debtor effective as of
11 December 9, 2015;
12

13 B. The Debtor is authorized to execute and deliver to WS for recording a
14 deed of trust ("Deed of Trust"), in the amount of \$75,000 encumbering the
15 estate's property commonly known as 13621 Dalmatian, La Mirada,
16 California ("Dalmatian Property"), which Deed of Trust WS may record or
17 cause to be recorded with the Los Angeles County Recorder forthwith.
18 The Debtor and WS are further authorized to take any and all other action
19 necessary to cause the Deed of Trust to be a properly recorded and fully
20 perfected lien against the Dalmatian Property. The Deed of Trust shall
21 secure costs advanced and fees incurred by WS in connection with this
22 representation.
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27 ordered that all subsequent documents were to be filed in District Court Case
28 No. 2:14-cv-07640-GW.

1 C. In accordance with the terms set forth in the Supplement, WS may choose
2 from one of the following retainer provisions:

3 i. Payment of \$35,000 from the chapter 11 estate's proceeds at North
4 Harbor Escrow in account number 2067-AS, plus a deed of trust on
5 the Dalmatian Property in the amount of \$40,000; or
6

7 ii. A deed of trust in the amount of \$75,000 on the Dalmatian Property.
8

9 D. WS is authorized to draw down on any cash retainer proceeds received by
10 WS in accordance with the procedures set forth in the Guidelines of the
11 Office of the United States Trustee.
12

13 E. Notwithstanding any prior orders of this Court to the contrary, the Debtor
14 is authorized to list and market the Dalmatian Property, and subject to the
15 granting of a Sale Motion before this Court, may sell the Dalmatian
16 Property forthwith. Upon listing the Dalmatian Property for sale, McClure
17 shall file her motion to employ a real estate agent for the estate. Litt
18 reserves all objections to such sale motion should it be brought.
19
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21 ###

22
23 Date: January 5, 2016



24 Geraldine Mund
25 United States Bankruptcy Judge

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C. In accordance with the terms set forth in the Supplement, WS may choose

from one of the following retainer provisions:

i. Payment of \$35,000 from the chapter 11 estate's proceeds at North Harbor Escrow in account number 2067-AS, plus a deed of trust on the Dalmatian Property in the amount of \$40,000; or

ii. A deed of trust in the amount of \$75,000 on the Dalmatian Property.


D. WS is authorized to draw down on any cash retainer proceeds received by WS in accordance with the procedures set forth in the Guidelines of the Office of the United States Trustee.

E. Notwithstanding any prior orders of this Court to the contrary, the Debtor is authorized list and market the Dalmatian Property, and subject to the granting of a Sale Motion before this Court, may sell the Dalmatian Property forthwith. Upon listing the Dalmatian Property for sale, McClure shall file her motion to employ a real estate agent for the estate. Litt reserves all objections to such sale motion should it be brought.

###

Approved as to Form

DANNING, GILL, DIAMOND & KOLLITZ, LLP

By:  1/4/2016

GEORGE E. SCHULMAN

Attorneys for Creditor,

Barrett S. Litt

EXHIBIT B

<p>Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address Daniel Weintraub - Bar #132111 James R. Selth - Bar #123420 Elaine V. Nguyen - Bar #256432 WEINTRAUB & SELTH, APC 11766 Wilshire Boulevard, Suite 1170 Los Angeles, CA 90025 Telephone: (310) 207-1494 Facsimile: (310) 442-0660 Email: Elaine@wsrlaw.net</p> <p><input checked="" type="checkbox"/> Attorney for: Debtor SHIRLEY FOOSE MCCLURE AKA SHIRLEY ANN MCCLURE</p>	<p>FOR COURT USE ONLY</p> <div style="border: 1px solid black; padding: 5px; text-align: center;"> <p>FILED & ENTERED</p> <p>APR 19 2016</p> <p>CLERK U.S. BANKRUPTCY COURT Central District of California BY Cetulio DEPUTY CLERK</p> </div>
<p>UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA -<u>SAN FERNANDO VALLEY</u> DIVISION</p>	
<p>In re:</p> <p>SHIRLEY FOOSE MCCLURE AKA SHIRLEY ANN MCCLURE,</p> <p style="text-align: right;">Debtor(s).</p>	<p>CASE NO.: 1:13-bk-10386-GM CHAPTER: 11</p> <p>ORDER ON APPLICATION FOR PAYMENT OF:</p> <p><input checked="" type="checkbox"/> INTERIM FEES AND/OR EXPENSES (11 U.S.C. § 331)</p> <p><input type="checkbox"/> FINAL FEES AND/OR EXPENSES (11 U.S.C. § 330)</p> <p>DATE: April 5, 2016 TIME: 10:00 a.m. COURTROOM: 303 PLACE: 21041 Burbank Blvd. Woodland Hills, CA</p>

1. Name of Applicant (*specify*): **Weintraub & Selth, APC (“Applicant”)**
2. This proceeding was heard at the date and place set forth above and was Contested Uncontested
3. Appearances were made as follows:
 - a. Applicant present in court: Elaine V. Nguyen
 - b. Attorney for Applicant present in court (name):
 - c. Attorney for United States trustee present in court
 - d. Other persons present as reflected in the court record: George E. Schulman appeared on behalf of Barrett S. Litt (“Litt”). M. Reed Mercado appeared on behalf of Pacific Mercantile Bank.
4. Applicant gave the required notice of the Application on (*specify date*): **03/15/2016**

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

5. The court orders as follows:


- a. Application for Payment of Interim Fees is approved as follows:
(1) Total amount allowed: \$ **100,336.00**
(2) Amount or percentage authorized for payment at this time: _____
- b. Application for Reimbursement of Interim Expenses is approved and authorized for payment:
 Total amount allowed: \$ **2,714.53**
- c. Application for Payment of Final Fees is approved in the amount of: \$ _____
- d. Application for Reimbursement of Final Expenses is approved and authorized for payment:
 Total amount allowed: \$ _____
- e. (1) Application is denied
 in full
 in part
 without prejudice
 with prejudice
(2) Grounds for denial (*specify*):
- f. The court further orders (*specify*):

1. Approving and allowing on an interim basis (i) fees in the amount of \$100,336.00, and (ii) reimbursement of costs advanced in the amount of \$2,714.53 for the period of December 9, 2015 through February 29, 2016; and

2. Authorizing Applicant to draw \$51,525.26, from the Net Proceeds currently in Applicant's attorney client trust account from the sale of 12435 Benton Place #3, Rancho Cucamonga, CA 91739 and 12435 Benton Place #4, Rancho Cucamonga, CA 91739, with the remaining outstanding balance owed to Applicant to be paid by the estate at a later time.

###

Date: April 19, 2016



Geraldine Mund
United States Bankruptcy Judge

EXHIBIT C

DECLARATION OF JOHN P. REITMAN

I, John P. Reitman, declare as follows:

1. I am the duly appointed and serving Chapter 11 Trustee (“Trustee”) for the bankruptcy estate of Shirley Foose McClure, debtor (the “Debtor”) in *In re Shirley Foose McClure*, pending before the United States Bankruptcy Court for the Central District of California, San Fernando Valley Division (“Court”) as Case No. 1:13-bk-10386-GM (“Bankruptcy Case”). Except as otherwise stated, each of the facts stated in this declaration is based on my knowledge as Trustee, and if called upon to do so I could competently testify thereto. This declaration is made in support of the *Motion of John P. Reitman, Chapter 11 Trustee, for Entry of an Order Authorizing Sale of Real Property Located at 13621 Dalmatian Avenue, La Mirada, California Free and Clear of Liens, Claims and Interests* (the “Motion”), to which it is appended. Unless otherwise indicated, capitalized terms used in this declaration shall have the same meaning as is ascribed to them in the Motion.

A. Procedural History

2. I am informed and believe based upon my review of the matters of record in the Court docket of this Bankruptcy Case that (a) the Debtor commenced this Bankruptcy Case by filing her voluntary petition for relief under Chapter 11 of the Bankruptcy Code on December 21, 2012; and (b) the Debtor’s Estate is comprised of her interest in multiple parcels of income producing real property in Southern California, San Francisco and Maui, plus a 50% interest in unimproved property in Michigan, cash and certain claims asserted in litigation against attorneys who formerly represented her.

3. I am further informed and believe based upon my review of the matters of record in the Court docket of this Bankruptcy Case that (a) on July 12, 2016, the Court entered an order directing the Office of the United States Trustee to appoint a chapter 11 trustee (Docket No. 1090); (b) on July 27, 2016, the United States Trustee appointed me as the Chapter 11 Trustee (Docket No. 1105) (I accepted that appointment on the same date (Docket No. 1106)); and (c) on August 3, 2016, the Court entered its order approving my appointment as Trustee (Docket No. 1113).

1 **B. Background to the Motion**

2 4. On October 25, 2017, I filed and served my motion, as Trustee, for an “Order
3 Approving Stipulation re Settlement with Pacific Mercantile Bank Pursuant to Fed. R. Bankr. P.
4 9019” (Docket no.1256), seeking an order of the Court approving a settlement stipulation (the
5 “Stipulation”) entered into between me in my capacity as Trustee, on one hand, and PMB and
6 PMAR, on the other hand. Pacific Mercantile is the largest secured creditor of the Estate, with loans
7 encumbering Estate properties in San Francisco, Southern California and Maui.

8 5. Pursuant to the Stipulation, I agreed, as Trustee, that Pacific Mercantile would have
9 an allowed secured claim, as specified in the Stipulation, and Pacific Mercantile agreed, *inter alia*,
10 that if, in my capacity as Trustee, I (i) turn over to PMAR certain of the proceeds held in escrow and
11 owed to PMAR from the sale by the Debtor of the Estate’s Riverside Drive property (prior to my
12 appointment as Trustee) upon entry of an Order of the Court approving the Stipulation, and (ii) pay
13 the PMAR Allowed Secured Claim in full on or before June 30, 2018, then (i) the allowed amount of
14 default interest on all Loans will be reduced by 2/3, and (ii) the aggregate amount of Pacific
15 Mercantile's attorneys' fees and other expenses will be reduced by \$75,000.00. It was a condition
16 precedent to the effectiveness of the Stipulation that it be approved by the Bankruptcy Court by
17 Order entered on or before December 21, 2017.

18 6. The PMB Settlement Motion was opposed by the Debtor. However, following
19 hearings held on November 28, 2017 and December 19, 2017, the Court granted the motion, subject
20 to certain modifications to the Stipulation agreed to by Pacific Mercantile and I, as Trustee, and a
21 form of order was lodged with the Court on the same day (Docket No. 1298). On December 20,
22 2017, the Debtor objected to the PMB Settlement Order (“Docket No 1301). On December 22,
23 2017, the Court overruled the Debtor’s objections to the PMB Settlement Order, which was entered
24 on the same day (Docket No. 1304). Although this was one day after the deadline specified in the
25 Stipulation for the Stipulation to become effective, Pacific Mercantile agreed to waive that deadline,
26 and the Stipulation became effective on that date.

27 7. On January 4, 2017, the Debtor filed her notice of appeal of the PMB Settlement
28 Order. Notwithstanding that appeal, the PMB Settlement Order has not been stayed. The PMB

1 Settlement Order Appeal is presently pending before the Hon. George Wu, United States District
2 Judge, as Case No. 2:18-cv-00698, and has been set for oral argument on May 17, 2018.

3 8. In the PMB Settlement Motion, I indicated, as Trustee, that it was my intent to sell
4 properties of the Estate to facilitate payment of the PMAR Allowed Secured Claim. To that end, I
5 assembled a team of real estate brokers and agents to undertake comprehensive and coordinated
6 marketing of the Estate's properties in San Francisco, Southern California and Maui, other than the
7 Debtor's residence at 3401 Gregory Avenue, Fullerton, California 92833 (the "Sale Properties") and
8 on January 19, 2018, filed the Coldwell Banker Application for an Order of the Court authorizing the
9 employment of that team of Brokers (Docket No. 1323). The Debtor objected to the Coldwell
10 Banker Application (Docket No. 1334). By the Coldwell Employment Order, entered on February
11 26, 2018 following a hearing, the Court overruled the Debtor's objections and approved the
12 employment of the Brokers (Docket No. 1341).

13 **C. The Dalmatian Property**

14 9. I am further informed and believe, based on my review of matters of record in the
15 docket of this Bankruptcy Case, that the Dalmatian Property is a single-family residence located
16 at 13621 Dalmatian Avenue, La Mirada, California 90638. The Dalmatian Property is encumbered
17 by a first deed of trust in favor of PMB in the principal amount of \$219,887.69 plus interest, default
18 interest and attorneys' fees and other expenses (the "PMAR Allowed Dalmatian Secured Claim").
19 The PMAR Allowed Dalmatian Secured Claim will be paid through escrow from the proceeds of the
20 sale of the Dalmatian Property if the sale is approved by the Court.

21 10. I am further informed and believe, based on my review of matters of record in the
22 docket of this Bankruptcy Case, that the Dalmatian Property is also encumbered by a junior deed of
23 trust in favor of the Debtor's former counsel, Weintraub & Selth, APC ("W&S") in the amount of
24 \$75,000.00 (the "W&S Lien") pursuant to the Court's W&S Employment Order granting the
25 Debtor's application to employ W&S, entered on January 5, 2016. A copy of the W&S Employment
26 Order is attached as Exhibit A to the Motion.

27 11. On April 19, 2016, the Court entered its order approving and allowing, on an interim
28 basis, W&S's fees in the amount of \$100,336.00 and reimbursement of expenses in the amount of

1 \$2,714.53 (Docket No. 993) (the “W&S Fee Order”). A copy of the W&S Fee Order is attached as
2 Exhibit B to the Motion. Pursuant to the W&S Fee Order, the Court authorized the payment to
3 W&S of fees in the amount of \$51,525.26, leaving a balance of \$51,525.27 (the “W&S Allowed
4 Unpaid Amount”), which is approved and currently unpaid.

5 12. In the event that the Court approves the sale of the Dalmatian Property pursuant to
6 this Motion, as Trustee I request that the Court authorize me to pay W&S the W&S Allowed Unpaid
7 Amount from the proceeds of the sale, with the balance of the W&S Lien attaching to the proceeds
8 of the sale to be held in a segregated account.

9 13. Unpaid real estate property taxes in the aggregate amount of \$6,292.35 for fiscal year
10 2017-2018 are owed on the Dalmatian Property (the “Dalmatian Property Taxes”). Upon approval
11 of the sale pursuant to this Motion, such taxes will be paid through escrow from the proceeds of the
12 sale. Upon approval of the sale pursuant to this Motion, such taxes will be paid through escrow from
13 the proceeds of the sale.

14 **D. Marketing and Proposed Sale of the Dalmatian Property**

15 14. Of the Brokers employed by the Estate pursuant to the Coldwell Employment Order,
16 Gregory Bingham of Coldwell Banker was principally responsible for listing, marketing and
17 showing the Dalmatian Property in Fullerton. William (“Bill”) Friedman also assisted me in the
18 marketing and sale of the Dalmatian Property, by advising me on bids and by preparing sale
19 documents that are specifically tailored to a trustee’s sale in bankruptcy subject to overbid and
20 approval of the Court. Based on the information provided to me by those brokers, I am informed
21 and believe that the Dalmatian Property has been extensively marketed.

22 15. On March 13, 2018, I received an offer and made a counter-offer to sell the
23 Dalmatian Property for a cash purchase price of \$580,000.00, which counter-offer was accepted on
24 March 18, 2018, and an escrow was opened. However, on April 5, 2018, the buyer informed me in
25 writing that he was cancelling the agreement because he could not obtain approval for his purchase
26 loan.

27 16. On April 16, 2018, as Trustee, I received a new offer to purchase the Dalmatian
28 Property for \$570,000.00 from Adan Dadon (the “Stalking Horse Purchaser”). I counter-offered in

1 the amount of \$580,000.00, which was accepted by the Stalking Horse Buyer and affirmed by me as
2 Trustee on April 18, 2018, subject to overbid and approval of the Court (the "Stalking Horse
3 Agreement"). A copy of the Stalking Horse Agreement is attached as Exhibit 1 hereto.

4 17. The Stalking Horse Purchasers have paid a deposit of \$17,400.00 and an escrow has
5 been opened with A & A Escrow Services, Inc. ("A&A Escrow") as escrow No. 104227-AA (the
6 "Escrow"). On May 1, 2018, the Stalking Horse Purchaser gave notice to me that all purchaser
7 contingencies had been satisfied or waived.

8 18. I believe that entering into the Agreement, seeking overbids, and conducting an
9 auction in accordance with the procedures set forth in the Motion will permit me to obtain the
10 maximum value for the Estate from the Dalmatian Property.

11 19. I believe that it is appropriate for the Court to waive the 14-day stay imposed by
12 Federal Rule of Bankruptcy Procedure 6004(h) because the prompt sale of the Dalmatian Property is
13 essential to my ability as Trustee to meet the June 30, 2018 deadline to pay the PMAR Allowed
14 Secured Claim under the PMB Stipulation.

