

1 DAVIS GRAHAM & STUBBS LLP
2 Cecilia Lee, Esq.
Nevada Bar No. 3344
3 Elizabeth High, Esq.
Nevada Bar No. 10082
4 50 West Liberty Street, Suite 950
5 Reno, Nevada 89501
6 Telephone: 775.229.4219
7 Facsimile: 775.403.2187
Email: cecilia.lee@dgsllaw.com
Email: elizabeth.high@dgsllaw.com

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8 Attorneys for former Chapter 11 Trustee and
9 current Manager of Reorganized Debtor,
Christina W. Lovato

10 UNITED STATES BANKRUPTCY COURT
11 FOR THE DISTRICT OF NEVADA

13 In re:
14
15 TIM E. BERTAGNOLLI,
16 Debtor.

Case No.: BK-N-15-50214-GWZ
Chapter 11 Case

17 In re:
18 T.E. BERTAGNOLLI & ASSOCIATES,
19 INC.,
20 Debtor.

Substantively Consolidated With
BK-15-50215-GWZ
Chapter 11

**MOTION TO SELL REAL PROPERTY
AT 951 STEPHANIE WAY, MINDEN
NEVADA FREE AND CLEAR OF LIENS,
CLAIMS AND ENCUMBRANCES**

Hearing Date: **OST PENDING**
Hearing Time: **OST PENDING**

21 Pursuant to 11 U.S.C. §363, former Chapter 11 Trustee and current Manager of the
22 Reorganized Debtor, Christina W. Lovato ("Manager"), by and through her counsel Cecilia Lee,
23 Esq. and Elizabeth High, Esq., Davis Graham & Stubbs LLP, hereby asks the Court to enter an
24 order authorizing the Manager to sell the real property located at 951 Stephanie Way, Minden,

1 Nevada, 89423, APN 1420-310-000-002 (the “Stephanie Way Property”), free and clear of any
2 liens, claims and encumbrances.

3 In support of this Sale Motion, the Manager submits the following memorandum of
4 points and authorities, the attached exhibits, the Declaration of Christina W. Lovato in Support
5 of Motion to Sell Real Property at 951 Stephanie Way, Minden, Nevada, the Declaration of
6 Jenny Johnson in Support of Motion to Sell Real Property at 951 Stephanie Way, Minden,
7 Nevada and the papers and pleadings on file in this case, of which the Manager asks this court to
8 take judicial notice. Fed. R. Evid. 201.

9 I. **STATEMENT OF FACTS**

10 **Background**

11 1. On February 20, 2015, Tim E. Bertagnolli (the “Debtor”) filed a voluntary
12 petition for relief under Chapter 11 of the Bankruptcy Code. Docket No. 1.

13 2. In his Amended Schedule A, the Debtor disclosed an interest in real property
14 located at 951 Stephanie Way, Minden, Nevada, which is described as “20 acres on Stephanie
15 Lane, Minden Nevada with 3.5 acre feet of water rights well/domestic ditch.” Docket No. 50.

16 3. The Debtor listed the value of the Stephanie Way Property as \$642,000.00 with a
17 secured claim against the Property in the amount of \$60,400. Id.

18 4. The Debtor did not claim a homestead exemption with respect to the Property. Id.,
19 Schedule C.

20 5. Secured Creditor Day R. Williams filed a proof of claim in the bankruptcy case in
21 the amount of \$78,830.42. See Case No. 15-50215, Claim No. 5-1. The claim is based on a
22 Promissory Note dated October 23, 2009, held by Day R. Williams, in the amount of \$60,000
23 plus 5.25% annual interest. Id. The Promissory Note is secured by a Deed of Trust on the
24 Stephanie Way Property recorded on October 28, 2009, with the Douglas County Recorder as
25 Document No. 0752945. Id. The Promissory Note provides that the debt shall be paid upon sale
26 of the Stephanie Way Property. Id.

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1 6. On May 26, 2015, the Bankruptcy Court entered its Order Approving US
2 Trustee's Appointment of Chapter 11 Trustee designating Christina W. Lovato as Trustee of the
3 Debtors' consolidated bankruptcy estate. Docket No. 108.

4 7. On February 25, 2016, the Court entered its Order Confirming Amended Chapter
5 11 Plan ("Confirmation Order"), Docket No. 361, and Findings of Fact and Conclusions of Law
6 in Support of Order of Final Approval of Disclosure Statement and Order Confirming Amended
7 Chapter 11 Plan, Docket No. 363. The confirmed Chapter 11 Plan designates Christina W.
8 Lovato as Manager of the Reorganized Debtor. See Docket No. 347.

9 8. The Chapter 11 Plan provides that the Manager shall sell the property of the
10 Estate through an auction process and shall distribute the Net Distributable Proceeds, as defined
11 by the Plan, in accordance with the priority waterfall set forth in the Bankruptcy Code until all
12 Allowed Claims are satisfied in full. Docket No. 347, sec. 3, p. 13 and sec. 5.1.1, p. 22. The
13 Plan further provides that the Manager may sell estate property with Court approval after notice
14 and hearing. Id., sec. 7.1, p. 23.

15 9. The secured claim of Day Williams is classified as a Class 2 Claim under the
16 Plan. Docket No. Id., sec. 4.2, pp. 17-18. The Plan provides for 100% payment of the Claim
17 from the monies generated by the sale of the Stephanie Way Property to the extent that the claim
18 is an Allowed Secured Claim. Id. The Plan further provides that the Manager "shall reserve
19 monies from the sale of the Stephanie Way Property, in an amount sufficient to pay the entire
20 Claim, until the Claim becomes an Allowed Secured Claim, then paid accordingly." Id.

21 10. With respect to transfer taxes on sales of property, the Chapter 11 Plan provides:

22 Pursuant to Section 1146(a) of the Bankruptcy Code, any transfers
23 of property pursuant to this Plan shall not be subject to any stamp
24 tax or other similar tax or governmental assessment in the United
25 States, and the Confirmation Order shall direct the appropriate
26 state or local governmental officials or agents to forgo the
27 collection of any such tax or governmental assessment and to
28 accept for filing and recordation instruments or other documents
pursuant to such transfers of property without the payment of any
such tax or governmental assessment. Such exemption specifically
applies, without limitation, to all documents necessary to evidence
and implement the provisions of and the distributions to be made

1 under the Plan, including the transfer of the Trust Assets to the
2 Reorganized Debtor.

3 Id., sec. 7.16, p. 27.

4 **The Stephanie Way Property**

5 11. Prior to the appointment of the Trustee, on May 18, 2015, the Court entered its
6 Order Approving Application for Order Authorizing Debtor to Employ Real Estate Broker Sierra
7 Sotheby's International, approving Sierra Sotheby's International as the Debtor's broker under
8 an Exclusive Right to Sell Listing Agreement for the Stephanie Way Property. Docket No. 100.

9 12. Through his Broker, the Debtor listed the Stephanie Way Property at \$642,000.