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

17 Executed this 15th day of May, 2018 in Los Angeles, California.


18
19 
20 John P. Reitman, Trustee

EXHIBIT 1



CALIFORNIA ASSOCIATION OF REALTORS®

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (C.A.R. Form RPA-CA, Revised 12/15)

Date Prepared: 04/15/2018

1. OFFER:

- A. THIS IS AN OFFER FROM Adan Dadon ("Buyer").
- B. THE REAL PROPERTY to be acquired is 13621 Delmatian Avenue, La Mirada, CA 90638, situated in La Mirada (City), Los Angeles (County), California, 90638 (Zip Code), Assessor's Parcel No. 8038015019 ("Property").
- C. THE PURCHASE PRICE offered is Five Hundred Seventy Thousand Dollars \$ 570,000.00
- D. CLOSE OF ESCROW shall occur on _____ (date) or 30 Days After Acceptance.
- E. Buyer and Seller are referred to herein as the "Parties." Brokers are not Parties to this Agreement.

2. AGENCY:

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

3. FINANCE TERMS:

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

- (Note: Initial and increased deposits checks received by agent shall be recorded in Broker's trust fund log.)
- B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of _____ \$ _____ within _____ Days After Acceptance (or _____).
 If the Parties agree to liquidated damages in this Agreement, they also agree to incorporate the increased deposit into the liquidated damages amount in a separate liquidated damages clause (C.A.R. Form RID) at the time the increased deposit is delivered to Escrow Holder.

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

- (1) FIRST LOAN: in the amount of _____ \$ 540,000.00
 This loan will be conventional financing or FHA, VA, Seller financing (C.A.R. Form SFA), assumed financing (C.A.R. Form AFA), Other _____. This loan shall be at a fixed rate not to exceed _____ % or, an adjustable rate loan with initial rate not to exceed _____ %.
 Regardless of the type of loan, Buyer shall pay points not to exceed _____ % of the loan amount.
- (2) SECOND LOAN in the amount of _____ \$ _____
 This loan will be conventional financing or Seller financing (C.A.R. Form SFA), assumed financing (C.A.R. Form AFA), Other _____. This loan shall be at a fixed rate not to exceed _____ % or, an adjustable rate loan with initial rate not to exceed _____ %.
 Regardless of the type of loan, Buyer shall pay points not to exceed _____ % of the loan amount.
- (3) FHAVA: For any FHA or VA loan specified in 3D(1), Buyer has 17 (or _____) Days After Acceptance to Deliver to Seller written notice (C.A.R. Form FVA) of any lender-required repairs or costs that Buyer requests Seller to pay for or otherwise correct. Seller has no obligation to pay or satisfy lender requirements unless agreed in writing. A FHAVA amendatory clause (C.A.R. Form FVAC) shall be a part of this Agreement.

- E. ADDITIONAL FINANCING TERMS: _____
- F. BALANCE OF DOWN PAYMENT OR PURCHASE PRICE in the amount of _____ \$ 20,000.00 to be deposited with Escrow Holder pursuant to Escrow Holder instructions.
- G. PURCHASE PRICE (TOTAL): _____ \$ 570,000.00

Buyer's Initials (x Ad) (_____) Seller's Initials ([Signature]) (_____)

Property Address: 13621 Dalmatian Avenue, La Mirada, CA 90638

Date: April 15, 2018

- H. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS: Buyer (or Buyer's lender or loan broker pursuant to paragraph 3J(1)) shall, within 3 (or _____) Days After Acceptance, Deliver to Seller written verification of Buyer's down payment and closing costs. (Verification attached.)
- I. APPRAISAL CONTINGENCY AND REMOVAL: This Agreement is (or is NOT) contingent upon a written appraisal of the Property by a licensed or certified appraiser at no less than the purchase price. Buyer shall, as specified in paragraph 14B(3), in writing, remove the appraisal contingency or cancel this Agreement within 17 (or _____) Days After Acceptance.
- J. LOAN TERMS:
- (1) LOAN APPLICATIONS: Within 3 (or _____) Days After Acceptance, Buyer shall Deliver to Seller a letter from Buyer's lender or loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any NEW loan specified in paragraph 3D. If any loan specified in paragraph 3D is an adjustable rate loan, the prequalification or preapproval letter shall be based on the qualifying rate, not the initial loan rate. (Letter attached.)
- (2) LOAN CONTINGENCY: Buyer shall act diligently and in good faith to obtain the designated loan(s). Buyer's qualification for the loan(s) specified above is a contingency of this Agreement unless otherwise agreed in writing. If there is no appraisal contingency or the appraisal contingency has been waived or removed, then failure of the Property to appraise at the purchase price does not entitle Buyer to exercise the cancellation right pursuant to the loan contingency if Buyer is otherwise qualified for the specified loan. Buyer's contractual obligations regarding deposit, balance of down payment and closing costs are not contingencies of this Agreement.
- (3) LOAN CONTINGENCY REMOVAL: Within 21 (or _____) Days After Acceptance, Buyer shall, as specified in paragraph 14, in writing, remove the loan contingency or cancel this Agreement. If there is an appraisal contingency, removal of the loan contingency shall not be deemed removal of the appraisal contingency.
- (4) NO LOAN CONTINGENCY: Obtaining any loan specified above is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.
- (5) LENDER LIMITS ON BUYER CREDITS: Any credit to Buyer, from any source, for closing or other costs that is agreed to by the Parties ("Contractual Credit") shall be disclosed to Buyer's lender. If the total credit allowed by Buyer's lender ("Lender Allowable Credit") is less than the Contractual Credit, then (i) the Contractual Credit shall be reduced to the Lender Allowable Credit, and (ii) in the absence of a separate written agreement between the Parties, there shall be no automatic adjustment to the purchase price to make up for the difference between the Contractual Credit and the Lender Allowable Credit.
- K. BUYER STATED FINANCING: Seller is relying on Buyer's representation of the type of financing specified (including but not limited to, as applicable, all cash, amount of down payment, or contingent or non-contingent loan). Seller has agreed to a specific closing date, purchase price and to sell to Buyer in reliance on Buyer's covenant concerning financing. Buyer shall pursue the financing specified in this Agreement. Seller has no obligation to cooperate with Buyer's efforts to obtain any financing other than that specified in the Agreement and the availability of any such alternate financing does not excuse Buyer from the obligation to purchase the Property and close escrow as specified in this Agreement.
4. SALE OF BUYER'S PROPERTY:
- A. This Agreement and Buyer's ability to obtain financing are NOT contingent upon the sale of any property owned by Buyer.
- OR B. This Agreement and Buyer's ability to obtain financing are contingent upon the sale of property owned by Buyer as specified in the attached addendum (C.A.R. Form COP).
5. ADDENDA AND ADVISORIES:
- A. ADDENDA:
- | | |
|---|--|
| <input type="checkbox"/> Back Up Offer Addendum (C.A.R. Form BUO) | <input type="checkbox"/> Addendum # _____ (C.A.R. Form ADM) |
| <input type="checkbox"/> Septic, Well and Property Monument Addendum (C.A.R. Form SWPI) | <input type="checkbox"/> Court Confirmation Addendum (C.A.R. Form CCA) |
| <input type="checkbox"/> Short Sale Addendum (C.A.R. Form SSA) | <input type="checkbox"/> Other _____ |
- B. BUYER AND SELLER ADVISORIES:
- | |
|---|
| <input checked="" type="checkbox"/> Buyer's Inspection Advisory (C.A.R. Form BIA) |
| <input type="checkbox"/> Probate Advisory (C.A.R. Form PA) |
| <input type="checkbox"/> Trust Advisory (C.A.R. Form TA) |
| <input type="checkbox"/> Short Sale Information and Advisory (C.A.R. Form SSIA) |
| <input type="checkbox"/> Statewide Buyer and Seller Advisory (C.A.R. Form SBSA) |
| <input type="checkbox"/> REO Advisory (C.A.R. Form REO) |
| <input type="checkbox"/> Other _____ |
6. OTHER TERMS: _____
7. ALLOCATION OF COSTS
- A. INSPECTIONS, REPORTS AND CERTIFICATES: Unless otherwise agreed in writing, this paragraph only determines who is to pay for the inspection, test, certificate or service ("Report") mentioned; it does not determine who is to pay for any work recommended or identified in the Report.
- (1) Buyer Seller shall pay for a natural hazard zone disclosure report, including tax environmental Other: _____ prepared by Any Professional Co. Seller Chooses
- (2) Buyer Seller shall pay for the following Report Termite Inspection & Repairs of Section 1 Items Only prepared by _____
- (3) Buyer Seller shall pay for the following Report _____ prepared by _____

Buyer's Initials (X Ad) (_____)

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

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CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 2 OF 10)

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13621 Dalmatian



Property Address: 13621 Dalmatian Avenue, La Mirada, CA 90638

Date: April 15, 2018

B. GOVERNMENT REQUIREMENTS AND RETROFIT:

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

C. ESCROW AND TITLE:

- (1) (a) [X] Buyer [X] Seller shall pay escrow fee Each Party To Pay Their Own Escrow Company Fees
(b) Escrow Holder shall be Seller's Choice of Escrow
(c) The Parties shall, within 5 (or) Days After receipt, sign and return Escrow Holder's general provisions.
(2) (a) Buyer [] Seller [X] Seller shall pay for owner's title insurance policy specified in paragraph 13E
(b) Owner's title policy to be issued by Sellers' Choice of Title Company
(Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)

D. OTHER COSTS:

- (1) Buyer [] Seller [X] Seller shall pay County transfer tax or fee
(2) Buyer [] Seller [X] Seller shall pay City transfer tax or fee
(3) Buyer [] Seller [] Seller shall pay Homeowners' Association ("HOA") transfer fee
(4) Seller shall pay HOA fees for preparing documents required to be delivered by Civil Code §4525.
(5) Buyer [] Seller [] Seller shall pay HOA fees for preparing all documents other than those required by Civil Code §4525.
(6) Buyer to pay for any HOA certification fee.
(7) Buyer [] Seller [] Seller shall pay for any private transfer fee
(8) Buyer [] Seller [] Seller shall pay for
(9) Buyer [] Seller [] Seller shall pay for
(10) Buyer [] Seller [X] Seller shall pay for the cost, not to exceed \$ 595.00, of a standard (or [X] upgraded) one-year home warranty plan, issued by Old Republic Home Protection, with the following optional coverages: [X] Air Conditioner [] Pool/Spa [] Other: 13 month CRES Preferred Platinum Coverage
Buyer is informed that home warranty plans have many optional coverages in addition to those listed above. Buyer is advised to investigate these coverages to determine those that may be suitable for Buyer.

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

8. ITEMS INCLUDED IN AND EXCLUDED FROM SALE:

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

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

- (1) All EXISTING fixtures and fittings that are attached to the Property;
(2) EXISTING electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fans, fireplace inserts, gas logs and grates, solar power systems, built-in appliances, window and door screens, awnings, shutters, window coverings, attached floor coverings, television antennas, satellite dishes, air coolers/conditioners, pool/spa equipment, garage door openers/remote controls, mailbox, in-ground landscaping, trees/shrubs, water features and fountains, water softeners, water purifiers, security systems/alarms and the following if checked: [X] all stove(s), except ; [] all refrigerator(s) except ; [] all washer(s) and dryer(s), except ;
(3) The following additional items:
(4) Existing integrated phone and home automation systems, including necessary components such as intranet and Internet-connected hardware or devices, control units (other than non-dedicated mobile devices, electronics and computers) and applicable software, permissions, passwords, codes and access information, are ([] are NOT) included in the sale.
(5) LEASED OR LIENED ITEMS AND SYSTEMS: Seller shall, within the time specified in paragraph 14A, (i) disclose to Buyer if any item or system specified in paragraph 8B or otherwise included in the sale is leased, or not owned by Seller, or specifically subject to a lien or other encumbrance, and (ii) Deliver to Buyer all written materials (such as lease, warranty, etc.) concerning any such item. Buyer's ability to assume any such lease, or willingness to accept the Property subject to any such lien or encumbrance, is a contingency in favor of Buyer and Seller as specified in paragraph 14B and C.
(6) Seller represents that all items included in the purchase price, unless otherwise specified, (i) are owned by Seller and shall be transferred free and clear of liens and encumbrances, except the items and systems identified pursuant to 8B(5) and

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

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

Buyer's Initials (X Ad) ()

Seller's Initials (X MR) ()

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

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13621 Dalmatian



Property Address: 13621 Dalmatian Avenue, La Mirada, CA 90638

Date: April 15, 2018

9. CLOSING AND POSSESSION:

- A. Buyer intends (or does not intend) to occupy the Property as Buyer's primary residence.
- B. Seller-occupied or vacant property: Possession shall be delivered to Buyer: (i) at 6 PM or (AM/ PM) on the date of Close Of Escrow; (ii) no later than 3 calendar days after Close Of Escrow; or (iii) at AM/ PM on _____.
- C. Seller remaining in possession After Close Of Escrow: If Seller has the right to remain in possession after Close Of Escrow, (i) the Parties are advised to sign a separate occupancy agreement such as C.A.R. Form SIP, for Seller continued occupancy of less than 30 days, C.A.R. Form RLAS for Seller continued occupancy of 30 days or more; and (ii) the Parties are advised to consult with their insurance and legal advisors for information about liability and damage or injury to persons and personal and real property; and (iii) Buyer is advised to consult with Buyer's lender about the impact of Seller's occupancy on Buyer's loan.
- D. Tenant-occupied property: Property shall be vacant at least 6 (or) Days Prior to Close Of Escrow, unless otherwise agreed in writing. Note to Seller: If you are unable to deliver Property vacant in accordance with rent control and other applicable Law, you may be in breach of this Agreement.

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

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

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

- A. (1) Seller shall, within the time specified in paragraph 14A, Deliver to Buyer: (i) if required by Law, a fully completed: Federal Lead-Based Paint Disclosures (C.A.R. Form FLD) and pamphlet ("Lead Disclosures"); and (ii) unless exempt, fully completed disclosures or notices required by sections 1102 et. seq. and 1103 et. seq. of the Civil Code ("Statutory Disclosures"). Statutory Disclosures include, but are not limited to, a Real Estate Transfer Disclosure Statement ("TDS"), Natural Hazard Disclosure Statement ("NHD"), notice or actual knowledge of release of illegal controlled substance, notice of special tax and/or assessments (or, if allowed, substantially equivalent notice regarding the Mello-Roos Community Facilities Act of 1982 and Improvement Bond Act of 1915) and, if Seller has actual knowledge, of industrial use and military ordnance location (C.A.R. Form SPQ or ESD).
- (2) Any Statutory Disclosure required by this paragraph is considered fully completed if Seller has answered all questions and completed and signed the Seller section(s) and the Listing Agent, if any, has completed and signed the Listing Broker section(s), or, if applicable, an Agent Visual Inspection Disclosure (C.A.R. Form AVID). Nothing stated herein relieves a Buyer's Broker, if any, from the obligation to (i) conduct a reasonably competent and diligent visual inspection of the accessible areas of the Property and disclose, on Section IV of the TDS, or an AVID, material facts affecting the value or desirability of the Property that were or should have been revealed by such an inspection or (ii) complete any sections on all disclosures required to be completed by Buyer's Broker.
- (3) Note to Buyer and Seller: Waiver of Statutory and Lead Disclosures is prohibited by Law.
- (4) Within the time specified in paragraph 14A, (i) Seller, unless exempt from the obligation to provide a TDS, shall, complete and provide Buyer with a Seller Property Questionnaire (C.A.R. Form SPQ); (ii) if Seller is not required to provide a TDS, Seller shall complete and provide Buyer with an Exempt Seller Disclosure (C.A.R. Form ESD).
- (5) Buyer shall, within the time specified in paragraph 14B(1), return Signed Copies of the Statutory, Lead and other disclosures to Seller.
- (6) In the event Seller or Listing Broker, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items. However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies of which Buyer is otherwise aware, or which are disclosed in reports provided to or obtained by Buyer or ordered and paid for by Buyer.
- (7) If any disclosure or notice specified in paragraph 10A(1), or subsequent or amended disclosure or notice is Delivered to Buyer after the offer is Signed, Buyer shall have the right to cancel this Agreement within 3 Days After Delivery in person, or 5 Days After Delivery by deposit in the mail, by giving written notice of cancellation to Seller or Seller's agent.
- B. NATURAL AND ENVIRONMENTAL HAZARD DISCLOSURES AND OTHER BOOKLETS: Within the time specified in paragraph 14A, Seller shall, if required by Law: (i) Deliver to Buyer earthquake guide(s) (and questionnaire), environmental hazards booklet, and home energy rating pamphlet; (ii) disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; and Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.
- C. WITHHOLDING TAXES: Within the time specified in paragraph 14A, to avoid required withholding, Seller shall Deliver to Buyer or qualified substitute, an affidavit sufficient to comply with federal (FIRPTA) and California withholding Law (C.A.R. Form AS or QS).
- D. MEGAN'S LAW DATABASE DISCLOSURE: Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Seller nor Brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's inspection contingency period. Brokers do not have expertise in this area.)
- E. NOTICE REGARDING GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES: This notice is being provided simply to inform you that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) Internet Web site maintained by the United States Department of Transportation at <http://www.npms.phmsa.dot.gov>. To seek further information about possible transmission pipelines near the Property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP Code and county on the NPMS Internet Web site.
- F. CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES: (1) SELLER HAS: 7 (or) Days After Acceptance to disclose to Buyer if the Property is a condominium, or is located in a planned development or other common interest subdivision (C.A.R. Form SPQ or ESD).

Buyer's Initials (X AD) ()
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Seller's Initials (X) ()



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

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13621 Dalmatian

Property Address: 13621 Dalmatian Avenue, La Mirada, CA 90638

Date: April 15, 2018

(2) If the Property is a condominium or is located in a planned development or other common interest subdivision, Seller has 3 (or ____) Days After Acceptance to request from the HOA (C.A.R. Form HOA1): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the HOA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of HOA minutes for regular and special meetings; and (v) the names and contact information of all HOAs governing the Property (collectively, "CI Disclosures"). (vi) private transfer fees; (vii) Pet fee restrictions; and (viii) smoking restrictions. Seller shall itemize and Deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 14B(3). The Party specified in paragraph 7, as directed by escrow, shall deposit funds into escrow or direct to HOA or management company to pay for any of the above.

11. **CONDITION OF PROPERTY:** Unless otherwise agreed in writing: (i) the Property is sold (a) "AS-IS" in its PRESENT physical condition as of the date of Acceptance and (b) subject to Buyer's Investigation rights; (ii) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and (iii) all debris and personal property not included in the sale shall be removed by Close Of Escrow.

- A. Seller shall, within the time specified in paragraph 14A, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, and make any and all other disclosures required by law.
- B. Buyer has the right to conduct Buyer Investigations of the Property and, as specified in paragraph 14B, based upon information discovered in those investigations: (i) cancel this Agreement; or (ii) request that Seller make Repairs or take other action.
- C. Buyer is strongly advised to conduct investigations of the entire Property in order to determine its present condition. Seller may not be aware of all defects affecting the Property or other factors that Buyer considers important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.

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

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

13. **TITLE AND VESTING:**

- A. Within the time specified in paragraph 14, Buyer shall be provided a current preliminary title report ("Preliminary Report"). The Preliminary Report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the Preliminary Report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 14B. The company providing the Preliminary Report shall, prior to issuing a Preliminary Report, conduct a search of the General Index for all Sellers except banks or other institutional lenders selling properties they acquired through foreclosure (REOs), corporations, and government entities. Seller shall within 7 Days After Acceptance, give Escrow Holder a completed Statement of Information.
- B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except for: (i) monetary liens of record (which Seller is obligated to pay off) unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.
- C. Within the time specified in paragraph 14A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.
- D. At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.

Buyer's Initials (X Ad) (_____)
RPA-CA REVISED 12/15 (PAGE 5 OF 10)

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

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



Property Address: 13621 Daimatian Avenue, La Mirada, CA 90638

Date: April 15, 2018

- E. Buyer shall receive a CLTA/ALTA "Homeowner's Policy of Title Insurance", if applicable to the type of property and buyer. If not, Escrow Holder shall notify Buyer. A title company can provide information about the availability, coverage, and cost of other title policies and endorsements. If the Homeowner's Policy is not available, Buyer shall choose another policy, instruct Escrow Holder in writing and shall pay any increase in cost.
- 14. TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS: The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph by either Buyer or Seller must be exercised in good faith and in writing (C.A.R. Form CR or CC).
 - A. SELLER HAS: 7 (or ___) Days After Acceptance to Deliver to Buyer all Reports, disclosures and information for which Seller is responsible under paragraphs 5, 6, 7, 8B(5), 10A, B, C, and F, 11A and 13A. If, by the time specified, Seller has not Delivered any such item, Buyer after first Delivering to Seller a Notice to Seller to Perform (C.A.R. Form NSP) may cancel this Agreement.
 - B. (1) BUYER HAS: 17 (or ___) Days After Acceptance, unless otherwise agreed in writing, to: (i) complete all Buyer Investigations; review all disclosures, reports, lease documents to be assumed by Buyer pursuant to paragraph 8B(5), and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property; and (ii) Deliver to Seller Signed Copies of Statutory and Lead Disclosures and other disclosures Delivered by Seller in accordance with paragraph 10A.
 - (2) Within the time specified in paragraph 14B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to (C.A.R. Form RRRR) Buyer's requests.
 - (3) By the end of the time specified in paragraph 14B(1) (or as otherwise specified in this Agreement), Buyer shall Deliver to Seller a removal of the applicable contingency or cancellation (C.A.R. Form CR or CC) of this Agreement. However, if any report, disclosure or information for which Seller is responsible is not Delivered within the time specified in paragraph 14A, then Buyer has 5 (or ___) Days After Delivery of any such items, or the time specified in paragraph 14B(1), whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement.
 - (4) Continuation of Contingency: Even after the end of the time specified in paragraph 14B(1) and before Seller cancels, if at all, pursuant to paragraph 14D, Buyer retains the right, in writing, to either (i) remove remaining contingencies, or (ii) cancel this Agreement based on a remaining contingency. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to paragraph 14D(1).
 - (5) Access to Property: Buyer shall have access to the Property to conduct inspections and investigations for 17 (or ___) Days After Acceptance, whether or not any part of the Buyer's Investigation Contingency has been waived or removed.
 - C. REMOVAL OF CONTINGENCIES WITH OFFER: Buyer removes the contingencies specified in the attached Contingency Removal form (C.A.R. Form CR). If Buyer removes any contingency without an adequate understanding of the Property's condition or Buyer's ability to purchase, Buyer is acting against the advice of Broker.
 - D. SELLER RIGHT TO CANCEL:
 - (1) Seller right to Cancel; Buyer Contingencies: If, by the time specified in this Agreement, Buyer does not Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement, then Seller, after first Delivering to Buyer a Notice to Perform (C.A.R. Form NBP), may cancel this Agreement. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.
 - (2) Seller right to Cancel; Buyer Contract Obligations: Seller, after first delivering to Buyer a NBP, may cancel this Agreement if, by the time specified in this Agreement, Buyer does not take the following action(s): (i) Deposit funds as required by paragraph 3A, or 3B or if the funds deposited pursuant to paragraph 3A or 3B are not good when deposited; (ii) Deliver a notice of FHA or VA costs or terms as required by paragraph 3D(3) (C.A.R. Form FVA); (iii) Deliver a letter as required by paragraph 3J(1); (iv) Deliver verification, or a satisfactory verification if Seller reasonably disapproves of the verification already provided, as required by paragraph 3C or 3H; (v) In writing assume or accept leases or liens specified in 8B5; (vi) Return Statutory and Lead Disclosures as required by paragraph 10A(5); or (vii) Sign or initial a separate liquidated damages form for an increased deposit as required by paragraphs 3B and 21B; or (viii) Provide evidence of authority to sign in a representative capacity as specified in paragraph 19. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.
 - E. NOTICE TO BUYER OR SELLER TO PERFORM: The NBP or NSP shall: (i) be in writing; (ii) be signed by the applicable Buyer or Seller; and (iii) give the other Party at least 2 (or 3) Days After Delivery (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A NBP or NSP may not be Delivered any earlier than 2 Days Prior to the expiration of the applicable time for the other Party to remove a contingency or cancel this Agreement or meet an obligation specified in paragraph 14.
 - F. EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES: If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in writing, Buyer shall conclusively be deemed to have: (i) completed all Buyer Investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections pertaining to that contingency or cancellation right, or for the inability to obtain financing.
 - G. CLOSE OF ESCROW: Before Buyer or Seller may cancel this Agreement for failure of the other Party to close escrow pursuant to this Agreement, Buyer or Seller must first Deliver to the other Party a demand to close escrow (C.A.R. Form DCE). The DCE shall: (i) be signed by the applicable Buyer or Seller; and (ii) give the other Party at least 3 (or ___) Days After Delivery to close escrow. A DCE may not be Delivered any earlier than 3 Days Prior to the scheduled close of escrow.
 - H. EFFECT OF CANCELLATION ON DEPOSITS: If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, the Parties agree to Sign mutual instructions to cancel the sale and escrow and release deposits, if any, to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Except as specified below, release of funds will require mutual Signed release instructions from the Parties, judicial decision or arbitration award. If either Party fails to execute mutual instructions to cancel escrow, one Party may make a written demand to Escrow Holder for the deposit. (C.A.R. Form BDRD or SDRD). Escrow Holder, upon receipt, shall promptly deliver notice of the demand to the other Party. If, within 10 Days After Escrow Holder's notice, the other Party does not object to the demand, Escrow Holder shall disburse the deposit to the Party making the demand. If Escrow Holder complies with the preceding process, each Party shall be deemed to have released Escrow Holder from any and all claims or liability related to the disbursement of the deposit. Escrow Holder, at its discretion, may nonetheless require mutual cancellation instructions. A Party may be subject to a civil penalty of up to \$1,000 for refusal to sign cancellation instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).

Buyer's Initials (X Ad) (___)
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Seller's Initials (X [Signature]) (___)

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

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13621 Daimatian



Property Address: 13621 Dalmatian Avenue, La Mirada, CA 90638

Date: April 15, 2018

- 15. FINAL VERIFICATION OF CONDITION:** Buyer shall have the right to make a final verification of the Property within 5 (or Days) Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 11; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement (C.A.R. Form VP).
- 16. REPAIRS:** Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all Repairs may not be possible. Seller shall: (i) obtain invoices and paid receipts for Repairs performed by others; (ii) prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and (iii) provide Copies of invoices and paid receipts and statements to Buyer prior to final verification of condition.
- 17. PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS:** Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, HOA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are now a lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after Close Of Escrow, by Buyer; and (ii) for periods prior to Close Of Escrow, by Seller (see C.A.R. Form SPT or SBSA for further information). TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.
- 18. BROKERS:**
- A. COMPENSATION:** Seller or Buyer, or both, as applicable, agree to pay compensation to Broker as specified in a separate written agreement between Broker and that Seller or Buyer. Compensation is payable upon Close Of Escrow, or if escrow does not close, as otherwise specified in the agreement between Broker and that Seller or Buyer.
- B. SCOPE OF DUTY:** Buyer and Seller acknowledge and agree that Broker: (i) Does not decide what price Buyer should pay or Seller should accept; (ii) Does not guarantee the condition of the Property; (iii) Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) Does not have an obligation to conduct an inspection of common areas or areas off the site of the Property; (v) Shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Broker; (vi) Shall not be responsible for inspecting public records or permits concerning the title or use of Property; (vii) Shall not be responsible for identifying the location of boundary lines or other items affecting title; (viii) Shall not be responsible for verifying square footage, representations of others or information contained in Investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; (ix) Shall not be responsible for determining the fair market value of the Property or any personal property included in the sale; (x) Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (xi) Shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.
- 19. REPRESENTATIVE CAPACITY:** If one or more Parties is signing this Agreement in a representative capacity and not for him/herself as an individual then that Party shall so indicate in paragraph 31 or 32 and attach a Representative Capacity Signature Disclosure (C.A.R. Form RCSD). Wherever the signature or initials of the representative identified in the RCSD appear on this Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. The Party acting in a representative capacity (i) represents that the entity for which that party is acting already exists and (ii) shall Deliver to the other Party and Escrow Holder, within 3 Days After Acceptance, evidence of authority to act in that capacity (such as but not limited to: applicable portion of the trust or Certification Of Trust (Probate Code §18100.5), letters testamentary, court order, power of attorney, corporate resolution, or formation documents of the business entity).
- 20. JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:**
- A.** The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: paragraphs 1, 3, 4B, 5A, 6, 7, 10C, 13, 14H, 17, 18A, 19, 20, 26, 29, 30, 31, 32 and paragraph D of the section titled Real Estate Brokers on page 10. If a Copy of the separate compensation agreement(s) provided for in paragraph 18A, or paragraph D of the section titled Real Estate Brokers on page 10 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions, if any, directly from Escrow Holder and will execute such provisions within the time specified in paragraph 7C(1)(c). To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow and, as directed by Escrow Holder, within 3 (or Days, shall pay to Escrow Holder or HOA or HOA management company or others any fee required by paragraphs 7, 10 or elsewhere in this Agreement.
- B.** A Copy of this Agreement including any counter offer(s) and addenda shall be delivered to Escrow Holder within 3 Days After Acceptance (or). Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement. Escrow Holder shall provide Seller's Statement of Information to Title company when received from Seller. If Seller delivers an affidavit to Escrow Holder to satisfy Seller's FIRPTA obligation under paragraph 10C, Escrow Holder shall deliver to Buyer a Qualified Substitute statement that complies with federal Law.

Buyer's Initials (X Ad) ()
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Seller's Initials (X) ()

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 7 OF 10)

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13621 Dalmatian

Property Address: 13621 Dalmatian Avenue, La Mirada, CA 90638

Date: April 15, 2018

- C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraph 18A and paragraph D of the section titled Real Estate Brokers on page 10. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraph 18A, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Buyer and Seller shall release and hold harmless Escrow Holder from any liability resulting from Escrow Holder's payment to Broker(s) of compensation pursuant to this Agreement.
- D. Upon receipt, Escrow Holder shall provide Seller and Seller's Broker verification of Buyer's deposit of funds pursuant to paragraph 3A and 3B. Once Escrow Holder becomes aware of any of the following, Escrow Holder shall immediately notify all Brokers: (i) if Buyer's initial or any additional deposit or down payment is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder; or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.
- E. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 3 Days after mutual execution of the amendment.

21. REMEDIES FOR BUYER'S BREACH OF CONTRACT:

- A. Any clause added by the Parties specifying a remedy (such as release or forfeiture of deposit or making a deposit non-refundable) for failure of Buyer to complete the purchase in violation of this Agreement shall be deemed invalid unless the clause independently satisfies the statutory liquidated damages requirements set forth in the Civil Code.
- B. **LIQUIDATED DAMAGES:** If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. If the Property is a dwelling with no more than four units, one of which Buyer intends to occupy, then the amount retained shall be no more than 3% of the purchase price. Any excess shall be returned to Buyer. Except as provided in paragraph 14H, release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award. **AT THE TIME OF ANY INCREASED DEPOSIT BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION INCORPORATING THE INCREASED DEPOSIT AS LIQUIDATED DAMAGES (C.A.R. FORM RID).**

Buyer's Initials Ad / _____

Seller's Initials _____ / _____

22. DISPUTE RESOLUTION:

- A. **MEDIATION:** The Parties agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action through the C.A.R. Real Estate Mediation Center for Consumers (www.consumermediation.org) or through any other mediation provider or service mutually agreed to by the Parties. The Parties also agree to mediate any disputes or claims with Broker(s), who, in writing, agree to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. Mediation fees, if any, shall be divided equally among the Parties involved. If, for any dispute or claim to which this paragraph applies, any Party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that Party shall not be entitled to recover attorney fees, even if they would otherwise be available to that Party in any such action. **THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED.** Exclusions from this mediation agreement are specified in paragraph 22C.

B. ARBITRATION OF DISPUTES:

The Parties agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration. The Parties also agree to arbitrate any disputes or claims with Broker(s), who, in writing, agree to such arbitration prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of residential real estate Law experience, unless the parties mutually agree to a different arbitrator. The Parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this agreement to arbitrate shall be governed by the Federal Arbitration Act. Exclusions from this arbitration agreement are specified in paragraph 22C.

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

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

Buyer's Initials Ad / _____

Seller's Initials _____ / _____

C. ADDITIONAL MEDIATION AND ARBITRATION TERMS:

- (1) **EXCLUSIONS:** The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2986; (ii) an unlawful detainer action; and (iii) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court.

Buyer's Initials (X Ad) (_____)

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

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CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 8 OF 10)

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13621 Dalmatian

Property Address: 13621 Dalmatian Avenue, La Mirada, CA 90638

Date: April 15, 2018

- (2) **PRESERVATION OF ACTIONS:** The following shall not constitute a waiver nor violation of the mediation and arbitration provisions: (i) the filing of a court action to preserve a statute of limitations; (ii) the filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies; or (iii) the filing of a mechanic's lien.
- (3) **BROKERS:** Brokers shall not be obligated nor compelled to mediate or arbitrate unless they agree to do so in writing. Any Broker(s) participating in mediation or arbitration shall not be deemed a party to this Agreement.
- 23. **SELECTION OF SERVICE PROVIDERS:** Brokers do not guarantee the performance of any vendors, service or product providers ("Providers"), whether referred by Broker or selected by Buyer, Seller or other person. Buyer and Seller may select ANY Providers of their own choosing.
- 24. **MULTIPLE LISTING SERVICE ("MLS"):** Brokers are authorized to report to the MLS a pending sale and, upon Close Of Escrow, the sales price and other terms of this transaction shall be provided to the MLS to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS.
- 25. **ATTORNEY FEES:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorney fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 22A.
- 26. **ASSIGNMENT:** Buyer shall not assign all or any part of Buyer's interest in this Agreement without first having obtained the separate written consent of Seller to a specified assignee. Such consent shall not be unreasonably withheld. Any total or partial assignment shall not relieve Buyer of Buyer's obligations pursuant to this Agreement unless otherwise agreed in writing by Seller. (C.A.R. Form AOOA).
- 27. **EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
- 28. **TERMS AND CONDITIONS OF OFFER:**

This is an offer to purchase the Property on the above terms and conditions. The liquidated damages paragraph or the arbitration of disputes paragraph is incorporated in this Agreement if initialed by all Parties or if incorporated by mutual agreement in a counter offer or addendum. If at least one but not all Parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. The Parties have read and acknowledge receipt of a Copy of the offer and agree to the confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing.

29. **TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES:** Time is of the essence. All understandings between the Parties are incorporated in this Agreement. Its terms are intended by the Parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Except as otherwise specified, this Agreement shall be interpreted and disputes shall be resolved in accordance with the Laws of the State of California. Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.