10 13. On July 9, 2015, the Court entered its Order Granting Trustee's Ex parte
11 Application to Employ Real Estate Broker Sierra Sotheby's International, thereby approving
12 Sierra Sotheby's International as the Trustee's broker to sell the Stephanie Way Property.
13 Docket No. 165.

14 14. In July 2015, the Trustee reduced the listing price to \$394,000. Lovato
15 Declaration.

16 15. In August 2015, the Trustee reduced the listing price to \$294,000. Lovato
17 Declaration.

18 16. During its time as agent, Sierra Sotheby's International presented only one offer
19 in the amount of \$100,000, which was rejected as too low. Lovato Declaration. Sierra Sotheby's
20 Exclusive Listing Agreement expired on March 31, 2015 and the Manager declined to renew the
21 contract. Id.

22 17. On April 1, 2016, the Manager signed an Exclusive Right to Sell Listing
23 Agreement with Jenny L. Johnson of Chase International, as set forth in the April 12, 2016
24 Notice of Listing Agreement. Docket No. 405; Lovato Declaration.

25 18. Ms. Johnson has many years of experience in marketing residential real estate and
26 land in the Minden and Gardnerville Area. Johnson Declaration.

27 19. In April 2016, Ms. Johnson listed the Stephanie Way Property for sale on the
28 Multiple Listing Service ("MLS") with a listing price of \$285,000. Johnson Declaration.

1 **Proposed Sale**

2 20. On July 12, 2016, the Manager reduced the listing price to \$275,000. Johnson
3 Declaration; Lovato Declaration.

4 21. On July 14, 2016, Ms. Johnson received two cash offers in the amounts of
5 \$200,000 and \$215,000, respectively. Id.

6 22. On July 21, 2016, after numerous counter-offers between the Manager and the
7 potential purchasers, the Manager finalized a counter offer to sell the Stephanie Way Property to
8 Angelina L. and William R. Allen (the "Proposed Buyers"), for \$230,000.00. A copy of the Land
9 Purchase Agreement ("Purchase Agreement") outlining the specific terms of the proposed sale is
10 attached hereto as Exhibit A.

11 23. The Proposed Buyers are not affiliated with either the Manager or the Debtor.
12 Lovato Declaration.

13 24. Under the Purchase Agreement, the Manager, on behalf of the Reorganized
14 Debtor, will deliver to the Proposed Buyers marketable title to the Stephanie Way Property in
15 exchange for the payment to the Reorganized Debtor of the sum of \$230,000.00. Ex. A. The
16 proposed sale is subject to both (i) Court approval and (ii) possible overbid pursuant to bidding
17 procedures as set forth in this Sale Motion. Id.

18 25. The offer is an all cash offer and the Purchase Agreement is not contingent on an
19 appraisal. Id.

20 26. The offer is contingent on the Manager's ability to provide proof of extension of
21 surface water rights from NV Division of Water Resources prior to close of Escrow. Id.

22 27. This contingency was satisfied on July 26, 2016. See Correspondence from the
23 Nevada Division of Water Resources dated July 26, 2016, attached hereto as Exhibit B.

24 28. The offer is additionally contingent on the removal – prior to the close of Escrow
25 and at no expense to the Proposed Buyers – of the tenant living at the Stephanie Way Property,
26 Carl Johnson, as well as all personal property. Ex. A. On July 25, 2016, the Manager provided
27 Mr. Johnson with forty-five (45) days' notice of the termination of the tenancy. Lovato
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1 Declaration. Mr. Johnson has assured the Manager that he will vacate the Property within that
2 time and the Manager does not anticipate that this contingency will be a bar to closing. Id.

3 29. The Proposed Buyers have provided the real estate broker with verification of
4 available cash as required by the Purchase Agreement and have submitted the \$2,000 deposit as
5 required by the Purchase Agreement. Johnson Declaration.

6 30. In the event that the Court approves the proposed sale to the Proposed Buyers, the
7 \$2,000 deposit will be applied towards the purchase price. Ex. A. The Proposed Buyers shall
8 have thirty (30) business days, or sooner upon agreement by the parties, from the date of entry of
9 an order approving the sale to close the transaction. Id. In the event that the Proposed Buyers are
10 approved as purchasers at the Sale Hearing but fail to close the transaction (other than as a result
11 of a breach by the Manager of her obligations under the Purchase Agreement), the deposit will
12 not be returned to the Proposed Buyers, but rather will become property of the bankruptcy estate,
13 and the Proposed Buyers will have no claims against the estate or its assets. Id. The deposit is
14 refundable in the event the Proposed Buyers are overbid or the Court denies the sale. Id.

15 31. The Purchase Agreement provides that the Manager and the Proposed Buyers
16 shall share equally the escrow and title costs. Id.

17 **Marketing the Stephanie Way Property**

18 32. The Property has been exposed to the market through numerous channels, all of
19 which Ms. Johnson considers appropriate, as follows:

- 20 a. The property was listed in the Northern Nevada Regional MLS and the South
21 Lake Tahoe MLS;
- 22 b. The property has been featured in Homes and Land magazine both in Carson
23 Valley/Carson City as well as the Lake Tahoe Region;
- 24 c. Large billboard signage was placed on the property showing sale details;
- 25 d. Approximately 100 personal letters were mailed to neighbors as well as
26 selected buyers based on farming criteria selected by the agent's title company;
- 27 e. Just Listed Postcards were mailed out to the neighborhood;
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- 1 f. A virtual postcard showing the price and listing details was sent to all real
2 estate agents who have sold land in the area in the last 2 years as well as to the
3 385 Chase International Agents;
- 4 g. The property was featured on the Chase International website as well as
5 JennyJohnsonRealEstate.com, Facebook and all social media platforms.

6 Id. Ms. Johnson estimates that she has spoken to and sent information to at least eight (8) real
7 estate agents representing potential buyers. Id.

8 **Payment of Liens**

9 33. There is one lien on the Property, as discussed above. As provided for in the
10 confirmed Chapter 11 Plan, the “monies generated by the sale of the Stephanie Way Property”
11 shall be paid to the Manager, who “shall reserve monies” from the sale “in an amount sufficient
12 to pay the entire Claim, until the Claim becomes an Allowed Secured Claim, then paid
13 accordingly, or if disallowed as a Secured Claim or disallowed, in whole or in part, as to amount,
14 the monies returned to the [Manager] to be used in accordance with the provisions of the Plan.”
15 Docket No. 347, sec. 4.2, pp. 17-18.

16 **Payment to the Manager’s Real Estate Broker**

17 34. The Manager requests that the Court approve commission of six percent of the
18 total purchase price to the brokers to be paid from the sale proceeds. Lovato Declaration.

19 **Notice of Sale Motion**

- 20 35. The Notice of Sale Motion has been served on all of the following:
- 21 a. The Debtor
 - 22 b. All creditors of the bankruptcy estate
 - 23 c. The Internal Revenue Service
 - 24 d. The holders of the lien claims described above
 - 25 e. The United States Trustee

26 **Bidding Procedures**

27 With this Sale Motion, the Manager respectfully requests that the Court approve the
28 following overbid procedure for use in conducting the sale. Collectively, the procedures outlined
in this section may be referred to as the “Bidding Procedures.”