30. **DEFINITIONS:** As used in this Agreement:

- A. "Acceptance" means the time the offer or final counter offer is accepted in writing by a Party and is delivered to and personally received by the other Party or that Party's authorized agent in accordance with the terms of this offer or a final counter offer.
- B. "Agreement" means this document and any counter offers and any incorporated addenda, collectively forming the binding agreement between the Parties. Addenda are incorporated only when Signed by all Parties.
- C. "C.A.R. Form" means the most current version of the specific form referenced or another comparable form agreed to by the parties.
- D. "Close Of Escrow", including "COE", means the date the grant deed, or other evidence of transfer of title, is recorded.
- E. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
- F. "Days" means calendar days. However, after Acceptance, the last Day for performance of any act required by this Agreement (including Close Of Escrow) shall not include any Saturday, Sunday, or legal holiday and shall instead be the next Day.
- G. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59 PM on the final day.
- H. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
- I. "Deliver", "Delivered" or "Delivery", unless otherwise specified in writing, means and shall be effective upon: personal receipt by Buyer or Seller or the individual Real Estate Licensee for that principal as specified in the section titled Real Estate Brokers on page 10, regardless of the method used (i.e., messenger, mail, email, fax, other).
- J. "Electronic Copy" or "Electronic Signature" means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either Party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other Party.
- K. "Law" means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
- L. "Repairs" means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
- M. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.

31. **EXPIRATION OF OFFER:** This offer shall be deemed revoked and the deposit, if any, shall be returned to Buyer unless the offer is Signed by Seller and a Copy of the Signed offer is personally received by Buyer, or by Monica Hosozawa, Realtor, who is authorized to receive it, by 5:00 PM on the third Day after this offer is signed by Buyer (or by AM / PM, on _____ (date)).

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

Date 04/15/2018 BUYER [Signature]

(Print name) Adan Dadon

Date _____ BUYER _____

(Print name) _____

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

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



Property Address: 13621 Dalmatian Avenue, La Mirada, CA 90638 Date: April 15, 2018

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

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

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

Date: 4/15/2018 SELLER [Signature]

(Print name) Shirley McClure DR. L. R. DALBIERS LANDAU GOTTLIEB BERGER LLP Counsel to buyer

Date: SELLER BEYMAN CH II trustee for SHIRLEY M. CLURE, JEBOR.

(Print name) _____

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

(_____/_____) (Do not initial if making a counter offer.) CONFIRMATION OF ACCEPTANCE: A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date) _____ at _____

AM/ PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

REAL ESTATE BROKERS:

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

Real Estate Broker (Selling Firm) Berkshire Hathaway Home Services CA Properties CalBRE Lic. # 00338699
 By [Signature] Monica Hosozawa, Realtor CalBRE Lic. # 01189631 Date 04/15/2018
 By _____ CalBRE Lic. # _____ Date _____
 Address 16218 E. Whittier Blvd. City Whittier State CA Zip 90603
 Telephone (714)403-8568 Fax (562)947-1340 E-mail MonicaSellsHomes@Earthlink.net

Real Estate Broker (Listing Firm) Coldwell Banker Res. Brokerage CalBRE Lic. # 00618212
 By Greg Bingham CalBRE Lic. # 01309137 Date _____
 By _____ CalBRE Lic. # _____ Date _____
 Address 840 Newport Ctr Dr Ste 100 City Newport Beach State CA Zip 92660
 Telephone (562)884-3334 Fax (949)644-1680 E-mail greg.bingham@camoves.com

ESCROW HOLDER ACKNOWLEDGMENT:

Escrow Holder acknowledges receipt of a Copy of this Agreement, (If checked, a deposit in the amount of \$ _____), counter offer numbers _____ Seller's Statement of Information and _____, and agrees to act as Escrow Holder subject to paragraph 20 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.

Escrow Holder is advised that the date of Confirmation of Acceptance of the Agreement as between Buyer and Seller is _____

Escrow Holder _____ Escrow # _____
 By _____ Date _____
 Address _____
 Phone/Fax/E-mail _____

Escrow Holder has the following license number # _____

Department of Business Oversight, Department of Insurance, Bureau of Real Estate.

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

 Broker or Designee Initials

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

 Seller's Initials

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Published and Distributed by:
REAL ESTATE BUSINESS SERVICES, INC.
 a subsidiary of the CALIFORNIA ASSOCIATION OF REALTORS®
 525 South Virgil Avenue, Los Angeles, California 90020
RPA-CA REVISED 12/15 (PAGE 10 of 10)

Buyer Acknowledges that page 10 is part of this Agreement (x Ad) (_____) (_____) Buyer's Initials

Reviewed by _____
 Broker or Designee



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

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13621 Dalmatian



415 N. Crescent Drive, Suite 320
Beverly Hills, CA 90210

Phone: (310) 550-6055
Fax: (310) 550-6130

**A & A ESCROW SERVICES, INC. IS LICENSED BY THE DEPARTMENT OF BUSINESS OVERSIGHT
OF THE STATE OF CALIFORNIA, LICENSE NUMBER 963 2597**

ADDENDUM TO COUNTER OFFER DATED APRIL 18, 2018

Antonia Delgado
Sr. Escrow Officer

Escrow No.: 104227-AA
Date: April 19, 2018

We, the undersigned, hand you a copy of the Counter Offer dated April 18, 2018 (original(s) of which has/have been executed by all parties and retained by broker).

Buyer has handed A & A ESCROW SERVICES, INC. initial deposit in the amount of 17,400.00
Prior to close of escrow, buyer will deposit an additional amount of 562,600.00

Total Consideration \$580,000.00

I/We will deliver to you any instruments which this escrow requires, fully executed, all of which you are instructed to use provided that you hold a policy of title insurance issued by **First American Title Company** with a liability of **\$580,000.00** covering property:

LEGAL DESCRIPTION AS FURNISHED BY INSURING TITLE COMPANY

SELLER STATES THAT THE PROPERTY ADDRESS IS: 13621 Dalmatian Avenue, La Mirada, CA 90638

TITLE POLICY TO SHOW TITLE VESTED IN: Adan Dadon (exact vesting to be furnished in writing as soon as possible to provide for the drawing of necessary documents)

FREE FROM ENCUMBRANCES EXCEPT:

- (1) All General and special Taxes for the fiscal year 2018 and 2019, including bonds, special assessments, assessed against former owner, and/or supplemental taxes assessed pursuant to the provisions of Chapter 498, Statutes of the State of California. (Change of Ownership will affect the taxes to be paid. A Supplemental Tax Bill will be issued and BUYER accepts all responsibility for all additional taxes due because of said reassessment. TAX BILLS ISSUED AFTER THE CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYERS AND SELLERS.)

SELLERS:

Bankruptcy Estate of Shirley Foose McClure AKA Shirley Ann McClure

By: John P. Reitman, Trustee
John P. Reitman, solely in his capacity as Chapter 11 Trustee

BUYERS:

Adan Dadon

Date: April 19, 2018

Escrow No.: 104227-AA

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- (2) Covenants, conditions, restrictions, reservations, rights, rights of way, and easements, and any oil, gas, or mineral reservations now of record, if any.

INSTRUCTIONS

- A. **CLOSING FUNDS:** Each party acknowledges that the close of escrow is conditioned on check clearances. Funds to close must be in the form of a Cashier's Check drawn on a bank with clearing house in the State of California OR a wire transfer to A & A ESCROW SERVICES, INC. Trust Account, and be deposited at least (2) two business days prior to recording of documents.
- B. **1099 FORM:** If required by law, the seller shall hand to Escrow Holder an IRS 1099 gross proceeds report, which you are to forward to the IRS in accordance with the law, and a copy thereof is to be delivered to the seller at the close of escrow. This is NOT in lieu of any tax withholding which may become applicable under FIRPTA. ESCROW HOLDER IS AUTHORIZED AND INSTRUCTED TO INSERT BUYER'S PART OF REAL ESTATE TAX PAID, OVER THE SIGNATURE OF THE SELLER, ON SAID 1099, AT THE CLOSE OF ESCROW WITHOUT ANY LIABILITY ON THE PART OF ESCROW HOLDER FOR SO DOING.
- C. **IN THE EVENT EITHER PARTY REQUESTS CANCELLATION OF THIS ESCROW AT ANY TIME, ALL PARTIES ARE AWARE THAT THIS ESCROW WILL NOT BE CONSIDERED CANCELLED, AND NO FUNDS WILL BE DISBURSED UNTIL ESCROW HOLDER HAS RECEIVED MUTUALLY SIGNED CANCELLATION INSTRUCTIONS FROM BUYERS AND SELLER.**
- D. **PRORATIONS:** Prorate as of Close of Escrow
 - Real Property taxes based on latest tax bill or on amount furnished by title company.

THESE ESCROW INSTRUCTIONS ARE NOT INTENDED TO SUPERSEDE THE REAL ESTATE PURCHASE CONTRACT AND RECEIPT FOR DEPOSIT, BUT TO CARRY OUT ITS TERMS AND CONDITIONS IN CONSUMMATING THE PURCHASE AND SALE, EXCEPT AS MAY BE AMENDED OR MODIFIED BY THE MUTUAL WRITTEN INSTRUCTIONS OF THE PARTIES.

IMPORTANT: IN A PURCHASE OR EXCHANGE OF REAL PROPERTY, IT MAY BE ADVISABLE TO OBTAIN TITLE INSURANCE IN CONNECTION WITH THE CLOSE OF ESCROW, SINCE THERE MAY BE PRIOR RECORDED LIENS AND ENCUMBRANCES WHICH AFFECT YOUR INTEREST IN THE PROPERTY BEING ACQUIRED. A NEW POLICY OF TITLE INSURANCE SHOULD BE OBTAINED IN ORDER TO ENSURE YOUR INTEREST IN THE PROPERTY THAT YOU ARE ACQUIRING.

SELLERS:

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By: John P. Reitman, Trustee
John P. Reitman, solely in his capacity as Chapter 11 Trustee

BUYERS:

Adan Dadon

Date: April 19, 2018

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GENERAL PROVISIONS

1. AGREEMENT TO BE BOUND BY GENERAL PROVISIONS: The Parties agree to execute these instructions and any supplemental instructions presented by Escrow Holder confirming their agreement to be bound to any additional terms and conditions of Escrow Holder, including Escrow Holder's general provisions, and authorize Escrow Holder to resign from processing this escrow transaction if mutual agreement cannot be reached between the Parties and Escrow Holder relative to the terms and conditions of Escrow Holder's duty.

2. COMMENCEMENT OF ESCROW HOLDER DUTY: This escrow transaction is deemed open, and Escrow Holder's duty commences, upon receipt of mutual or matching escrow instructions, signed by all Parties and the initial, good faith deposit are deposited with Escrow Holder. Said escrow instructions shall be incorporated in the purchase agreement or, if the purchase agreement does not include escrow instructions or no purchase agreement is entered into by the Parties, shall be drafted by Escrow Holder at the direction of the Parties.

3. DUTIES OF ESCROW HOLDER: The Parties agree that Escrow Holder has only those responsibilities inherent of an escrow service provider and that there are no other legal relationships established between Escrow Holder and the Parties by way of this escrow transaction. Those duties are limited to the safekeeping of such money and documents received by Escrow Holder and for the disposition and/or disbursement of same in accordance with the written instructions accepted by Escrow Holder in this Escrow. Escrow Holder shall not be liable for any damages, losses, costs, or expenses incurred by any Party in the handling and processing of this escrow transaction as a result of any act or failure to act made or omitted in good faith or for any action taken that Escrow Holder shall in good faith believe to be genuine, excepting such as may arise through or be caused by Escrow Holder's willful neglect or gross misconduct.

4. PROMISE TO PAY AND INDEMNIFY: The Parties hereby jointly and severally promise and agree to pay promptly on demand, as well as to indemnify Escrow Holder and hold Escrow Holder harmless from and against all litigation and interpleader costs, damages, judgments, attorney's fees, expenses, obligations, and liability of every kind which in good faith Escrow Holder may incur or suffer in connection with or arising out of this escrow transaction, whether said litigation, interpleader, obligation, liability or expense arises during the performance of this escrow transaction or subsequent thereto, directly or indirectly. The Parties agree to pay Escrow Holder a reasonable fee for all time spent by officers or employees of Escrow Holder in connection with any dispute resolution action taken relative to this escrow transaction including but not limited to time spent researching, reviewing and/or testifying relative thereto.

5. ATTORNEY'S FEES: IF ESCROW HOLDER REQUIRED TO RESPOND TO ANY LEGAL SUMMONS OR PROCEEDING OR IF ANY ACTION IN INTERPLEADER OR DECLARATORY RELIEF IS BROUGHT BY OR AGAINST ESCROW HOLDER, THE PARTIES JOINTLY AND SEVERALLY AGREE TO PAY ALL COSTS, EXPENSES AND REASONABLE ATTORNEY'S FEES EXPENDED OR INCURRED BY ESCROW HOLDER. A LIEN IS HEREBY CREATED IN ESCROW HOLDER'S FAVOR TO COVER SAID ITEMS.

IN THE EVENT ANY PARTY TO THIS ESCROW TRANSACTION, OR ESCROW HOLDER, INSTITUTES OR DEFENDS ANY LITIGATION ARISING OUT OF THIS ESCROW TRANSACTION, AT LAW OR IN EQUITY, THE PREVAILING PARTY, AS DETERMINED BY THE COURT, SHALL, IN ADDITION TO SUCH OTHER RELIEF AS MAY BE AWARDED, BE ENTITLED TO RECOVER REASONABLE ATTORNEYS' FEES, COSTS, AND EXPENSES OF SUCH LITIGATION.

If any party to this transaction shall require any of the officers, agents, and/or employees of Escrow to respond to any subpoena or other order to appear in the action or proceeding in which Escrow's breach or fault is not an issue, the party

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BUYERS:

Adan Dadon

Date: April 19, 2018

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requiring such appearance agrees to indemnify and hold Escrow harmless from and against all costs, expenses and reasonable attorneys' fee expended or incurred by Escrow in connection with such appearance. The party requiring such appearance shall pay to Escrow of such officer, agent or employee, in addition to the amounts from time to time provided by law, the sum of \$300.00 as witness fees for each day or part thereof that the officer, agents or employees attend of Escrow is actually required to attend. As a condition precedent to the obligation of Escrow and the obligation of any of its officers, agents or employees attend pursuant to such subpoena or order, the party requiring such appearance shall, concurrently with the service of the subpoena or order, pay to the party required to attend to fee to which he or it is entitled hereunder for one (1) day's actual attendance.

6. UNJUST ENRICHMENT: In the event any Party to this escrow transaction received funds or is credited funds to which they are not entitled, said Party agrees, upon written demand, to return said funds immediately to escrow for correct disbursement.

7. DEPOSIT OF FUNDS: Escrow Holder is instructed to deposit all funds received by Escrow Holder with any state or national bank in a trust account in the name of Escrow Holder, without any liability for payment of interest. All deposits made by personal check, cashier's check, certified check, or deposit other than wire transfer are subject to clearance and payment by the financial institution upon which they are drawn. Funds deposited with Escrow Holder in the form of check or similar instrument will be identified as collected funds when the Escrow Holder's financial institution confirms that the funds are available for disbursement.

BE ADVISED THAT CYBER CRIMINALS ARE USING PHISHING TECHNIQUES (AKA USING THE INTERNET TO ACQUIRE SENSITIVE INFORMATION SUCH AS USERNAMES, PASSWORDS, AND CREDIT CARD DETAILS AND SOMETIMES, INDIRECTLY, MONEY, OFTEN FOR MALICIOUS REASONS, BY MASQUERADING AS A TRUSTWORTHY ENTITY IN AN ELECTRONIC COMMUNICATION) TO TRY AND DIVERT WIRES COMING INTO AND GOING OUT OF ESCROW COMPANIES. TO AVOID SUCH SCAMS, PRIOR TO SENDING ANY WIRE TO ESCROW HOLDER, THE WIRING PARTY MUST CONTACT ESCROW HOLDER TO CONFIRM THE APPROPRIATE WIRING INSTRUCTIONS.

8. GOOD FUNDS LAW: Pursuant to California Insurance Code Section 12413.1, known as the Good Funds Law, the Parties hereto are made aware that closing funds deposited by the Parties and/or lender must be cleared funds prior to close of escrow. This law places some very specific constraints upon the time frames for funds to be made available for disbursement. Close of escrow cannot occur before funds are cleared and immediately collectible and available for withdrawal, which clearance can range from being immediately available upon receipt to seven (7) days depending on the form deposit. The Parties hereby release Escrow Holder of any responsibility, claim, and/or liability in connection with such a delay caused by the manner in which closing funds or lender's funds are deposited.


9. RELEASE OF FUNDS: In the event the Parties to this escrow transaction instruct Escrow Holder to release funds prior to close of escrow, regardless of the fact that this escrow transaction has not closed and/or documents are not yet recorded, the Parties hereby release, relieve, indemnify and agree to hold harmless Escrow Holder from any and all liability and/or responsibility, both legally and equitably, which may arise, including but not limited to any legal actions, attorney's fees, costs or claims of any kind, either now, during the course of this escrow transaction, or subsequent to the close of this escrow transaction by reason of Escrow Holder complying with said release of funds, and Escrow Holder shall not be responsible to assist in the recovery of same in the event that this escrow transaction is not consummated. Escrow Holder is authorized to release funds, if applicable, from money on deposit to pay for any credit report, appraisal, City Report, lender, or association statement, demand, transfer fees or documents which may be required to be paid in advance of closing. Funds released prior to the close of escrow are non-refundable regardless of the consummation of

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BUYERS:

Adan Dadon

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Date: April 19, 2018

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this escrow.