1 36. **Pre-Qualification.** Any person may qualify as an over bidder. In order to become
2 a “Qualified Bidder,” an interested bidder must, one day prior to the start of the Sale Hearing,
3 deliver to Ms. Johnson a loan commitment letter in form, on terms, and from a lender
4 satisfactory to the Manager, in her sole discretion, sufficient to pay the balance of purchase price
5 for property or produce a certification from a bank or similar financial institution of available
6 funds to close in form satisfactory to the Manager, in her sole discretion, sufficient to close the
7 sale.

8 37. **Bidding at the Sale Hearing.** A hearing (the “Sale Hearing”) will be conducted
9 on _____, 2016 at _____ .m. **Pacific Standard Time** at the United States
10 Bankruptcy Court for the District of Nevada, 300 Booth Street, Fifth Floor, Courtroom 1, Reno,
11 Nevada, 89509. In order to bid at the Sale Hearing, a party must have qualified as a Qualified
12 Bidder pursuant the terms set forth above.

13 38. The Proposed Buyers’ \$230,000 offering price will be the opening bid at the
14 auction (the “Opening Bid Price”) and the sale is to be approved for an amount not less than
15 \$230,000. The initial overbid increment shall be at least \$5,000, resulting in a minimum
16 \$235,000 or more purchase price in the event of an overbid. Subsequent bids will be accepted in
17 increments of \$5,000. The final purchase price will be the highest qualified bid offered over the
18 Opening Bid Price and accepted at the auction.

19 39. **Closing.** Closing shall take place within thirty (30) business days, or sooner upon
20 agreement by the parties, from the date of entry of a final order approving the sale to close the
21 transaction, including paying the balance of the purchase price and executing all necessary
22 documents. Failure to close timely (other than as a result of a breach by the Manager of her
23 obligations under the Purchase Agreement) shall constitute a material breach of the Purchase
24 Agreement, shall void any rights such Bidder may have had against the bankruptcy estate or any
25 of its assets, including against the Property, and shall permit the Manager to re-market the
26 Property and sell it to a third party.

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III. LEGAL DISCUSSION

1. Motion to Sell Property Free and Clear of Liens, Claims and Encumbrances

a. The Court Should Approve The Sale Pursuant to 11 U.S.C. §363

Section 363(b) of the Bankruptcy Code provides that “[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. §363(b). The standard for approval of a sale of property of the estate under Section 363 is whether there exists some articulated business justification for the proposed transaction, and whether the sale is in the best interests of the debtor, creditors and equity holders. Walter v. Sunwest Bank, 83 B.R. 14, 19 (9th Cir. BAP 1988) (quoting Institutional Creditors of Continental Airlines, Inc., 780 F.2d 1223, 1226 (5th Cir. 1986). In making such a determination, courts may look to the following factors, not all of which are relevant here:

1. Has the debtor articulated a business justification for the request;
2. Is it good business judgment for the debtor to enter into the proposed transaction;
3. Will the proposed transaction further the diverse interests of the debtor, creditors and equity holders alike;
4. Is the asset increasing or decreasing in value;
5. Does the proposed transaction specify terms for adoption of the reorganization plan (as in Braniff); and
6. Will approval of the proposed transaction effectuate a *de facto* reorganization in such a “fundamental fashion” as to render creditors’ rights under the other provisions of chapter 11 meaningless.

In re Work Recovery, 202 B.R. 301, 304 (Bankr. D. Ariz. 1996); In re Wilde Horse Enterprises, Inc., 136 B.R. 830, 841 (Bankr. C.D. Cal. 1991) (“In any sale of estate assets, the ultimate purpose is to obtain the highest price for the property sold.”).

Further, according to 11 U.S.C. §363(f),

[t]he trustee may sell property under subsection (b) or (c) of this section free and clear of any interest in such property of an entity other than the estate, only if –

- (1) applicable nonbankruptcy law permits sale of such property free and clear of such interest;

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- (2) such entity consents;
- (3) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;
- (4) such interest is in bona fide dispute; or
- (5) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

Rule 6004(f) of the Federal Rules of Bankruptcy Procedure provides that “[a]ll sales not in the ordinary course of business may be by private sale or by public auction.” Fed. R. Bankr. Pro. 6004(f)(1). A trustee has broad discretion in determining the manner of sale, including whether to sell property by public or private sale. In re Canyon Partnership, 55 B.R. 520, 524 (Bankr. S.D. Cal. 1986); In re Frezzo, 217 B.R. 985, 989 (Bankr. M.D. Penn. 1988).

Rule 2002(c)(1) of the Federal Rules of Bankruptcy Procedure provides that:

[n]otice of a proposed use, sale or lease of property shall include the time and place of any public sale, the terms and conditions of any private sale and the time fixed for filing objections.

The Manager believes that sufficient business justification exists for the proposed transaction. First, the sale of the Stephanie Way Property is contemplated by the Chapter 11 Plan as a manner of effectuating the terms of the Plan. Docket No. 347. Further, at this time, the Manager does not have confirmation from her accountant that the proceeds of the June 23, 2016 auction of the estate’s equipment are sufficient to satisfy the Manager’s obligations under the Plan, including post-effective date expenses, taxes, administrative claims and unsecured claims.

Lovato Declaration.

Second, the Stephanie Way Property has been on the market for more than a year, during which time the Manager received no acceptable offers and had to lower the listing price several times. Id. After Ms. Johnson listed the Property, further marketing efforts were made, including listing the property on two MLS databases; featuring the Property in several area magazines; placing a billboard on the Property, which is on a main thoroughfare; sending hundreds of letters,

1 postcards and other mailers to area residents and real estate agents; and placing the Property on
2 social media sites. Johnson Declaration. Ms. Johnson has many years of experience in marketing
3 residential real estate in the Minden and Gardnerville areas, as well as in Lake Tahoe in both
4 California and Nevada. Id. Shortly after the price was lowered, two all cash offers were
5 received, which is a strong indication that the reduced price was more appropriate.

6 The proposed sale is to third party buyers, the Allens, who are unaffiliated with the
7 Manager or the Debtor. Ex. A; Lovato Declaration. The Proposed Buyers have offered to
8 purchase the Stephanie Way Property for \$230,000. Id. Pursuant to the Purchase Agreement
9 with the Manager, the Proposed Buyers made an initial deposit of \$2,000. Id. The offer is an all
10 cash offer and the buyer's funds have been verified as required by the Purchase Agreement.
11 Johnson Declaration. The buyer understands and has agreed that the sale is subject to Court
12 approval and overbids. Ex. A.