10. COSTS AND CHARGES: From funds due Seller at the close of escrow, deduct and pay encumbrances of record, plus accrued interest, charges and prepayment penalties, if any, bonds and/or assessments, and any delinquent monthly installment(s) on existing encumbrance(s) as disclosed by beneficiary statement(s), and any county and/or city transfer fees, costs and charges in this transaction which may include, but are not limited to: the Owner's Policy of title insurance, documentary transfer tax, reconveyance fees, recording fee's, Seller's customary escrow fees, fees for preparation, notarization and recording of documents as necessary on Seller's behalf, wire fees, messenger and overnight delivery fees, Seller's portion of the sub-escrow fee, and Broker compensation as per separate agreement.

Buyer agrees to pay all Buyer's usual costs and charges in this transaction which may include, but are not limited to: Buyer's customary escrow fees, document preparation fees, email document fees, wire fees, messenger and overnight delivery fees, all fees and charges in connection with the new loan(s), Buyer's portion of the sub-escrow fee, recording charges, and inspection fees.

11. ARCHIVE FEE: The Parties are advised that Escrow Holder charges an archive fee of \$38.00 for each refinance escrow transactions charged to the borrower, \$58.00 for each sale transactions (\$29.00 each to buyer and seller) and \$8.00 for any file that cancels for the purpose of managing and maintaining records of this escrow transaction as required by California law.

12. STATUTE OF LIMITATIONS: These instructions are to be construed and interpreted according to California Law. NO ACTION SHALL LIE AGAINST ESCROW HOLDER FOR ANY CLAIM, LOSS, LIABILITY OR ALLEGED CAUSE OF ACTION OF ANY KIND OR NATURE WHATSOEVER, HOWEVER CAUSED OR OCCURRED, IN THIS ESCROW TRANSACTION OR IN CONNECTION WITH THE HANDLING OR PROCESSING OF THIS ESCROW TRANSACTION, UNLESS BROUGHT WITHIN TWELVE (12) MONTHS AFTER THE CLOSE OF ESCROW OR ANY CANCELLATION OR TERMINATION OF ESCROW FOR ANY REASON WHATSOEVER.


13. WRITTEN INSTRUCTIONS REQUIRED: Pursuant to California Civil Code Section 1624, no notice, demand, supplemental escrow instruction, or amendment of the escrow instructions (hereinafter collectively "supplemental instructions") shall be effective unless given in writing by the Parties affected thereby. Escrow Holder shall not act upon or consider such supplemental instruction to have any validity until same is fully executed and delivered to Escrow Holder by all Parties concerned.

14. AUTHORIZATION TO ACCEPT ELECTRONIC SIGNATURES AND DOCUMENTS: In accordance with California's Uniform Electronic Transactions Act (the "Act"), the Parties hereby authorize Escrow Holder to accept electronic and/or digital signatures and records, transmitted via facsimile or other electronic means (collectively "electronic signatures") into this escrow as originals. The Parties expressly agree that this transaction can be conducted electronically, at the option of the Parties, to the fullest extent possible under the Act and recording laws. The Parties agree to transmit original, wet signatures on (1) all documents to be recorded, (2) all documents excluded from being enforceable under the Act, and (3) all documents required to be in original form by any regulatory agency. The Parties agree to verify any and all electronic signatures upon request of Escrow Holder.

15. ACTS OUTSIDE OF ESCROW AND MEMORANDA ITEMS: Whenever provision is made herein for the payment of any sum, the delivery of any document, or the performance of any act "outside of escrow", Escrow Holder shall have no responsibility therefor, shall not be concerned therewith, and is specifically relieved of any obligation relative thereto. Escrow Holder is expressly instructed not to act upon or be concerned with or liable for those items designated in the purchase agreement, escrow instructions, or supplemental instructions as memoranda items between the Parties, nor

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Bankruptcy Estate of Shirley Foose McClure AKA Shirley
Ann McClure

By: 
John P. Reitman, solely in his capacity as Chapter 11
Trustee

BUYERS:

Adan Dadon

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any other agreement between the Parties not expressly addressed to Escrow Holder in the form of a supplemental instruction.

16. NO DUTY TO DISCLOSE OR INSPECT: Escrow Holder's sole duty relative to disclosures shall be the payment of invoices presented to Escrow Holder. Escrow Holder is not to be concerned with the giving of any disclosures except as expressly required to be given by an escrow service provider pursuant to Federal or State law, including but not limited to those disclosures related to lending, zoning, land division, property condition, or usury. Neither will Escrow Holder conduct any lien search or title searches relative to personal property in connection with the sale or transfer of personal property through this escrow transaction, if any. Escrow Holder urges the Parties to seek appropriate counsel from an attorney or licensed broker to ascertain what disclosures and/or laws, if any, need to be complied with prior to close of escrow. The Parties jointly and severally agree to indemnify and hold harmless Escrow Holder by reason of any misrepresentation or omission by a Party or agents or failure of the Parties to this escrow transaction to comply with the rules and/or regulations of any governmental agency, whether state, federal, county, municipal, or otherwise and Escrow Holder is not to be concerned with enforcement of same. If presented with an invoice in connection with any disclosure Escrow Holder is authorized to pay same without further instructions. Escrow Holder will make no physical inspection of the real property and/or personal property that is the subject of this escrow transaction, and Escrow Holder is not to be concerned with or liable for the condition of same.


17. FEDERAL TAX REPORTING: The Parties acknowledge their awareness of the fact that, upon transfer of property, Escrow Holder must provide information pertaining to the escrow transaction to the Internal Revenue Service as required by Internal Revenue Code Section 6045(e) relative to the production of 1099 forms. The Parties agree to provide Escrow Holder all information necessary to produce the tax reporting documentation in compliance with Federal Law.

18. FEDERAL TAX WITHHOLDING: The sale of a U.S. real property interest by a foreign person is subject to the Foreign Investment in Real Property Tax Act of 1980 ("FIRPTA") income tax withholding. This law authorizes the United States to tax foreign persons on the sale of U.S. real property interests. Persons purchasing U.S. real property interests from foreign persons, certain purchasers' agents, and settlement officers may be required to withhold a portion of the amount realized. Withholding is intended to ensure U.S. taxation of gains realized on disposition of such interests. The purchaser is liable if the withholding is not made when required. The Parties agree to execute and deliver to Escrow Holder any instrument, affidavit and statement or to perform any act reasonably necessary to carry out the provisions of FIRPTA and regulations promulgated thereunder.

19. STATE TAX WITHHOLDING: The following disclosure is being provided pursuant to California law for all escrow transactions wherein a transfer of title is being completed as part of the escrow transaction. In accordance with Section 18662 of the Revenue and Taxation Code, a buyer may be required to withhold an amount equal to 3½ percent of the sales price, or an optional gain on sale withholding amount certified by the seller in the case of a disposition of California real property interest by either: (a) A seller who is an individual, trust, estate, or when the disbursement instructions authorize the proceeds to be sent to a financial intermediary of the sellers; or (b) A corporate seller that has no permanent place of business in California immediately after the transfer of title to the California property. The buyer may become subject to penalty for failure to withhold an amount equal to the greater of 10 percent of the amount required to be withheld or five hundred dollars (\$500). However, notwithstanding any other provision included in the California statutes referenced above, no buyer will be required to withhold any amount or be subject to penalty for failure to withhold if any of the following apply: (a) The sale price of the California real property conveyed does not exceed one hundred thousand dollars (\$100,000); (b) The seller executes a written certificate, under the penalty of perjury, certifying that the seller is a corporation with a permanent place of business in California; (c) The seller, who is an individual, trust, estate, or a corporation without a permanent place of business in California, executes a written certificate, under the penalty of

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Adan Dadon

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perjury, of any of the following: (i) The California real property being conveyed is the seller's or decedent's principal residence (within the meaning of Section 121 of the Internal Revenue Code (IRC)); (ii) The last use of the property being conveyed was use by the transferor as the transferor's principal residence (within the meaning of IRC Section 121); (iii) The California real property being conveyed is, or will be, exchanged for property of like kind (within the meaning of IRC Section 1031), but only to the extent of the amount of gain not required to be recognized for California income tax purposes under IRC Section 1031; (iv) The California real property has been compulsorily or involuntarily converted (within the meaning of IRC Section 1033) and the seller intends to acquire property similar or related in service or use so as to be eligible for nonrecognition of gain for California income tax purposes under IRC Section 1033; or (v) The California real property transaction will result in a loss or net gain not required to be recognized for California income tax purposes. The seller is subject to penalty for knowingly filing a fraudulent certificate for the purpose of avoiding the withholding requirement.

20. SUPPLEMENTAL PROPERTY TAXES: PURSUANT TO CALIFORNIA CIVIL CODE SECTION 1102.6C, THE FOLLOWING DISCLOSURE IS HEREBY PROVIDED: "CALIFORNIA PROPERTY TAX LAW REQUIRES THE ASSESSOR TO REVALUE REAL PROPERTY AT THE TIME THE OWNERSHIP OF THE PROPERTY CHANGES. BECAUSE OF THIS LAW, YOU MAY RECEIVE ONE OR TWO SUPPLEMENTAL TAX BILLS, DEPENDING ON WHEN YOUR LOAN CLOSURES. THE SUPPLEMENTAL TAX BILLS ARE NOT MAILED TO YOUR LENDER. IF YOU HAVE ARRANGED FOR YOUR PROPERTY TAX PAYMENTS TO BE PAID THROUGH AN IMPOUND ACCOUNT, THE SUPPLEMENTAL TAX BILLS WILL NOT BE PAID BY YOUR LENDER. IT IS YOUR RESPONSIBILITY TO PAY THESE SUPPLEMENTAL BILLS DIRECTLY TO THE TAX COLLECTOR. IF YOU HAVE ANY QUESTIONS CONCERNING THIS MATTER, PLEASE CALL YOUR LOCAL TAX COLLECTOR'S OFFICE."

If there is an impound account for taxes, the borrower is advised to inquire with the lender to determine if the supplemental tax bill will be paid by the lender from the impound account. Tax bills issued AFTER the close of escrow shall be handled or prorated directly between the Parties outside of escrow. Escrow Holder shall prorate taxes at the close of escrow based on the latest available tax statement and is relieved of any and all liability for taxes and/or prorations necessary after close of escrow as a result of supplemental tax bills issued by the tax assessor.


21. PRELIMINARY CHANGE OF OWNERSHIP REPORT: California Revenue and Taxation Code Section 480.3 requires that a Preliminary Change of Ownership Report be completed and certified by the transferee and filed concurrently with the recording of any document that reflects a change of ownership in real property. The Parties herein agree to complete and sign said report and deliver same to Escrow Holder for filing, as necessary. The Parties understands and acknowledges that the recorder's office may charge a non-refundable fee of twenty dollars (\$20.00) should the fully completed/certified report not accompany the conveyance document. If the recorder's office charges such a fee, the Party benefitted by the recording of the transfer document shall be charged the fee at close of escrow. In such event, a Standard Change of Ownership Statement will be mailed to the transferee by the office of the county assessor. Further, if Buyer fails to file said form upon the request of the county assessor after the close of escrow, severe penalties may be assessed against the Buyer.

22. EXCHANGE TRANSACTIONS: In any escrow transaction wherein one or more of the Parties is performing a 1031 Exchange transaction, all references to Seller and Buyer shall respectively be amended to read Exchangor and Exchangee, where necessary and appropriate.

23. PROPRIETARY INFORMATION: Escrow Holder is relieved of any duty, responsibility, and/or liability relative to disclosure of the proprietary information of the Parties and/or agents to this or any other escrow transaction. Such proprietary information includes, but is not limited to, any (A) sale, resale, loan, exchange, or other transaction involving the

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BUYERS:

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real property and/or personal property that is the subject of this escrow transaction or (B) benefit, including but not limited to financial gain or profit, involving the real property and/or personal property that is the subject of this escrow transaction. Escrow Holder shall be relieved of any and all liability if such proprietary information is disclosed as necessary for Escrow Holder to comply with the instructions of the Parties or if requested by a lender, agent, governmental agency, or any other entity entitled to such propriety information. Escrow Holder is specifically authorized to furnish copies of all escrow instructions, amendments thereto, preliminary title reports, closing statements and/or related documentation to the agents and/or attorneys representing any party to this escrow transaction, as may be requested by them, without obtaining any further authorization from Buyer or Seller.

24. NOTIFICATION OF DISHONORED CHECKS: If any check submitted to Escrow Holder is dishonored upon presentment for payment, Escrow Holder is authorized to notify all Parties and/or their respective agents of such nonpayment. The Party receiving credit for the deposit agrees to pay a reasonable fee to Escrow Holder for the returned check.

25. ACCEPTANCE AND VERACITY OF SIGNATURES: Escrow Holder shall not be responsible or liable in any manner for the sufficiency or correctness as to form, manner of execution, or validity of any document deposited with Escrow Holder relative to the identity, authority, or rights of any person executing the same. All signatures submitted into this escrow transaction shall be construed as unconditional approval of the within document as to form, content, terms, and conditions. Escrow Holder shall have no obligation to verify, and will not verify, the authenticity of any signature on any document made relative to this escrow transaction. Escrow Holder shall not be liable or responsible for any loss that may occur because of forgeries, fraud, or false representations made or involving the Parties to this escrow transaction, any third Parties, the agents or any other person or entity.

26. ACCEPTABILITY OF COUNTERPARTS: These instructions may be executed in counterparts, each of which shall be deemed an original regardless of the date of its execution and delivery. All such counterparts together shall constitute one and same document.


27. STANDARDIZED FORMS: Escrow Holder is to use Escrow Holder's usual document forms or the usual forms of any reliable forms company or any title company and in the instructions insert dates and terms on the instruments if incomplete when executed. Excepting Escrow Holder's own form, Escrow Holder shall not be liable for the correctness or sufficiency of such standardized preprinted forms.

28. NEW FINANCING: Escrow Holder is not to be responsible or concerned with the terms of any new financing obtained by Buyer or the contents of any loan documents. Escrow shall have no liability or responsibility relative to the new financing except to order transmission of loan documents to Escrow Holder, transmit the loan documents to the appropriate Parties for execution, and transmit the executed loan documents to the lender. The Parties understand and agree that Escrow Holder is not involved or concerned with the approval or processing of any loan or the contents and effect of any loan documents prepared by a lender. Escrow Holder is not responsible for any lender's instructions which require Escrow Holder to perform obligation or duties beyond those required by law or which requires Escrow Holder to assume liability for the lender's regulatory duties and responsibilities. Further, Escrow Holder shall have no obligation to agree to instructions from a lender which threaten to transfer liability or penalize Escrow Holder.

29. MASTER/DUAL CLOSING STATEMENT: The Parties are hereby made aware that certain lenders may require a copy of the Master/Dual Closing Statement, Seller Closing Disclosure and/or records showing all deposits and disbursements occurring as part of this escrow transaction. Escrow Holder is hereby authorized and instructed by the Parties to release the Master/Dual Closing Statement and other lender requested document as required. Said

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BUYERS:

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information may be disclosed to the Buyer as part of the Buyer's Closing Disclosure by the lender.

30. RESPA GUIDELINES: The undersigned Parties acknowledge that in order for Escrow Holder to comply with the Real Estate Settlement Procedures Act ("RESPA") some of the costs and charges may need to be itemized on the lending disclosures in a fashion that differs from the terms agreed to by the parties. Said costs and charges may include, but are not limited to, the title policy fees and documentary transfer taxes. Escrow Holder is hereby authorized and instructed to comply with these RESPA guidelines, as necessary. Said charges and credits shall not change the amount of any other credits between the Parties.

31. PROPERTY INSURANCE: Excluding transactions whereby the subject property is a parcel of vacant land, Buyer is made aware that, prior to close of escrow, property insurance coverage should be obtained with sufficient liability and replacement cost. If the Buyer is obtaining new financing insurance coverage will be a condition of the loan prior to funding. Buyer shall deposit sufficient funds to pay for the first year's premium per invoice submitted by insurance agent. In the event subject property is covered by a blanket master policy of insurance, Escrow Holder is to order a certificate thereof for the Buyer and order loss payable endorsements for beneficiaries of trust deeds being recorded herein. Should Buyer desire fire insurance on personal property, they are to obtain same outside of escrow. If Buyer is purchasing the subject property as an all cash transaction, without financing, Escrow Holder shall have no responsibility whatsoever to order a certificate of insurance.

32. ASSIGNMENT OF PROPERTY INSURANCE: Seller represents and warrants, and Escrow Holder shall be fully protected in assuming that, as to any property insurance policy handed to Escrow Holder, such policy is in force, has not been hypothecated, and that all necessary premiums therefore have been paid. Escrow Holder will transmit for assignment, any insurance policy handed Escrow for use in this escrow transaction, but Escrow Holder shall not be responsible for verifying the acceptance of the assignment and policy by the insurance company. ESCROW HOLDER WILL MAKE NO ATTEMPT TO VERIFY THE RECEIPT OF THE REQUEST FOR ASSIGNMENT BY THE ISSUING COMPANY. The Buyer is hereby placed on notice that if the insurance company should fail to receive said assignment, the issuing company may deny coverage for any loss suffered by Buyer. IT IS THE OBLIGATION OF THE BUYER OR HIS REPRESENTATIVE TO VERIFY THE ACCEPTANCE OF THE ASSIGNMENT OF THE POLICY BY THE ISSUING COMPANY.