13 The Manager believes that this sale is in the best interests of the Reorganized Debtor
14 because it is unclear whether the Reorganized Debtor possesses the funds to pay 100% of
15 creditor claims under the Chapter 11 Plan along with the post-effective date expenses, taxes and
16 administrative claims. Lovato Declaration. Other than two contingencies, one of which is
17 already satisfied, see Ex. B, and the other of which the Manager expects will be satisfied by
18 closing, see Lovato Declaration, the sale will be "as is, where is" and without warranties and is
19 not subject to an appraisal. While there is a lien against the Property, the lien is in an amount
20 lower than the sale price and, as provided by the Chapter 11 Plan, will be paid to the Manager to
21 hold for payment to the Class 2 Claimant, Mr. Williams. Docket No. 347.

22 Proper notice of the sale has been given. Id. In addition to the general marketing
23 described above, notice of the Manager's proposed sale is being mailed to all creditors and
24 known parties in interest, giving them written notice of the Sale Hearing. Id. The Manager
25 believes that such notice is sufficient to allow any interested overbidders the opportunity to
26 participate in the Sale Hearing. Id. The Manager does not believe that additional marketing
27 efforts (and their attendant costs) would be in the best interests of creditors, as she does not
28 believe that such efforts and costs would realize greater value for the Property. Id.

1 Based on the foregoing, the Manager respectfully submits that she has adequately
2 articulated a business justification for the proposed sale and that the sale is in the best interests of
3 the estate and its creditors. The Manager requests that the Court approve the sale and order that
4 the sale is not subject to transfer tax pursuant to the Confirmation Order, Chapter 11 Plan and 11
5 U.S.C. §1146(a).

6 **b. The Court Should Find That The Proposed Buyers Are Good Faith**
7 **Purchasers**

8 The Manager also asks the Court to make a finding that the Proposed Buyers are good
9 faith purchasers pursuant to 11 U.S.C. §363(m), which provides

10 [t]he reversal or modification on appeal of an authorization under
11 subsection (b) or (c) of this section of a sale or lease of property
12 does not affect the validity of a sale or lease under such
13 authorization to an entity that purchased or leased such property
14 in good faith, whether or not such entity knew of the pendency of
15 the appeal, unless such authorization and such sale or lease were
16 stayed pending appeal.

17 The Bankruptcy Code does not define “good faith purchaser.” However, the Ninth Circuit
18 Bankruptcy Appellate Panel has defined a “good faith purchaser” as one who buys “in good
19 faith” and “for value.” In re M Capital Corp., 290 B.R. 743, 746-47 (9th Cir. BAP 2003). As a
20 corollary, lack of good faith is found when there is “fraud, collusion between the purchaser and
21 other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders.” Id.
22 Lack of good faith is, thus, determined by fraudulent conduct during the sale proceedings. In re
23 Exennium, 715 F.2d 1401, 1404-05 (9th Cir. 1983); In re Thomas, 287 B.R. 782, 785-86 (9th
24 Cir. BAP 2002).

25 Here, the Manager is unaware of any fraudulent conduct or other unfair conduct that
26 might mire the sale by the estate to the Proposed Buyers. Lovato Declaration. The Manager
27 requests a finding that the Proposed Buyers are good faith purchasers pursuant to §363(m).

28 **c. Waiver of Stay Pursuant To Rule 6004(h)**

Finally, the Manager asks this Court to order that the sale of the Stephanie Way Property
is not stayed pursuant to Fed. R. Bankr. Pro. 6004(h). Rule 6004(h) provides that “[a]n order

1 authorizing the use, sale or lease of property other than cash collateral is stayed until the
2 expiration of 14 days after entry of the order, unless the court orders otherwise.” The Manager
3 respectfully requests that the Court waive the provisions of this rule, and provide that any order
4 entered on the Sale Motion take effect immediately upon entry. Good cause exists for doing so.
5 The Proposed Buyers desire to close the transaction as quickly as possible and the Manager
6 believes that doing so is in the best interests of creditors and the estate.

7 The order approving this Motion should not be stayed so that the Manager may effectuate
8 it and immediately collect funds to pay secured creditors and assist the estate.

9 **2. Compliance with Local Rule 6004(b)**

10 The requirements of Local Rule 6004(b) are addressed below:

11 (1) A copy of the proposed purchase agreement, or a form of
12 such agreement substantially similar to the one the debtor
13 reasonably believes it will execute in connection with the
proposed sale. Manager’s Response: See Exhibit A hereto.

14 (2) A list of all lienholders with an interest in the property to be
15 sold under the sale motion. Manager’s Response: The lienholders
have been listed above.

16 (3) A copy of a proposed form of sale order. Manager’s
17 Response: Manager will comply with Local Rule 9021 in
18 circulating and submitting an order after the hearing.

19 (4) A request, if necessary, for the appointment of a consumer
20 privacy ombudsman under 11 U.S.C. § 332. Manager’s
Response: Inapplicable. There are no consumer issues here.

21 (5) The sale motion must highlight material terms, and shall
22 indicate the location of any such provision in the proposed form
23 of order or purchase agreement. Manager’s Response: Satisfied
by the foregoing Motion.

24 (6) In any non-individual chapter 11 case, subsections (A)
25 through (O) are presumptively material.

26 (A) If the proposed sale is to an insider, as defined in 11
U.S.C. § 101, the sale motion must:

27 (i) identify the insider; and

28 (ii) describe the insider’s relationship to the debtor.

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Manager's Response: Inapplicable.

(B) If a proposed buyer has discussed or entered into any agreements with management or key employees regarding compensation or future employment, the sale motion must disclose the material terms of any such agreements. Manager's Response: Inapplicable.

(C) The sale motion must highlight any provisions pursuant to which an entity is being released or claims against any entity are being waived or otherwise satisfied. Manager's Response: Inapplicable.

(D) The sale motion must disclose whether an auction is contemplated, and highlight any provision in which the debtor has agreed not to solicit competing offers for the property subject to the sale motion or to otherwise limit the marketing of the property. Manager's Response: An auction is anticipated (although the Manager does not know yet whether any bidders other than the Proposed Buyers will appear at the sale hearing). The Manager has not agreed not to solicit competing bids.

(E) The sale motion must highlight any deadlines for the closing of the proposed sale or deadlines that are conditions to closing the proposed transaction. Manager's Response: Within thirty (30) days after the Court issues a final order approving the sale.

(F) The sale motion must highlight whether the proposed purchaser has submitted or will be required to submit a good faith deposit and, if so, the conditions under which the deposit may be forfeited. Manager's Response: The Proposed Buyers have submitted a \$2,000 deposit. In the event that the Proposed Buyers are approved as purchasers at the Sale Hearing but fail to close the transaction (other than as a result of a breach by the Manager of her obligations under the Purchase Agreement), the deposit will not be returned to the Proposed Buyers, but rather will become property of the bankruptcy estate, and the Proposed Buyers will have no claims against the estate or its assets. The deposit is refundable in the event the Proposed Buyers are overbid or the Court denies the sale.