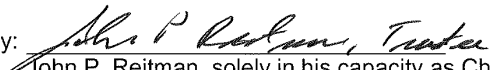
33. TITLE INSURANCE: Escrow Holder shall order title insurance from the title company designated by the Parties. If requested in writing by the mutual instructions of the Parties or upon the request of any lender, Escrow Holder shall provide copies of the preliminary report of title to them without liability as to its contents. The Parties acknowledge that the title insurance policies to be issued by the title company shall be delivered directly from the designated title company to the appropriate Parties after the close of escrow. The Parties agree that matters regarding that title insurance are between the title company and the insured Party and not Escrow Holder.

34. AUTHORIZATION TO USE SUB-ESCROW AGENT: Escrow Holder is authorized to use the title company as a sub-escrow agent for the handling of funds and documents in this escrow transaction. Escrow Holder is to comply with all sub-escrow agent's instructions and requirements, and Escrow Holder is authorized to deliver funds or documents to said sub-escrow agent at any time during the course of this escrow transaction as Escrow Holder deems appropriate. The Parties agree to pay the fee for such sub-escrow service as charged by the title company.

35. BENEFICIARY DEMANDS AND STATEMENTS: From funds due, Escrow Holder is authorized to pay at the close of escrow, any encumbrances of record, plus accrued interest, charges and bonus if any, and/or pay any delinquent monthly installments(s) on existing encumbrance(s) as disclosed by a beneficiary demand or statement without additional

SELLERS:

Bankruptcy Estate of Shirley Foose McClure AKA Shirley Ann McClure

By: 
John P. Reitman, solely in his capacity as Chapter 11 Trustee

BUYERS:

Adan Dadon

Date: April 19, 2018

Escrow No.: 104227-AA

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approval. Should a Party wish to pre approve any such beneficiary demand or statement, the Party shall deliver separate and specific written instruction to Escrow Holder prior to the close of escrow. Escrow Holder is not responsible for the contents or accuracy of any beneficiary demand or statement delivered to Escrow Holder by the beneficiary. The Parties are aware that payoffs of encumbrances are done by the insuring title company, not Escrow Holder, and agree to seek any redress directly from the beneficiary and/or title company should a dispute arise regarding said payoff. The Parties are aware some lenders require payment of loans to offices outside of the area and/or outside of the state. The Parties are advised that interest will continue to accrue on any outstanding loans until the loan is paid in full, regardless of the date of close of escrow. The title company may charge messenger fees, wire fees, and/or overnight fees, which the benefitted Party agrees to pay at close of escrow.

36. LINE OF CREDIT PAYOFF INDEMNIFICATION AND CANCELLATION: The undersigned Parties hereby indemnify and hold the title company and Escrow Holder harmless from incurring any costs or additional charges, interest, and advances made but not disclosed on the beneficiary demand or statement provided for the payoff of that certain equity line of credit deed of trust (hereinafter "line of credit") shown on preliminary title report, if any. The Parties warrant and represent that instructions to the beneficiary have been made to freeze the line of credit, that no advance on the line of credit has been made since the opening of this escrow transaction, and that no advance will be made on the line of credit prior to close of escrow. In the event, after receipt of payoff, the beneficiary makes demand for additional funds, the undersigned Parties agree to deposit those funds immediately with the title company or Escrow Company and authorizes the title company to utilize those funds to effectuate the close of the line of credit. Upon payoff of the line of credit, Escrow Holder is hereby instructed to request that the beneficiary cancel said line of credit.

37. PRORATIONS AND ADJUSTMENTS: Escrow Holder is instructed to make all prorations and adjustments on the basis of a thirty (30) day month. Escrow Holder is to use information contained on latest available tax statement, rental statement, beneficiary's statement, insurance statement, or other statement as delivered to Escrow Holder for the prorations provided for herein.

38. RECORDING OF DOCUMENTS: The Parties authorize the recordation of any instrument delivered through this escrow transaction if necessary or proper for the issuance of the required policies of title insurance or as necessary for close of escrow. Recording fees shall be charged to the account of the benefitted Party unless instructed otherwise by the Parties in writing.

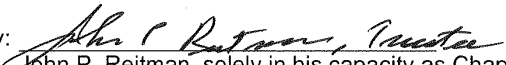
39. DELIVERY OF DEED: Regardless of the date of execution or transmission to Escrow Holder of the deed, same shall be deemed delivered ONLY upon recordation through this escrow transaction. The phrase "close of escrow" as used in this escrow transaction shall mean the date on which documents are recorded, unless otherwise specified.

40. ASSIGNMENT OF FUNDS: If a Party unilaterally assigns or orders the proceeds of this escrow transaction to be paid to other than the original parties to this escrow, such assignment or order shall be subordinate to the expenses of this escrow transaction, liens of record on the subject property, and payments directed to be made by Parties to this escrow transaction. If the result of such assignment or order would leave the escrow without sufficient funds to close, then Escrow Holder is directed to close nevertheless and pay such assignments or orders only out of the net proceeds due the Party assigning their funds except for such assignments or orders, and to pay them in the order in which such assignments or orders are received by Escrow Holder. Escrow Holder is not to be concerned with the balance remaining unpaid, if any.

41. DISBURSEMENT OF FUNDS AND DELIVERY OF DOCUMENTS: All disbursements are to be made by the Escrow Holder's trust account check unless instructed otherwise in writing. Escrow Holder will not indemnify any payee or

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Bankruptcy Estate of Shirley Foose McClure AKA Shirley
Ann McClure

By: 
John P. Reitman, solely in his capacity as Chapter 11
Trustee

BUYERS:

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guarantee signatures of any person or entity at any financial institution. Generally, Escrow Holder or its sub-escrow agent will disburse funds, including net proceeds and payment for encumbrances of record, on the date the escrow closes; however, there are circumstances which may arise wherein said disbursements could be delayed by one or two business days. Any funds disbursed during or at the close of escrow will be issued jointly to the Parties designated as payee unless Escrow Holder is instructed otherwise in writing by all designated payees. The funds representing loan and/or sale proceeds will be disbursed jointly to all persons who were the record owners of the subject property. All disbursements of funds and/or delivery of other documents or instruments concerning this escrow transaction will be mailed to the entitled Party by regular first class mail, postage prepaid, at the last address provided to Escrow Holder. However, at Escrow Holder's discretion, Escrow Holder may send funds and/or other documents by certified or registered mail, overnight delivery, or messenger, in which case the Party for whom the delivery was made agrees to pay the costs.

42. CONTRACTED RATE: Escrow Holder may provide a contracted rate to customers who have completed one or more escrows with Escrow Holder within the last two (2) years. Said discount will be provided solely to the contracted customer irrespective of the agreement of the Parties relative to the division of escrow fees.

43. SEVERABILITY: In the event any escrow instruction or supplemental instruction in this escrow transaction, including these general provisions, is held invalid by judicial proceedings, the remaining shall continue to be operative and enforceable.

44. CONFLICTING INSTRUCTIONS: If conflicting demands or notices are made or served upon Escrow Holder or any controversy arises between the Parties or with any third person arising out of or relating to this escrow transaction, Escrow Holder shall have the absolute right to withhold and stop all further proceedings in, and in performance of, this escrow transaction until Escrow Holder receives written notification satisfactory to Escrow Holder of the settlement of the controversy by written agreement of the Parties, or by the final order or judgment of a court of competent jurisdiction.

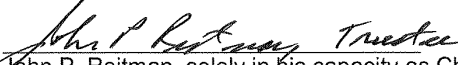
45. MUTUAL CANCELLATION INSTRUCTION REQUIREMENTS: The Parties acknowledge that they are on notice that Escrow Holder shall exercise its discretion to require mutual or matching cancellation instructions instructing Escrow Holder on how the deposit is to be released, signed by all Parties and deposited with Escrow Holder prior to releasing any deposit held by Escrow Holder relative to this escrow transaction.

46. CANCELLATION FEES: In the event of cancellation or any other termination of this escrow transaction, the Parties agree to pay Escrow Holder for any costs or expenses which Escrow Holder may have incurred or become obligated for pursuant to this escrow transaction and a reasonable escrow fee for the services performed to date. Such costs and expenses, if any, and Escrow Holder's fee shall be deposited with Escrow Holder before any cancellation or other termination is effective. The Parties agree that said charges for costs, expenses and fees may be apportioned between the Parties in a manner which Escrow Holder, in Escrow Holder's sole discretion, considers equitable, and that Escrow Holder's decision in that regard will be binding and conclusive upon the Parties unless specifically agreed to or determined by a court of competent jurisdiction. In the event of failure to pay costs, expenses, and fees due hereunder, on demand, the Parties agree to pay reasonable fees for any attorney services which may be required to collect such fees or expenses. Upon payment of such cancellation fees, Escrow Holder is authorized to return documents and funds to the respective Parties depositing same, or for whose benefit an unconditional deposit was made; or to void executed instruments as appropriate.

47. TIME IS OF THE ESSENCE: Time is of the essence in these instructions. In the event that the conditions of this escrow transaction have not been complied with at the expiration of the time provided for herein, or any extension thereof, Escrow Holder is instructed to complete the same at the earliest possible date thereafter, unless written demand upon

SELLERS:

Bankruptcy Estate of Shirley Foose McClure AKA Shirley
Ann McClure

By: 
John P. Reitman, solely in his capacity as Chapter 11
Trustee

BUYERS:

Adan Dadon

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Escrow Holder to cancel this Escrow or for the return of the money and/or instruments is deposited by one or more Parties. If the date by which the parties' performances are due shall be other than Escrow Holder's regular business day, such performances shall be due on Escrow Holder's next succeeding business day.

48. ABANDONMENT OF ESCROW TRANSACTION: Escrow Holder duties and functions related to this escrow transaction shall terminate six (6) months following the date last set for close of escrow unless the escrow transaction has closed or cancelled. At such time, Escrow Holder shall have no further obligations as Escrow Holder except to disburse funds and documents pursuant to written instructions and to interplead or otherwise dispose of funds and documents in accordance with a validly issued and validly served order from a court of competent jurisdiction.

49. UNCASHED CHECKS: In the event any check(s) issued through this escrow transaction or sub-escrow related hereto are uncashed or unnegotiated ("uncashed") Escrow Holder will make every effort to contact the payee and coordinate negotiation of the check(s). The Parties acknowledge that Escrow Holder incurs significant expense in tracking uncashed checks, canceling and reissuing checks, and maintaining bank and accounting records of such checks. Therefore, if re-issuance of the check is necessitated, Escrow Holder will require an instruction authorizing such re-issuance and is authorized to charge an additional services fee of twenty-five dollars (\$25.00) which will be deducted from the payee's reissued check(s).

50. ESCHEATMENT: Any and all funds remaining in escrow three (3) years after the close of escrow or cancellation of this escrow transaction will be escheated to the State of California pursuant to the Unclaimed Property Law codified in California Code of Civil Procedure Section 1518.

51. AUTHORIZATION TO INTERPLEAD FUNDS: The Parties acknowledge that Escrow Holder has an absolute legal right to file a court action in interpleader. In the event such an action is filed, the Parties herein jointly and severally agree to pay all escrow fees, title fees, court costs, and litigation expenses, including attorney's fees, incurred in connection therewith, the amount thereof to be fixed and judgment to be reached by the court. Upon filing of such action, Escrow Holder is fully released and discharged from any further performance of duties under the terms of this Escrow.

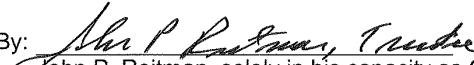
52. RIGHT TO RESIGN: At any time prior to the close of escrow, Escrow Holder, at its sole and absolute discretion and without liability to the Parties to this escrow transaction, may withdraw and resign from acting as Escrow Holder by providing ten (10) days prior written notice to the Parties at their last known addresses. In such event, Escrow Holder shall be entitled to reasonable compensation for its escrow services performed and for all costs and expenses incurred in the resignation, including, but not limited to, attorney's fees. Upon resignation, Escrow Holder shall return to the Parties who deposited the same, the balance of any funds it holds, along with any property or documents in its possession. Alternatively, at the mutual instruction of the Parties, Escrow Holder shall deliver the funds, property, and documents to a new Escrow Holder.

53. DESTRUCTION OF DOCUMENTS: Escrow Holder is authorized to destroy or otherwise dispose of any and all documents, papers, escrow instructions, correspondence, records or other material pertaining to this escrow, at any time after five (5) years from the date of close of escrow, cancellation of this transaction, or the date of the last activity (whichever comes first), without liability and without further notice to the Parties.

54. PRIVACY NOTICE: This notification is in compliance with our obligations to comply with federal and state law to safeguard the Parties' non-public personal information. Escrow Holder collects non-public personal information about the Parties from the following sources; a) Information Escrow Holder receives from the Parties on applications or other forms; b) Information about the Parties' transactions with Escrow Holder, Escrow Holder's affiliates, or others involved in the

SELLERS:

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Ann McClure

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BUYERS:

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processing of the transaction; and c) Information Escrow Holder receives from a consumer reporting agency. Escrow Holder does not disclose any non-public personal information about customers or former customers to anyone, except as permitted by law. Escrow Holder restricts access to non-public information about the Parties to those employees who need to know that information to provide products or services to the Parties. Escrow Holder maintains physical, electronic and procedural safeguards that comply with federal and state regulations to guard the Parties' non-public personal information. By signing below, the undersigned Parties acknowledge that they have read and received a copy of this notification.

55. PROHIBITION UPON GIVING LEGAL OR FINANCIAL ADVICE: The Parties acknowledge and understand that Escrow Holder is not authorized to practice the law nor does Escrow Holder give financial advice. The Parties are advised to seek legal and financial counsel and advice concerning the effect of this escrow transaction. The Parties acknowledge that no representations have been made by Escrow Holder about the legal sufficiency, legal consequences, financial effects, or tax consequences of the within escrow transaction.

ESCROW COMPANIES ARE NOT AUTHORIZED TO GIVE LEGAL ADVICE. IF YOU DESIRE LEGAL ADVICE, CONSULT YOUR ATTORNEY BEFORE SIGNING.

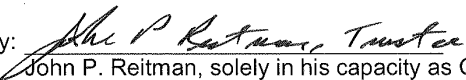
EACH PARTY SIGNING THESE INSTRUCTIONS HAS READ THE ADDITIONAL ESCROW CONDITIONS AND INSTRUCTIONS CONTAINED HEREIN AND APPROVES, ACCEPTS AND AGREES TO BE BOUND THEREBY. ALL PARTIES SIGNING THIS AGREEMENT HEREBY ACKNOWLEDGE RECEIPT OF A COPY OF THESE INSTRUCTIONS.

I/We agree to pay FUNDS REQUIRED TO CLOSE ESCROW UPON DEMAND.

SELLER(S) ONLY: The foregoing terms, provisions, conditions, and instructions, and those "General Provisions" contained herein are hereby approved and accepted in their entirety and concurred in by me. I will hand you necessary documents called for on my part to cause title to be shown as above which you are authorized to deliver when you hold for my account the sum of \$580,000.00 within the time as above provided, pay your escrow charges, my recording fees, charges for evidence of title as called for, whether or not this escrow is consummated, except those buyer agrees to pay. You are hereby authorized to pay bonds, assessments, taxes, and any liens of record to show title as called for, affix documentary tax on deed as required.

SELLERS:

Bankruptcy Estate of Shirley Foose McClure AKA Shirley
Ann McClure

By: 
John P. Reitman, solely in his capacity as Chapter 11
Trustee

BUYERS:

Adan Dadon



415 N. Crescent Drive, Suite 320
Beverly Hills, CA 90210

Phone: (310) 550-6055
Fax: (310) 550-6130

ESCROW NO.: 104227-AA

PROPERTY ADDRESS: 13621 Dalmatian Avenue, La Mirada, CA 90638

TRUSTEE'S SALE AUTHORIZATION AND 3RD PARTY AUTHORIZATION FOR A & A ESCROW SERVICES

Seller Full Name(s): John P. Reitman, solely in his capacity as Chapter 11 Trustee of the Bankruptcy Estate of Shirley Foose McClure AKA Shirley Ann McClure _____

Social Security Number(s): _____

EXISTING FIRST TRUST DEED LOAN:

Name of Lender: _____ Current Balance: _____

Loan No.: _____ Phone: _____

EXISTING SECOND TRUST DEED LOAN, IF ANY

Name of Lender: _____ Current Balance: _____

Loan No.: _____ Phone: _____

HOMEOWNER'S ASSOCIATION INFORMATION

Association Name : _____ Phone: _____

Contact Name: _____ Fax or Email: _____

Management Company, if any: _____ Phone: _____


Contact Name: _____ Fax or Email: _____

USE REVERSE FOR ANY ADDITIONAL LOANS.

PLEASE COMPLETE AND RETURN THIS FORM WITH YOUR SIGNED ESCROW INSTRUCTIONS.

AUTHORIZATION: As may be specifically and properly required to complete my transaction described in the Escrow Instructions, you are hereby instructed to obtain and comply with pay-off "demands" from the Lenders or parties named above and to make payment(s) in full from funds accruing to my account at close of escrow including but not limited to, forwarding/service/transfer fees/payments/reconveyance fees, interest or prepayment charges as demanded by such instructions without my further approval. The above referenced Lender(s) and Homeowner's Association/Management Company may accept a copy of this signed notice as authorization to release information requested by A & A ESCROW SERVICES, INC..