(G) The sale motion must highlight any provision pursuant to which a debtor is entering into any interim agreements or arrangements with the proposed purchaser, such as interim management arrangements (which, if out of the ordinary course, also must be subject to notice and a hearing under 11 U.S.C. § 363(b)), and the terms of the agreements. Manager's Response: Inapplicable.

(H) The sale motion must highlight any provision pursuant to which a debtor proposes to release sale proceeds on or after the closing without further court order, or to provide for a definitive allocation of sale

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proceeds. Manager's Response: There shall be the allocation of proceeds to lienholders and to the estate as provided in this Motion.

(I) The sale motion must highlight any provision seeking to have the sale declared exempt from taxes under 11 U.S.C. § 1146(a), and the type of tax (e.g., recording tax, stamp tax, use tax, or capital gains tax) for which the exemption is sought. It is not sufficient to refer simply to "transfer" taxes and the state or states in which the affected property is located. Manager's Response: Addressed in the foregoing Motion.

(J) If the debtor proposes to sell substantially all of its assets, the sale motion must highlight whether the debtor will retain, or have reasonable access to, its books and records to enable it to administer its bankruptcy case. Manager's Response: Inapplicable.

(K) The sale motion must highlight any provision pursuant to which the debtor seeks to sell or otherwise limit any rights to pursue avoidance claims under chapter 5 of Title 11 of the United States Code. Manager's Response: Inapplicable.

(L) The sale motion must highlight any provision limiting the proposed purchaser's successor liability. Manager's Response: Inapplicable.

(M) The sale motion must highlight any provision by which the debtor seeks to sell property free and clear of a possessory leasehold interest, license or other right. Manager's Response: the Manager intends to sell the Property free and clear of all liens and encumbrances and will satisfy the lien of the Class 2 Claimant as provided by the Chapter 11 Plan.

(N) The sale motion must highlight any terms with respect to credit bidding pursuant to 11 U.S.C. § 363(k). Manager's Response: Inapplicable.

(O) The sale motion must highlight any provision whereby the debtor seeks relief from the fourteen (14) day stay imposed by Fed. R. Bankr. P. 6004(h). Manager's Response: Addressed in the foregoing Motion.

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III. CONCLUSION

For all the foregoing reasons, the Manager asks the Court to GRANT this Motion in its entirety and order that (1) the sale is approved; (2) the sale is not subject to transfer tax pursuant to the Confirmation Order, Chapter 11 Plan and 11 U.S.C. §1146(a); (3) the Proposed Buyers are good faith purchasers pursuant to §363(m); and (4) the order is not stayed pursuant to Bankruptcy Rule 6004(h).

DATED this 3rd day of August, 2016.

DAVIS GRAHAM & STUBBS LLP

/s/ Elizabeth High, Esq.
CECILIA LEE, ESQ.
ELIZABETH HIGH, ESQ.

EXHIBIT A

LAND PURCHASE AGREEMENT

DEFINITIONS

BROKER includes cooperating broker and all sales persons. **DAYS** means calendar days, midnight to midnight, unless otherwise specified. **BUSINESS DAY** excludes Saturdays, Sundays and legal holidays. **DATE OF ACCEPTANCE** means the date Seller accepts the offer or the Buyer accepts the counter offer, and the written acceptance is put in the course of transmission to the other party. This rule also applies to the removal of contingencies. **DELIVERED** means personally delivered, transmitted electronically in accordance with applicable laws, by a nationally recognized overnight courier, or by first class mail, postage prepaid. In the event of mailing, the document will be deemed delivered three (3) business days after deposit; in the event of overnight courier, one (1) business day after deposit; and if electronically at the time of transmission provided that a transmission report is generated and retained by the sender reflecting the accurate transmission of the document. Unless otherwise provided in this Agreement or by law, delivery to the agent will constitute delivery to the principal. **DATE OF CLOSING** means the date title is transferred. **TERMINATING THE AGREEMENT** means that both parties are relieved of their obligations and all deposits will be returned to Buyer. **PROPERTY** means the real property and any personal property included in the sale.

AGENCY RELATIONSHIP CONFIRMATION. The following agency relationship is hereby confirmed for this transaction and supersedes any prior agency election:

LISTING AGENT: CHASE INTERNATIONAL by Jenny L Johnson is the agent of (check one):
(Print Firm Name) (Print Agent Name)

the Seller exclusively; or both the Buyer and the Seller.

SELLING AGENT: RE/MAX Realty Affiliates by Ginger Easley is the agent of (check one):
(Print Firm Name) (Print Agent Name)

the Buyer exclusively; or the Seller exclusively; or both the Buyer and the Seller.

Note: This confirmation DOES NOT take the place of the AGENCY DISCLOSURE form required by law

Angelina L Allen, William R Allen hereinafter designated as BUYER, offers to purchase the real property situated in Minden, County of Douglas, State of Nevada, consisting of approximately 19.02 acres, sq. ft. commonly known as 951 Stephanie Way, FOR THE PURCHASE PRICE OF \$215,000.00 (Two Hundred Fifteen Thousand and 00/100 dollars) on the following terms and conditions:

1. FINANCING TERMS.

- A. \$ 2,000.00 DEPOSIT evidenced by check, or other: held uncashed until acceptance and not later than three (3) business days thereafter deposited toward the purchase price with TICOR TITLE | Rishelle Thompson
- B. \$ ADDITIONAL CASH DEPOSIT to be placed in escrow within days after acceptance, upon removal of all conditions.
- C. \$ 213,000.00 BALANCE OF CASH PAYMENT needed to close, not including closing costs.
- D. \$ NEW FIRST LOAN: FIXED RATE: For years, interest not to exceed %, payable at approximately \$ per month (principal and interest only), with the balance due in not less than years. ARM: For years, initial interest rate not to exceed %, with initial monthly payments of \$ and maximum lifetime rate not to exceed %.
 Buyer will pay loan fee or points not to exceed .
 Lender to appraise property at no less than purchase price prior to loan contingency removal.
- E. \$ EXISTING FINANCING: ASSUMPTION OF, SUBJECT TO existing loan of record described as follows:
- F. \$ SELLER FINANCING: FIRST LOAN, SECOND LOAN, secured by the property; LAND SALES CONTRACT. Seller Financing Addendum, is attached and made a part of this Agreement.
- G. \$ OTHER FINANCING TERMS:
- H. \$ 215,000.00 TOTAL PURCHASE PRICE (not including closing costs).

2. LOAN APPROVAL. (Please check one of the following):

- A. CONTRACT IS NOT CONTINGENT upon Buyer obtaining a loan.
- B. CONTRACT IS CONTINGENT upon Buyer's ability to obtain commitment for new financing, as set forth above, from a lender or mortgage broker of Buyer's choice, and/or consent to assumption of existing financing provided for in this Agreement, within days after acceptance. Buyer will in good faith use his or her best efforts to qualify for and obtain the financing and will complete and submit a loan application within five (5) days after acceptance. Buyer will, will not provide a prequalification letter, or preapproval letter from lender or mortgage broker based on Buyer's application and credit report within days after acceptance. In the event a loan commitment or consent is obtained but not timely honored without fault of Buyer, Buyer may terminate this Agreement.

Buyer [Signature] and Seller [Signature] have read this page.

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Property Address: 951 Stephanie Way, Minden, Nevada

3. EXAMINATION OF TITLE. In addition to any encumbrances assumed or taken "subject to", Seller will convey title to the property subject only to: [1] real estate taxes not yet due; and [2] covenants, conditions, restrictions, rights of way and easements of record, if any, which do not materially affect the value or intended use of the property.

Within three (3) days after acceptance, Buyer will order a Preliminary Title Report and copies of CC&Rs and other documents of record if applicable. Within five (5) days after receipt, Buyer will report to Seller in writing any valid objections to title contained in such report (other than monetary liens to be paid upon close of escrow). If Buyer objects to any exceptions to the title, Seller will use due diligence to remove such exceptions at his or her own expense before close of escrow. If such exceptions cannot be removed before close of escrow, this Agreement will terminate, unless Buyer elects to purchase the property subject to such exceptions. If Seller concludes he or she is in good faith unable to remove such objections, Seller will notify Buyer within ten (10) days after receipt of said objections. In that event Buyer may terminate this Agreement.

4. OPTIONAL CONDITIONS. Provisions 3-A through 3-E, if initialed below by Buyer, are included in this Agreement:

A. SOIL TESTS. Upon acceptance of this Agreement, Buyer will have the right to go on the property to conduct soil tests, including percolation tests, to ascertain whether the property is suitable for the improvements which Buyer proposes to make. All expenses of such tests will be borne by the Buyer, Seller. Buyer will be responsible for the repair and restoration of any damage to the property which may be caused by such tests. If in the reasonable opinion of the soils engineer, employed by Buyer, the property is not suitable for the proposed development, Buyer may terminate this Agreement. Buyer will approve or disapprove the results of the tests in writing within _____ days of acceptance.

B. SURVEY. Upon acceptance of this Agreement, the boundary lines of the property will be surveyed by a licensed surveyor at the expense of the Buyer, Seller. The surveyor will set and flag all property lines, to be approved in writing by Buyer prior to close of escrow.

C. PRICE BASED ON AREA. The purchase price is based upon \$ _____ per acre, per square foot, and will, will not be adjusted in accordance with the area set forth in the survey under Provision 3-B.

D. WELL REPORT. Upon acceptance of this Agreement, Buyer will obtain a well report from a licensed well drilling contractor at the expense of Buyer, Seller. Buyer will approve or disapprove the results of the tests in writing within _____ days of acceptance. In the event of disapproval, Buyer may terminate this Agreement.

E. TAX DEFERRED EXCHANGE (INVESTMENT PROPERTY). In the event Seller wishes to enter into a tax deferred exchange for the property, or Buyer wishes to enter into a tax deferred exchange with respect to property owned by him or her in connection with this transaction, each of the parties agrees to cooperate with the other party in connection with such exchange, including the execution of such documents as maybe reasonably necessary to complete the exchange, provided that: (a) the other party will not be obligated to delay the closing; (b) all additional costs in connection with the exchange will be borne by the party requesting the exchange; (c) the other party will not be obligated to execute any note, contract, deed or other document providing for any personal liability which would survive the exchange; and (d) the other party will not take title to any property other than the property described in this Agreement. The other party will be indemnified and held harmless against any liability which arises or is claimed to have arisen on account of the exchange.

5. BONDS AND ASSESSMENTS. All bonds and assessments which are part of or paid with the property tax bill will be assumed by the Buyer. In the event there are other bonds or assessments which have an outstanding principal balance and are a lien upon the property, the current installment will be prorated between Buyer and Seller as of the date of closing. Future installments will be assumed by Buyer WITHOUT CREDIT toward the purchase price, EXCEPT AS FOLLOWS: SELLER TO RELEASE ALL BONDS AND ASSESSMENTS PRIOR TO CLOSE OF ESCROW

This Agreement is conditioned upon both parties verifying and approving in writing the amount of any bond or assessment to be assumed or paid within ten (10) days after receipt of the preliminary title report or property tax bill, whichever is later. In the event of disapproval, the disapproving party may terminate this Agreement.

6 PRORATIONS. Rents, real estate taxes, interest, payments on bonds and assessments assumed by Buyer, and homeowners association fees will be prorated as of the date of recordation of the deed. Security deposits, advance rentals, or considerations involving future lease credits will be credited to Buyer.

7. EVIDENCE OF TITLE will be in the form of a policy of Title Insurance, issued by TICOR TITLE | Rishelle Thompson paid by 50/50.

8. CLOSING. Full purchase price to be paid, deed to be recorded, and physical possession of property to be delivered on or before _____, OR within 30 days of acceptance. Both parties will deposit with an authorized escrow holder, to be selected by Buyer, all funds and instruments necessary to complete the sale in accordance with the terms of this Agreement. Where customary, signed escrow instructions will be delivered to escrow holder within 5 days of acceptance. Escrow fee (including any cancellation fee) to be paid by 50/50 County/City Transfer Tax(es), if any, to be paid by 50/50. THIS PURCHASE AGREEMENT TOGETHER WITH ANY ADDENDA WILL CONSTITUTE JOINT ESCROW INSTRUCTIONS TO THE ESCROW HOLDER.

9. VESTED TITLE. The manner of taking title may have significant legal and tax consequences. Buyer should obtain advice from his or her legal or tax counsel regarding this matter.

10. PROPERTY INVESTIGATIONS. This Agreement is contingent upon Buyer's independent investigation of the following conditions relating to the property.

A. Zoning and land use designations and requirements.

B. Availability of utilities and costs of development.

Buyer all WR and Seller ut have read this page.

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Property Address: 951 Stephanie Way, Minden, Nevada