Bankruptcy Estate of Shirley Foose McClure AKA Shirley Ann McClure

By: 
John P. Reitman, solely in his capacity as Chapter 11 Trustee

SELLER'S INSTRUCTIONS FOR PROCEEDS

RE: ESCROW NO.: 104227-AA

Upon the close of the above referenced escrow, you are hereby instructed to disburse the proceeds due the undersigned as follows:

PLEASE CHECK ONE OF THE FOLLOWING:

- Check for proceeds will be picked up at your office.
- Check is to be delivered to picked up by my real estate agent.
- Mail check to:

- \$25.00 Overnight my check to:

- \$25.00 Wire Transfer Funds - **please make sure to confirm with your bank the correct aba/routing number for wiring funds into your account.**

Bank Name: _____

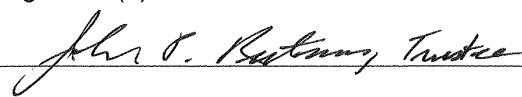
ABA/Routing#: _____

Account Name: _____

Account # _____

- Other instructions: _____

Signature(s):



COUNTER-OFFER

This agreement (the "Agreement" or "Counter-Offer") is intended to set forth the terms and conditions of a contract for the purchase by and sale to Adan Dadon (the "Buyer") from John P. Reitman (the "Seller" or "Trustee"), solely in his capacity as the duly appointed, qualified, and acting Chapter 11 Trustee for the estate of the debtor Shirley Foose McClure AKA Shirley Ann McClure (the "Debtor"), of the real property more commonly known as 13612 Dalmatian Ave, La Mirada, California (the "Property"). When executed below, this Agreement will constitute conclusive evidence and the exclusive terms and conditions of the contract for such purchase and sale (the "Sale") of the Property and will supersede and replace in its entirety Buyer's written offer and all attachments and addendum in support thereof dated April 15, 2018 (the "Offer") and any oral or written negotiations since the Offer.

PURCHASE PRICE; DEPOSIT; ESCROW. The purchase price for the Property shall be \$580,000 (the "Purchase Price"). Buyer shall make an initial deposit of \$17,400 (the "Initial Deposit") in the form of cashier's check or wire transfer made payable to "A&A Escrow Services, Inc." (the "Escrow Holder") which shall be delivered to A&A Escrow Services, Inc., 415 N Crescent Drive, Suite 320, Beverly Hills, California 90210, within two (2) business days of (i) acceptance of this Counter-Offer by Buyer, (ii) Seller's execution of the Affirmation Agreement in the form attached hereto as Exhibit "A", and (iii) Buyer's receipt of a copy of the fully executed Counter-Offer and the Affirmation Agreement.

FINANCIAL WHEREWITHAL. Buyer shall deliver to the Seller, within two (2) business days of (i) acceptance of this Counter-Offer by Buyer, (ii) Seller's execution of the Affirmation Agreement in the form attached hereto as Exhibit "A", and (iii) Buyer's receipt of a copy of the fully executed Counter-Offer and the Affirmation Agreement, proof of committed funds available to Buyer sufficient to enable Buyer to consummate the acquisition contemplated herein, which proof shall be in the form of a letter of credit, loan commitment, or other form acceptable to Seller in Seller's sole discretion. In the event that either (i) Buyer fails timely to provide any such proof, or (ii) Seller determines, in Seller's sole discretion, that any proof of funds provided to Seller by Buyer is unacceptable, Seller shall have the right, at Seller's option, to provide written notice to Buyer that this Counter-Offer is terminated. In the event that Seller exercises such termination right, this Counter-Offer shall terminate effective as of the date of Seller's written notice to Buyer, whereupon the Initial Deposit (if theretofore deposited with the Escrow Holder) shall be returned to Buyer and Buyer and Seller shall each be relieved of any further obligations hereunder.

ESCROW INSTRUCTIONS. Escrow instructions corresponding to the terms of this Agreement shall be provided by the Escrow Holder and signed by the parties within five (5) business days of the date of Buyer's and Seller's receipt of said escrow instructions. Buyer and Seller shall deposit such documents and instruments with the Escrow Holder as and when reasonably required to complete the sale. Buyer shall be free to assign this Agreement to another person or entity (the "Assignee") subject to Seller's prior review and written approval (which approval Seller may grant or withhold in his sole discretion), but Buyer shall

remain liable hereunder, together with such Assignee, in the event that such Assignee fails to perform any of Buyer's obligations hereunder.

BUYER'S DUE DILIGENCE, FINANCING AND CANCELLATION RIGHT. Buyer shall have twenty-one (21) calendar days from the date of execution hereof to perform, complete, and satisfy all contingencies, financing, inspections, investigations, tests and reviews of reports, and to complete all due diligence which Buyer desires for the Sale of the Property, including, but not limited to and performing and completing any geological, soil, structural, environmental, or other tests, inspections, and investigations desire by Buyer. Buyer may, not later than the end of the 21 day due diligence period, provide Seller written notice of Buyer's election to withdraw from this Agreement because of Buyer's inability to complete or dissatisfaction with the results of any of those matters (the "Notice of Cancellation"), in which event Buyer's and Seller's obligations under this Agreement shall be terminated and Buyer shall receive a full refund of Buyer's deposit without interest. If Buyer fails to give such Notice of Cancellation within such due diligence period, all such contingencies shall be automatically removed and Buyer's obligation to proceed shall be non-contingent except as provided herein for (i) Buyer's review of a preliminary title report and underlying documents respecting the title to the Property (as set forth below), and (ii) Bankruptcy Court approval of this Agreement and the Sale by entry of an order of the bankruptcy court that is not stayed.

TITLE; TITLE INSURANCE. Within three (3) business days after acceptance of this Agreement, First American Title Company or such other title company of Seller's choice (the "Title Company") will be instructed to provide a preliminary report of the condition of title to the Property, including copies of underlying documents referred to in Schedule B thereof, for Buyer's review. Buyer shall have three (3) business days after receipt of the preliminary title report and underlying documents in which to provide Seller written notice (the "Notice of Title Disapproval") that Buyer disapproves the condition of title with respect to a material matter(s) that interfere with the use or marketability of the Property for the purpose for which it is currently used or intended to be used. Such notice must refer to the specific exception(s) in Schedule B of the preliminary title report and the specific underlying document(s) which are the basis for Buyer's disapproval. Within five (5) business days after receipt of the Notice of title Disapproval, Seller may, in Seller's sole discretion, either (i) cancel this Agreement and the Sale, in which event Buyer's and Seller's obligations under this Agreement shall be terminated and Buyer shall receive a full refund of the Initial Deposit, or (ii) elect to correct the item(s) that were disapproved by Buyer, in which event the Sale shall proceed. Seller may correct such item by any means that will result in the Title Company either removing the disapproved exception(s) from the preliminary report, providing title insurance coverage by endorsement against such exception(s), or providing that the order approving the Sale entered by the Bankruptcy Court shall resolve such exception in a manner acceptable to Buyer. At the close of the Sale, Seller shall convey and Buyer shall accept title to the Property as shown in Schedule B of the preliminary title report, subject to any corrections as in this paragraph above, free and clear of all monetary liens, subject to the terms of the Agreement and the order approving the Sale. Seller shall pay the costs of a CLTA Standard Owner's policy of title insurance.

REMOVAL OF CONTINGENCIES; COURT CONFIRMATION; CLOSING; DELIVERY OF POSSESSION. If Buyer does not give Seller written Notice of Cancellation or Notice of Title Disapproval as and when provided in this Agreement, Buyer's silence shall be deemed acceptance and Buyer shall be deemed to have satisfied and removed all of Buyer's contingencies and to proceed with the Sale. Seller shall then file a motion with the Bankruptcy Court to confirm the Sale, which sale shall be subject to qualified overbids as approved by the Bankruptcy Court. Upon such removal of contingencies, Buyer shall be unconditionally obligated to proceed with the Sale, subject only to Bankruptcy Court confirmation as set forth below. If the Bankruptcy Court confirms the Sale to Buyer, the closing shall take place as soon as practicable after entry of the order approving the Sale, but no later than the first business day after fourteen (14) calendar days following the entry of the operative order approving the Sale. The closing shall occur on the date the deed transferring the Property to Buyer is recorded with the County Recorder where the Property is located. Occupancy shall be delivered to Buyer upon Escrow Holder's confirmation of recording.

BANKRUPTCY SALE. Buyer acknowledges that Seller is a trustee duly appointed to administer the Debtor's bankruptcy estate, and is a party to this Agreement solely in that capacity. Seller and his brokers and agents (collectively, the "Seller's Brokers") have not and will not determine the condition or fitness for use of the Property for any particular purpose. The Sale shall be "as is," "where is," "with all faults," and with no warranty by or recourse whatsoever to Seller or Seller's Brokers herein. Transfer of the Property shall be by Quitclaim Deed. All parties acknowledge that Seller is a party to this Agreement solely in his capacity as trustee of the Debtor's estate and that in the event of any default in the performance of any of Seller's obligations under the Offer (as modified hereby) or in the event that any other claim is asserted against Seller, the Trustee, or the estate in connection with this transaction, the Trustee shall in no event have any personal liability whatsoever (whether in his individual capacity or otherwise), it being expressly understood and agreed that Buyer's sole recourse, if any, in such event shall be to the assets of the Debtor's estate.

TAXES; PRORATIONS; COSTS OF SALE. All real property taxes and assessments for the current tax year shown in the current County Tax Bill shall be prorated between Seller and Buyer and charged as of the closing date to the applicable accounts of Seller and Buyer. The Sale shall be free and clear of any homeowner's association assessments and all real property taxes (other than those prorated as provided above) enforceable against the Property through the closing date of the Sale. Escrow fees shall be split between Buyer and Seller in the manner customary in the County where the Property is located. Seller shall pay any real property transfer tax. Seller shall pay the cost of a Natural Hazard Disclosure Report, from a vendor selected by Seller, to be furnished to Buyer through escrow. Buyer shall pay and have sole responsibility for ordering a city report and compliance with any requirements imposed on the Property or this Sale by any governmental agency(ies), including compliance with any applicable governmental retrofit requirements. Buyer shall pay the cost of recording the deed. Buyer and Seller shall each pay their own expenses of every other type except as specifically provided in this Agreement.

BANKRUPTCY COURT APPROVAL; OVERBIDDING. The Sale is subject to notice to

creditors, approval by the Bankruptcy Court, and higher and better qualified bids received by Seller through and including the Bankruptcy Court hearing to confirm the Sale. Payment of any and all real estate brokers' commissions is also subject to notice to creditors and approval by the Bankruptcy Court. Buyer acknowledges and agrees that Seller may not seek to obtain the Bankruptcy Court's approval if Seller has determined that it would be in the best interest of the bankruptcy estate not to do so.

BROKERS. Seller is represented by Coldwell Banker. Buyer is represented by Berkshire Hathaway (the "Buyer's Brokers"). Subject to Bankruptcy Court approval, Seller will pay a real estate broker's commission aggregating 5% of net sales price of the Property to the Brokers as follows: 2.5% to Coldwell Banker, 2.5% to Berkshire Hathaway in connection with the closing of the Sale. Seller's Brokers and Buyer's Brokers are collectively referred to herein as the "Brokers". No commission or compensation shall be due or payable to Brokers in connection with this Agreement or Sale except from the cash proceeds of an actual Sale of the Property that closes to Buyer. Buyer hereby represents and warrants that, other than the Brokers, Buyer has not dealt with any broker, finder, or other person entitled to any fee, commission, or other compensation in connection with the Sale and Buyer shall indemnify, defend, protect, and hold Seller and the related bankruptcy estate harmless of, from, and against any claims, demands, actions, causes of action, losses, liabilities, costs, and expenses (including, without limitation, all court costs and reasonable attorneys' fees) as Seller may suffer or incur in the event that any claims for any such fees, commissions, or other compensation of any kind are hereafter asserted.

MATERIAL CHANGE OF CONDITION. In the event of any material change in the condition of the Property after the date of acceptance of this Counter-Offer, if Buyer demands repair of any resulting actual damage to the Property, Seller may, at Seller's sole option: (i) elect to terminate this Agreement, in which event Buyer's and Seller's obligations to buy or sell shall terminate and the Initial Deposit without interest shall be refunded to Buyer; or (ii) make required repairs at the bankruptcy estate's expense; or (iii) assign any insurance proceeds for the damage to the Property to Buyer as of the close of the Sale; or (iv) credit the cost of such repairs to Buyer through escrow, it being agreed that in the event that Seller elects and complies with subpart (ii), (iii), or (iv) of this paragraph, Buyer's obligation to proceed with the Sale shall be unaffected by any such material change in the condition of the Property.

REMEDY FOR BUYER'S OR SELLER'S FAILURE TO CLOSE. Buyer's sole remedy in the event that the Sale fails to close as a result of Seller's inability or failure to close for any reason, including but not limited to the reason of failure to obtain approval of the Sale by the Bankruptcy Court, shall be the mutual release of Buyer's and Seller's obligations to buy or sell and a full refund of the Initial Deposit (plus any increase thereof by Buyer without interest). In the event Buyer fails to close the Sale for any reason other than Seller's default, after Buyer's contingencies have been removed as under this Agreement, Buyer's Initial Deposit (plus any increase thereof by Buyer) shall be paid over to Seller and retained by Seller as liquidated damages without further legal action. If the Property is a dwelling with no more than four units, one of which Buyer intends to occupy, then the amount retained shall be no more than three percent (3%) of the Purchase Price. This provision shall apply equally to the Initial Deposit (and any increase thereof by Buyer).

Ad [Buyer's Initials]

BANKRUPTCY COURT JURISDICTION. The United States Bankruptcy Court for the Central District of California, San Fernando Valley Division shall have sole and exclusive jurisdiction to interpret and enforce the terms of this Agreement and Buyer hereby consents and submits to such exclusive jurisdiction. This Agreement shall be interpreted and enforced pursuant to the laws of the State of California, the United States of America, and title 11 of the United States Code.

"AS-IS," "WHERE-IS" CONDITION; NO WARRANTIES. Buyer acknowledges and agrees that, to the maximum extent permitted by law, the sale contemplated by this Agreement is made "as-is," "where-is," and "with all faults," except as specifically provided in this Agreement. Seller and Seller's Brokers have not made, do not make, and specifically negate and disclaim any representations, warranties, promises, covenants, agreements, or guaranties of any kind or character whatsoever, whether express or implied, oral or written, concerning or respecting (i) the value of the Property; (ii) the income to be derived from the Property; (iii) the suitability of the Property, or lack thereof for any activity or use which Buyer may intend to conduct thereon, including any possibilities or limitations for future development; (iv) the habitability, merchantability, marketability, profitability, or fitness for a particular purpose, of the Property, or lack thereof; (v) the manner, quality, state of repair, or lack of repair of the Property; (vi) the nature, quality, or condition of the Property, or any portion, system, or component thereof, including without limitation, water, soil, and geology; (vii) the compliance of the Property or its operation, or lack thereof, with any laws, ordinances, regulations, rules, or orders of any applicable governmental authority or body; (viii) the manner or quality of engineering, design, construction or materials, if any, incorporated into the Property; (ix) the compliance or lack of compliance with any land use, building and safety, or other laws, ordinances, regulations, rules, orders, or other requirements imposed or enforced by any governmental or non-governmental body, including without limitation the Americans with Disabilities Act of 1990; (x) the presence or absence at, on, under, or adjacent to the Property, of materials described as "hazardous substances, hazardous materials, or toxic substances" or by similar terms under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §§ 9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. §§1801, et seq.), the Resource Conservation and Recovery Act (42 U.S.C. §§ 6901, et seq.), the Toxic Substance Control Act (15 U.S.C. § 2601, et seq.), the Clean Water Act (33 U.S.C. § 1251, et seq.), California Health and Safety Code §§ 25117 or 25316, or other statutes and laws, all as amended and including all regulations issued thereunder; (xi) the content, completeness or accuracy of any due diligence materials or preliminary report regarding title to the Property; (xii) the conformity or lack of conformity of the improvements to any plans or specifications for the Property, including any plans and specifications that may have been or may be provided to Buyer; (xiii) the conformity or lack of conformity of the Property to past, current, or future applicable zoning or building requirements; (xiv) any deficiency of any undershoring, drainage, or other aspects, systems, or components of or affecting the Property; (xv) the fact, if applicable, that all or a portion of the Property may be located on or near any natural hazard zone as determined by any governmental agency or body; (xvi) the existence of vested land use, zoning, or building entitlements affecting the Property or any other property; or (xvii) any

other matter. Without in any manner limiting the foregoing, Buyer hereby acknowledges and agrees that (i) Seller's Brokers have provided (and will hereafter provide) to Buyer various materials and information relating to the Property, including, without limitation, information and materials relating to the condition of the Property, and (ii) all such materials and information so provided to Buyer by Seller's Brokers shall, for all purposes of this Agreement, be deemed to have been disclosed to Buyer by the Seller, as well.

BROKERS. Seller's Brokers herein have not and will not perform any inspections, investigations, or due diligence on behalf of Buyer unless otherwise specified herein. Buyer is informed that Buyer must arrange for any inspections and investigations desired by Buyer utilizing suitable third party professionals selected and compensated by Buyer. In no event shall Seller have any liability or responsibility for any representation, warranty, statement made, or information furnished by Seller's Brokers, or any other person or entity, concerning the Property, this Agreement, or any other matter, unless expressly set forth in writing and signed personally by Seller.

OPPORTUNITY TO INSPECT; BUYER'S SOLE RELIANCE. Buyer represents, warrants, acknowledges, and agrees that Buyer has been given the opportunity to inspect and investigate the Property and all other facts and circumstances deemed by Buyer relevant and significant, and to review information and documentation affecting the Property. In deciding to proceed with the Sale, Buyer is relying solely on Buyer's own inspections and investigation of the Property (including by any outside professionals whom Buyer has elected to engage for such services) and review of such information and documentation, and not on any information provided or to be provided by Seller. Buyer further acknowledges and agrees that any information made available to Buyer or provided or to be provided by or on behalf of Seller with respect to the Property was obtained from a variety of sources and that neither Seller nor Seller's Brokers nor any other person has made or makes any representations as to the accuracy or completeness of such information. Buyer hereby fully and irrevocably releases all such sources and preparers of information and documentation affecting the Property which were retained or engaged by Seller or Seller's Brokers from any and all claims that Buyer may now or hereafter have against such sources and preparers of information, for any costs, expenses, losses, liabilities, damages, demands, actions, or causes of action arising from any such information or documentation. **NEITHER SELLER NOR BROKERS HAVE PROVIDED OR WILL PROVIDE ANY LEGAL OR TAX ADVICE TO BUYER.** Buyer is informed that Buyer must obtain any such advice, if desired by Buyer, from independent professionals selected and engaged by Buyer.

PHYSICAL, GEOLOGICAL, PEST CONTROL, AND ENVIRONMENTAL INSPECTIONS AND INVESTIGATIONS.

A. BUYER SHALL CONDUCT THOROUGH PHYSICAL, GEOLOGICAL, PEST CONTROL, ENVIRONMENTAL INSPECTIONS AND INVESTIGATIONS OF THE PROPERTY AS MAY BE DETERMINED BY BUYER, THROUGH QUALIFIED PROFESSIONALS SELECTED BY BUYER. Seller and Seller's Brokers strongly recommend that Buyer fully exercise and not waive such inspections and investigations.

B. Buyer shall select and employ, at Buyer's sole expense, a licensed engineer(s), architect(s), contractor(s), geologist(s), pest control licensee(s), environmental consultant(s), or other qualified professional(s), to make inspection(s) and investigations of the Property, including, but not limited to, (i) its general structure, plumbing, heating, air conditioning (if any), electrical system, built-in appliances, cesspool/sewer/septic system, well, roof, soils, foundation, mechanical systems, pool, spa, related equipment and filters, sprinklers, and those other matters affecting the desirability of the Property (all if and only to the extent any such structures, systems, and components are presently a part of the Property); (ii) any actual or potential wood destroying pests or other conditions damaging to the Property or any portion thereof; (iii) environmental hazards, substances, products, or conditions, including without limitation, asbestos, formaldehyde, lead, lead-based paint, contaminated soil or water, fuel, chemical storage tanks, hazardous waste, electromagnetic fields, and radon gas, any of which may constitute a health risk; (iv) the presence or absence of any required governmental permits, inspections, applications, approvals, and certificates of occupancy, and compliance or lack of compliance with building codes and laws applicable to the Property; (v) plans and specifications for the Property; (vi) all applicable zoning, municipal, county, state, and federal, including those affecting the past, current, or any future use of the Property; (vii) deed restrictions and other matters of public record which may govern, restrict, condition, or prohibit the use, alteration, or development of the Property; and (viii) generally, without limitation, any and all other items and matters of whatsoever nature, character, or description, which Buyer deems material to Buyer's interests, in, on, or affecting the Property, and to approve or disapprove said inspection within the period and in the manner set forth in this Agreement.

COMPLETE AGREEMENT; NO OTHER REPRESENTATIONS OR WARRANTIES.

Seller shall not be liable or bound in any manner by any oral or written statements, representations, or information pertaining to the Property, or the operation thereof, furnished by any real estate broker, agent, employee, contractor, or other person. Buyer further acknowledges and agrees that Seller has no obligations to make repairs, replacements, or improvements to the Property except as may otherwise be expressly stated herein. Without limiting any other provision hereof, Buyer represents, warrants, and covenants to Seller that, except for Seller's express representations and warranties specified in this Agreement, Buyer is relying solely upon Buyer's own investigation of the Property.

WRITTEN AFFIRMATION OF SELLER REQUIRED. Buyer understands that Seller may continue to receive and respond to other offers on the Property and may be making several counter-offers concurrently containing the same or different terms. This Counter-Offer shall not be binding until accepted by Buyer and executed by Buyer and Seller on the signature page below; and then approved by Seller, in Seller's sole discretion, in the form of the Seller's "Affirmation of Agreement" attached hereto as Exhibit "A" which, if so executed by Seller, will constitute Seller's agreement that Seller will sell the Property to Buyer, subject to Bankruptcy Court approval, the rights of any overbidding parties, and the terms and conditions of this Agreement. Buyer further acknowledges that it would be imprudent and unrealistic to rely

upon the expectation of entering into a binding agreement regarding the subject matter of this Counter-Offer prior to receipt of Seller's Affirmation of Agreement, and further represents to Seller that any efforts to complete due diligence, to negotiate or obtain financing, or to perform any of the obligations provided herein shall not be considered as evidence of binding intent without Seller's Affirmation of Agreement, and understands that BUYER'S ACCEPTANCE HEREOF SHALL HAVE NO FORCE OR EFFECT PRIOR TO BUYER'S RECEIPT OF SUCH AFFIRMATION OF AGREEMENT SIGNED BY SELLER.

DELIVERY OF PROPERTY. The Property shall be delivered vacant at close of escrow.


EXPIRATION OF COUNTER-OFFER. This Counter-Offer shall expire if not accepted by Buyer by delivering a copy hereof, fully signed and initialed by Buyer, to Seller, on or before close of business April 20, 2018. Such acceptance shall nevertheless be subject to the receipt of Seller's Affirmation of Agreement.

AGREED AND ACCEPTED:

BUYER:

Dated: 4/18/18

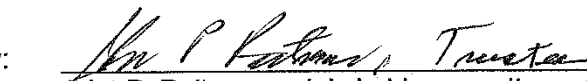
By:



Adan Dadon

SELLER (subject to execution of Seller's Affirmation of Agreement):

Dated: 4/18/18

By: 

John P. Reitman, solely in his capacity as Chapter 11 Trustee for Shirley Foose McClure AKA Shirley Ann McClure

EXHIBIT "A"

SELLER'S AFFIRMATION OF AGREEMENT

Seller hereby acknowledges Buyer's acceptance of the foregoing Counter-Offer and affirmatively agrees to sell the Property to Buyer on the terms and conditions of the foregoing Agreement, but subject to Bankruptcy Court approval and any qualified overbidders. Seller shall revoke any other outstanding Counter-Offers made to other prospective buyers or make the same subject and subordinate to this Agreement.

SELLER

Dated: 4/18/18

By: John P. Reitman, Trustee
John P. Reitman, solely in his capacity as Chapter 11 Trustee for Shirley Foose McClure AKA Shirley Ann McClure

EXHIBIT D

DECLARATION OF GREGORY BINGHAM

I, Gregory Bingham, declare as follows:

1. I am a real estate broker, licensed in the State of California with Coldwell Banker Residential Brokerages (“Coldwell Banker”). Except as otherwise stated, each of the facts contained in this declaration is based on my personal knowledge and if called upon to do so, I could competently testify thereto. This declaration is made in support of, and is appended to, the *Motion of John P. Reitman, Chapter 11 Trustee, for Entry of an Order Authorizing Sale of Real Properties Located at 13621 Dalmatian Avenue, La Mirada, California Free and Clear of Liens, Claims and Interests* (the “Motion”). Capitalized terms used in this Declaration will bear the same meaning as ascribed to them in the Motion, unless otherwise indicated.

2. An Order of this Court authorizing my employment by the Estate to assist the Trustee in the listing, marketing and sale of the Dalmatian Property was entered on February 26, 2018.

3. The Dalmatian Property has been extensively marketed. It was listed on February 16, 2018 on the Multiple Listing Service (“MLS”). Online marketing commenced on the following day, February 17, 2018, on Zillow.com, Trulia.com, Realtor.com, and CB Homes.com. A “for sale” sign was placed in the yard of the Dalmatian Property on February 18, 2018.

4. Attached as Exhibit 1 hereto is a chart setting forth viewings of the Dalmatian Property through the end of April 2018. Between February 16, 2018 and March 13, 2018, eight showings were held, and two open houses with a total of six people visiting.

5. On March 13, 2018, I received an offer to purchase the Dalmatian Property, which I communicated to the Trustee. The Trustee’s counter-offer to sell the Dalmatian Property for a cash purchase price of \$580,000.00 was accepted on March 18, 2018, and an escrow was opened. However, on April 5, 2018, the buyer informed the Trustee in writing that he was cancelling the agreement because he could not obtain approval for his purchase loan.

6. Between April 4 and April 15, 2018, six more showings of the Dalmatian Property were held.

7. The Dalmatian Property continues to be listed and actively marketed to attract over bidders.

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

3 Executed this 4 day of May, 2018 in Los Angeles, California.

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Gregory Bingham

EXHIBIT 1

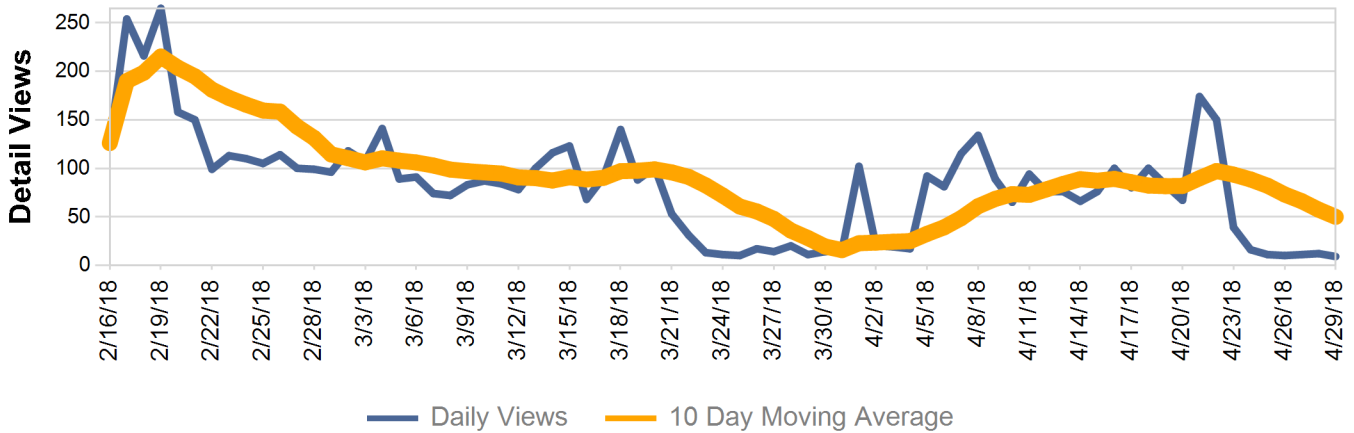


13621 Dalmatian Avenue, La Mirada, CA





Provided by Greg Bingham, CA RE # 01309137
Coldwell Banker Residential Brokerage
(949) 759-3760 | Greg.Bingham@camoves.com



Property Detail Views



	4/23/18 - 4/29/18	All Time 2/16/18 - 4/29/18
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	ColdwellBankerHomes.com	0	8
	ColdwellBanker.com	0	7
	The Zillow Group Websites	45	4,968
	Realtor.com	63	1,066
Total Property Detail Views		108	6,049

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:

LANDAU GOTTFRIED & BERGER LLP, 1801 Century Park East, Suite 700, Los Angeles, CA 90067.

A true and correct copy of the foregoing document entitled (specify): Motion of John P. Reitman, Chapter 11 Trustee, For Entry of an Order Authorizing Sale Of Real Property Located At 13621 Dalmatian Ave., La Mirada, California Free and Clear of Liens, Claims and Interests; Declarations of John P. Reitman and Gregory Bingham 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) May 16, 2018, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On (date) May 16, 2018, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (date) May 16, 2018, served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

VIA FEDEX OVERNIGHT
Honorable Geraldine Mund
U.S. Bankruptcy Court
San Fernando Valley Division
21041 Burbank Boulevard, Suite
312/ Courtroom 303
Woodland Hills, CA 91367

VIA FEDEX OVERNIGHT
Michael G. Spector
Law Offices of Michael G. Spector
2677 N., Main St., Suite 910
Santa Ana, CA 92705

VIA FEDEX OVERNIGHT
United States Trustee
Attn: Margaux S. Ross
915 Wilshire Blvd Ste,
1850
Los Angeles, CA 90017-
3560

VIA FEDEX OVERNIGHT
Shirley Foose McClure
3401 Gregory Avenue, Fullerton,
California, 92833

VIA EMAIL

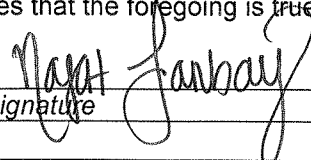
- mgspector@aol.com
- shirleyfoosemclure@yahoo.com

Service information continued on attached page

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

May 16, 2018
Date

Najat Janbay
Printed Name


Signature

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF) (continued):

- **Sean D. Allen** allen@RAattorneys.com
- **Jason Balitzer** jbalitzer@sulmeyerlaw.com,
jbalitzer@ecf.inforuptcy.com;dwalker@ecf.inforuptcy.com;kmccamey@sulmeyerlaw.com
- **Jon L Dalberg** jdalberg@lgbfirm.com, srichmond@lgbfirm.com;emeza@lgbfirm.com;njanbay@lgbfirm.com
- **Wendy Yvonne Duncan** wendy.duncan@shellpointmtg.com, mtgbk@shellpointmtg.com
- **James R Felton** jfelton@greenbass.com, mtyndall@greenbass.com;ecfnotification@greenbass.com
- **Brian D Fittipaldi** brian.fittipaldi@usdoj.gov
- **Barry S Glaser** bglaser@swesq.com, erhee@swesq.com
- **Andrew Goodman** agoodman@andyglaw.com
- **Yi S Kim** ykim@greenbass.com, ksopky@greenbass.com;ecfnotification@greenbass.com
- **Yi S Kim** ykim@greenbass.com, ksopky@greenbass.com;ecfnotification@greenbass.com
- **Dare Law** dare.law@usdoj.gov
- **Carissa A Lynch** Carissa.Lynch@ftb.ca.gov, Martha.Gehrig@ftb.ca.gov
- **Reed M Mercado** rmercado@sheppardmullin.com
- **Lisa Nelson** lnelson@taylorlaw.com, ltaylor@taylorlaw.com
- **Elaine Nguyen** elaine@wsrlaw.net, vinnet@ecf.inforuptcy.com;elayna@wsrlaw.net
- **Faye C Rasch** frasch@wgllp.com, kadele@wgllp.com;tziemann@wgllp.com
- **John P Reitman** jreitman@lgbfirm.com,
srichmond@lgbfirm.com;emeza@lgbfirm.com;njanbay@lgbfirm.com
- **Todd C. Ringstad** becky@ringstadlaw.com, arlene@ringstadlaw.com
- **S Margaux Ross** margaux.ross@usdoj.gov
- **Victor A Sahn** vsahn@sulmeyerlaw.com,
agonzalez@sulmeyerlaw.com,agonzalez@ecf.inforuptcy.com;asokolowski@sulmeyerlaw.com;vsahn@ecf.inforu
ptcy.com
- **George E Schulman** GSchulman@DGDK.Com,
danninggill@gmail.com;gschulman@ecf.inforuptcy.com;schulmangr76099@notify.bestcase.com
- **James R Selth** jim@wsrlaw.net, jselth@yahoo.com;melissa@wsrlaw.net;vinnet@ecf.inforuptcy.com
- **Leonard M Shulman** lshulman@shblp.com
- **Michael G Spector** mgspector@aol.com, mgslawoffice@aol.com
- **Wayne R Terry** wterry@hemar-rousso.com
- **United States Trustee (SV)** ustpreion16.wh.ecf@usdoj.gov
- **Daniel J Weintraub** dan@wsrlaw.net, elayna@wsrlaw.net;vinnet@ecf.inforuptcy.com
- **Johnny White** JWhite@wrslawyers.com, aparisi@wrslawyers.com
- **Pamela Jan Zylstra** zylstralaw@gmail.com
- **Aaron E de Leest** aed@dgdk.com,
danninggill@gmail.com;adeleest@ecf.inforuptcy.com;deleestar76099@notify.bestcase.com

2. TO BE SERVED BY BY UNITED STATES MAIL (continued):

Force Ten Partners, LLC
20341 SW Birch, Suite 220
Newport Beach, CA 92660

Keller Williams Larchmont
118 N Larchmont Blvd
Los Angeles, CA 90004

Realty Executives
Premier
3261 Harbor Blvd.
Fullerton, CA 92835

Solomon, Winnett & Rosefield
15760 Ventura Blvd, Suite 1150
Encino, CA 91436

Farley Law Firm
108 West Center Avenue
Visalia, CA 93291

Wood, LLP
333 Sacramento St.
San Francisco, CA 94111

Gibson International
Adrienne Tourtelot, Agent,
11538 San Vicente Blvd.
Los Angeles, CA 90049

Michael G. Spector
LAW OFFICES OF MICHAEL G.
SPECTOR
2677 N., Main St., Suite 910
Santa Ana, CA 92705

Otsego County Treasurer
Diane Axford
225 W Main St Rm 107
Gaylord, MI 49735

Robert M Scholnick
17422 Chatsworth Street
Granada Hills, CA 91344

Glassratner Advisor & Capital
Group
19800 MacArthur Blvd Ste 820
Irvine, CA 92612

Lester Crawford
Office of The United
States Trustee
915 Wilshire Blvd.,
Suite 1850
Los Angeles, CA
90017

Shirley Foose McClure
PO Box 2497
Fullerton, CA 92837