- C. Toxic contamination. Buyer will approve or disapprove in writing all inspection reports within fifteen (15) (or _____) days after acceptance. In the event of Buyer's disapproval, Buyer may, within the time stated or mutually agreed upon extension, elect to terminate this Agreement.
- 11. **DEFAULT** - In the event Buyer defaults in the performance of this Agreement (unless Buyer and Seller have agreed to liquidated damages), Seller may, subject to any rights of the Broker, retain Buyer's deposit to the extent of damages sustained and may take such actions as he or she deems appropriate to collect such additional damages as may have been actually sustained. Buyer will have the right to take such action as he or she deems appropriate to recover such portion of the deposit as may be allowed by law. In the event that Buyer defaults (unless Buyer and Seller have agreed to liquidated damages) Buyer agrees to pay the Broker(s) any commission that would be payable by Seller in the absence of such default.
- 12. **ATTORNEY FEES.** in any action, arbitration, or other proceeding involving a dispute between Buyer and Seller arising out of the execution of this Agreement or the sale, whether for tort or for breach of contract, and whether or not brought to trial or final judgment, the prevailing party will be entitled to receive from the other party a reasonable attorney fee, expert witness fees, and costs to be determined by the court or arbitrator(s).
- 13. **SURVIVAL.** The omission from escrow instructions of any provision in this Agreement will not waive the right of any party. All representations or warranties will survive the close of escrow.
- 14. **EXPIRATION OF OFFER.** This offer will expire unless acceptance is delivered to Buyer or to RE/MAX Realty Affiliates (Buyer's Broker) on or before (date) July 18, 2016 (time) 5:00 a.m. p.m.
- 15. **COUNTERPARTS.** This Agreement may be executed in one or more counterparts, each of which is deemed to be an original.
- 16. **TIME.** Time is of the essence of this Agreement; provided, however, that if either party fails to comply with any contingency in this Agreement within the time limit specified, this Agreement will not terminate until the other party delivers written notice to the defaulting party requiring compliance **within 24 hours after receipt** of notice. If the party receiving the notice fails to comply **within the 24 hours**, the non-defaulting party may terminate this Agreement without further notice.
- 17. **CONDITIONS SATISFIED/WAIVED IN WRITING.** Each condition or contingency, covenant, approval or disapproval will be satisfied according to its terms or waived by written notice delivered to the other party or his or her Broker.
- 18. **ENTIRE AGREEMENT/ASSIGNMENT PROHIBITED.** This document contains the entire agreement of the parties and supersedes all prior agreements or representations with respect to the property which are not expressly set forth. This Agreement may be modified only in writing signed and dated by both parties. Buyer may not assign any right under this agreement without the prior written consent of Seller. Any such assignment will be void and unenforceable.
- 19. **ADDITIONAL TERMS AND CONDITIONS.**

In addition to #10 (Page 2 of 4) - this agreement is also contingent upon Buyer's independent investigation of the following conditions relating to the property:

- a. Flood Map
 - b. Any easements and/or setbacks related to property
 - c. Buyers insurance parameters
- Continued... See Addendum Additional Terms and Conditions 1

- 20. **ADDENDA.** The following addenda are attached and made a part of this Agreement:
 - Form 101-LA.11, ADDENDUM TO LAND PURCHASE AGREEMENT (Subordination, Partial Reconveyances)
 - OTHER: _____

Both parties acknowledge that they have not relied on any statements of the real estate Agent or Broker which are not expressed in this Agreement.

LIMITATION OF AGENCY: A real estate broker or agent is qualified to advise on real estate. If you have any questions concerning the legal sufficiency, legal affect, insurance, or tax consequences of this document or the related transactions, consult with your attorney, accountant, or insurance broker.

The undersigned Buyer acknowledges that he or she has thoroughly read and approved each of the provisions of this offer and agrees to purchase the property for the price and on the terms and conditions specified. Buyer acknowledges receipt of a copy of this Offer.

DocuSigned by:
 Buyer Angelina J. Allen Date 7/14/2016 | 07:44:44 AM PDT
 DocuSigned by:
 Buyer William R. Allen Date 7/14/2016 | 09:05:36 AM PDT

Address 1820 Sterling Ranch Road, Gardnerville, NV 89410

Buyer Ala WRd and Seller Ut have read this page.

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Property Address: 951 Stephanie Way, Minden, Nevada

ACCEPTANCE

Seller accepts the foregoing Offer and agrees to sell the property for the price and on the terms and conditions specified.

NOTICE: The amount or rate of real estate commissions is not fixed by law. They are set by each Broker individually and may be negotiable between the Seller and Broker.

21. COMMISSION. Seller agrees to pay in cash the following real estate commission for services rendered, which commission Seller hereby irrevocably assigns to Broker(s) from escrow:

 % of the accepted price, or \$, to the listing Broker: CHASE INTERNATIONAL, and 3.000 % of the accepted price, or \$, to the selling Broker: RE/MAX Realty Affiliates without regard to the agency relationship. Escrow instructions with respect to commissions may not be amended or revoked without the written consent of the Broker(s).

If Seller receives liquidated or other damages upon default by Buyer, Seller agrees to pay Broker(s) the lesser of the amount provided for above or one half of the damages after deducting any costs of collection, including reasonable attorney fees.

Commission will also be payable upon any default by Seller, or the mutual rescission by Buyer and Seller without the written consent of the Broker(s), which prevents completion of the purchase. This Agreement will not limit the rights of Broker and Seller provided for in any existing listing agreement.

In any action for commission the prevailing party will be entitled to reasonable attorney fees whether or not the action is brought to trial or final judgment.

Seller acknowledges receipt of a copy of this Agreement. Authorization is hereby given the Broker(s) in this transaction to deliver a signed copy to Buyer and to disclose the terms of purchase to members of a Multiple Listing Service, Board or Association of REALTORS at close of escrow.

07/15/2016

22. IF CHECKED ACCEPTANCE IS SUBJECT TO ATTACHED COUNTER OFFER DATED _____

Seller ^{DocuSigned by:} Christina Lovato, TRUSTEE
54B63C8E528741B... (Signature)

Seller _____ (Signature)

TE Bertagnoli _____
 (Please Print Name)

_____ (Please Print Name)

Date _____ Time _____

Date _____ Time _____

Address PO Box 2577, Carson City, NV 89702

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Rev. by _____
Date _____



ADDENDUM

PROPERTY: 951 Stephanie Way, Minden, Nevada

1) Additional Terms and Conditions

Proof of Funds will be provided within 24 hours of acceptance.

Closing to take place within 72 business hours of Buyer's satisfaction of contingencies.

Date: 7/14/2016 | 07:44:44 AM PDT

DocuSigned by:

Angelina L Allen

Signature

Date: _____

DocuSigned by:

Christina Lonato, TRUSTEE

Signature

Date: 7/14/2016 | 09:05:36 AM PDT

DocuSigned by:

William R Allen

Signature

Date: _____

Signature

Addendum

Contact Information

<p>Nevada Real Estate Division (LV) 2501 East Sahara, Suite 101 Las Vegas, NV 89104 Phone: (702) 486-4033 Fax: (702) 486-4275 Email: realtest@red.state.nv.us Website: www.red.state.nv.us</p>	<p>Nevada Real Estate Division (CC) 1179 Fairview Drive, Suite E Carson City, NV 89701 Phone: (775) 687-4280 Fax: (775) 687-4868 Email: realtest@red.state.nv.us Website: www.red.state.nv.us</p>
<p>Manufactured Housing Division (LV) 2501 East Sahara, Suite 204 Las Vegas, NV 89104 Phone: (702) 486-4135 Fax: (702) 486-4309 Email: nmhd@mhnd.state.nv.us Website: http://mhnd.state.nv.us</p>	<p>Manufactured Housing Division (CC) 788 Fairview Drive, Suite 100 Carson City, NV 89701 Phone: (775) 687-5500 Fax: (775) 687-5521 Email: nmhd@mhnd.state.nv.us Website: http://mhnd.state.nv.us</p>
<p>Ombudsman Office (Common-Interest Communities) 2501 East Sahara, Suite 202 Las Vegas, NV 89104 Phone: (702) 486-4480 Toll Free: (877) 829-9907 Fax: (702) 486-5137 Email: CICOmbudsman@red.state.nv.us Website: http://red.state.nv.us/cic/cic.htm</p>	<p>U.S. Environmental Protection Agency Ariel Rios Building 1200 Pennsylvania Avenue, N.W. Washington, DC 20460 Phone: (202) 272-0167 Website: www.epa.gov</p>
<p>National Lead Information Center 8601 Georgia Avenue, Suite 503 Silver Spring, MD 20910 Phone: (800) 424-LEAD Fax: (301) 585-7976 Email: hotline.lead@epa.gov Website: www.epa.gov/lead</p>	<p>Department of Health and Human Services - Center for Disease Control & Prevention 1600 Clifton Road Atlanta, GA 30333 Phone: (404) 639-3311 Public Inquiries: (800) 311-3435 Website: www.cdc.gov</p>
<p>U.S. Consumer Product Safety Commission 4330 East West Highway Bethesda, MD 20814 Phone: (301) 504-7923 Fax: (301) 504-0124 Website: www.cpsc.gov</p>	

Nevada Real Estate Division

RESIDENTIAL DISCLOSURE GUIDE



State of Nevada
 Department of
 Business & Industry
 Real Estate Division

I/We acknowledge that I/we have received a copy of the Residential Disclosure Guide.

DATE 7/14/2016 | 07:44:44 AM PDT

Client-Print Name _____

DocuSigned by:

Angeline J. Allen
 Client Signature

Client-Print Name _____

DocuSigned by:

William R. Allen
 Client Signature

Make copy of page for additional signatures.

Retain original or copy in each transaction file.

COUNTER OFFER Number One

In response to the Offer concerning the property located at 951 Stephanie Way , Minden , NV 89423
made by, Angelina L Allen, William R Allen
, Buyer, dated July 14, 2016 the following Counter Offer is submitted:

- 1. Purchase Price to be \$260,000
- 2. Re #4 Item B: Buyer to satisfy at no cost to seller
- 3. In all purchase documents, Seller is: Christina W. Lovato, Manager of Reorganized Debtor, Estates of Tim E. Bertagnolli and T.E. Bertagnolli & Associates, Inc
- 4. Buyer has been informed offer is subject to Court Approval and overbid.

OTHER TERMS: All other terms to remain the same.

RIGHT TO ACCEPT OTHER OFFERS: Seller reserves the right to accept any other offer prior to Buyer's written acceptance of this Counter Offer. Acceptance shall not be effective until a copy of this Counter Offer, dated and signed by Buyer, is received by Seller or Jenny L Johnson, the Agent of the Seller.

EXPIRATION: This Counter Offer shall expire unless written acceptance is delivered to Seller or his or her Agent on or before 5:00 a.m., p.m., on (date) July 19, 2016.

Seller Christina Lovato, TRUSTEE Date 7/14/2016 Time _____
DocuSigned by: Christina W. Lovato (See Additional Terms)

Seller _____ Date _____ Time _____

ACCEPTANCE

The undersigned Buyer accepts the above Counter Offer (if checked) subject to the attached Counter to Counter Offer Number 001).

Buyer Angelina L Allen Date 7/18/2016 | 08:56:17 AM PDT
DocuSigned by: Angelina L Allen

Buyer William R Allen Date 7/18/2016 | 09:49:48 AM PDT
DocuSigned by: William R Allen

Receipt of acceptance is acknowledged.

Seller Christina W. Lovato (See Additional Terms) Seller _____

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Rev. by _____
Date _____

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COUNTER TO COUNTER OFFER Number 001

In response to the Counter Offer concerning the property located at 951 Stephanie Way, Minden, Nevada made by, Christina Lovato TTEE Seller, dated July 14, 2016, the following counter to counter offer is submitted:

- a. Purchase price to be \$230,000
b. Offer contingent on Sellers ability to provide proof of extension of surface water rights from NV Division of Water Resources prior to Close of Escrow.
c. Tenant and all personal property to be vacated prior to Close of Escrow and no expense to Buyer

OTHER TERMS: All other terms to remain the same.

EXPIRATION: This counter to counter offer shall expire unless a copy with Seller's written acceptance is delivered to Buyer or his or her Agent on or before 12:00 o'clock [] a.m., [X] p.m., on (date) July 20, 2016.

Buyer DocuSigned by: Angelina L Allen Date 7/19/2016 | 11:49:10 AM PDT

Buyer DocuSigned by: William R Allen Date 7/19/2016 | 14:40:48 PM PDT

ACCEPTANCE

The undersigned Seller accepts the above counter to counter offer (if checked [], subject to the attached Counter to Counter Offer Number _____).

Seller Christina Lovato, TRUSTEE Date 7/20/2016 Time _____ Christina Lovato TTEE

Seller _____ Date _____ Time _____

Receipt of acceptance is hereby acknowledged.

Buyer DocuSigned by: Angelina L Allen Date 7/21/2016 | 08:04:14 AM PDT

Buyer DocuSigned by: William R Allen Date 7/21/2016 | 08:41:33 AM PDT

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Rev. by _____ Date _____

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EXHIBIT B

BRIAN SANDOVAL
Governor

STATE OF NEVADA

LEO DROZDOFF
Director

JASON KING, P.E.
State Engineer



DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES

901 South Stewart Street, Suite 2002
Carson City, Nevada 89701-5250
(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

July 26, 2016

T. E. Bertagnolli
P. O. Box 2577
Carson City, NV 89703
Certified Mail No.: 71067808063000636315

This is to inform you that the Application for Extension of Time has been granted to July 8, 2017, for Permit Number 47739, with the provision that no further extensions will be granted in order to prevent the working of forfeiture except for good cause shown as provided under NRS 534.090.


If the water is put to beneficial use, it will be necessary to file a Proof of Resumption of Water to Beneficial Use prior to July 8, 2017. If the water is not put to beneficial use, it will be necessary to file an Application for Extension of Time to Prevent Forfeiture prior to the above date. Failure to file either form, prior to the above date, will result in the forfeiture of the water right.

Please be advised, it is the responsibility of the permittee to notify the State Engineer's Office of any address change, further, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

THIS WILL BE THE LAST NOTICE YOU WILL RECEIVE REGARDING YOUR DUE DATE. NO THIRTY (30) DAY ADVANCE COURTESY NOTICE WILL BE SENT TO YOU REGARDING THIS DUE DATE.

Applications for Extension of Time to Prevent Forfeiture and Proof of Resumptions and all necessary supplemental forms are located on our website at <http://water.nv.gov/forms>. Should you have any questions regarding this notification please contact our office at (775) 684-2800.

Sincerely,


Karl Eitenmiller P.E.
Supervising Engineer, IV

KE/sc

C: Christina Lovato, Trustee, In re Bertagnolli (email)