

<p>Attorney or Party Name, Address, Telephone &amp; FAX Nos., State Bar No. &amp; Email Address</p> <p>M. Jonathan Hayes (Bar No. 90388) Matthew D. Resnik (Bar No. 182562) Roksana D. Moradi (Bar No. 266572) <b>SIMON RESNIK HAYES LLP</b> 15233 Ventura Blvd., Suite 250 Sherman Oaks, CA 91403 <b>Telephone:</b> (818) 783-6251 <b>Facsimile:</b> (818) 827-4919 jhayes@SRHLawFirm.com matthew@SRHLawFirm.com roksana@SRHLawFirm.com</p> <p><input type="checkbox"/> Individual appearing without attorney <input checked="" type="checkbox"/> Attorney for: <b>Debtor</b></p>	<p>FOR COURT USE ONLY</p>
<p align="center"><b>UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA – LOS ANGELES DIVISION</b></p>	
<p>In re:</p> <p align="center"><b>EUGENE ARNOLD,</b></p> <p align="right">Debtor(s).</p>	<p>CASE NO. <b>2:15-bk-22361-VZ</b></p> <p>CHAPTER: <b>11</b></p> <p align="center"><b>NOTICE OF MOTION AND MOTION TO APPROVE ADEQUACY OF DISCLOSURE STATEMENT OF DEBTOR WHO IS AN INDIVIDUAL(S) WITH PRIMARILY CONSUMER DEBTS</b></p> <p align="center">[11 U.S.C. § 1125; FRBP 3017; LBR 3017-1]</p> <p><b>Hearing Information</b> DATE: October 27, 2016 TIME: 1:30 p.m. COURTROOM: 1368, Roybal Federal Building ADDRESS: 255 E. Temple Street, Los Angeles, CA 90012</p>

1. Disclosure Statement: Pursuant to FRBP 3016(b), a Disclosure Statement and Plan of Reorganization (the “**DS and Plan**”) was filed as **Docket No. 122**. The DS and Plan are combined into one document to avoid contradiction and confusion. A copy of the DS and Plan accompanies this notice. **Sections I – VI and X of the DS and Plan** constitute the disclosure statement (the “**DS**”) and sections VI – IX of the DS and Plan constitutes the Plan.
2. Motion to Approve Disclosure Statement: Pursuant to FRBP 9014(a), the Debtor filed a motion requesting that the court approve the adequacy of their disclosure statement (“**Motion to Approve DS**”). The Motion to Approve DS is being served only on the U.S. trustee as required by FRBP 9034(h).
3. Hearing on Motion to Approve Disclosure Statement: The Motion to Approve DS is being heard on 21 days of notice pursuant to LBR 9013-1(d). In addition, pursuant to LBR 3017-1, on (date) **September 15, 2016 (Docket No. 123)** a Notice of Hearing on Adequacy of Disclosure Statement was filed and served to provide 42 days of notice of the hearing to the U.S. trustee and to all claimants and parties in interest.

4. Filing and Serving a Response: All claimants and parties in interest may file a response to the Motion to Approve DS. If you wish to oppose the Motion to Approve DS, you must file and serve a written response no later than 14 days before the hearing and appear at the hearing. When serving a response, serve it on the Debtor's attorney and the Debtor at the addresses set forth below. If you fail to file a written response or fail to appear at the hearing, the court may treat such failure as a waiver of your right to oppose the Motion to Approve DS and may grant the Motion to Approve DS.

a. **DEADLINE**: (date) October 13, 2016

**b. DEBTOR'S ADDRESS:**

Eugene Arnold  
7603 Dalton Ave  
Los Angeles, CA 90047-2508

**c. DEBTOR'S ATTORNEY'S ADDRESS:**

☒ Do not mail the response. The Debtor's attorney will be served by Notice of Electronic Filing; **or**

☐ Mailing Address:

Date: **October 5, 2016**

**/s/ Roksana D. Moradi**

Signature of attorney for Debtor, if any

**Roksana D. Moradi**

Printed name of attorney for Debtor, if any

## MOTION TO APPROVE ADEQUACY OF DISCLOSURE STATEMENT

1. 11 U.S.C. § 1125 requires that adequate information be disclosed with the Plan, to provide information for claimants to decide whether to submit a ballot to accept or reject the plan, or to file an objection to confirmation. **Sections I – VI and X of the DS and Plan** contains this disclosure.
2. ☐ Points and Authorities: Attached is an optional points and authorities.
3. ☒ Amended Disclosure Statement and/or Plan:
  - ☒ Attached as **Exhibit “1”** is an Amended DS and Plan that was filed after the Notice of Hearing on Adequacy of Disclosure Statement was filed. ~~Also attached is a description of the reasons for filing an Amended D/S and Plan.~~ *Debtor filed an amended DS and Plan so as to include information on the claim treatment agreements that he entered into after the initial DS and Plan were filed.*
  - ☒ Additional Evidence: Attached is additional evidence to support granting the Motion to Approve DS.
    - a. Declarations [LBR 9013-1(i)]
      - ☐ Debtor
      - ☐ Person who completed service of the Notice of Hearing on Adequacy of Disclosure Statement
      - ☒ Other: **Counsel for Debtor.**
    - b. Documents Authenticated by Declarations [LBR 9013-1(c)(3)(A)]
      - ☒ Exhibit 1: **Amended DS and Plan (Docket No. 122)**
      - ☐ Exhibit 2:
      - ☐ Exhibit 3:
4. Based on the foregoing, the Debtor requests that the court enter an order approving the adequacy of the disclosure statement.

Date: **October 5, 2016**

/s/ Roksana D. Moradi

Signature of attorney for Debtor, if any

**Roksana D. Moradi**

Printed name of attorney for Debtor, if any

**DECLARATION OF ROKSANA D. MORADI**

I, ROKSANA D. MORADI, declare as follows:

1. I am an attorney at law licensed in the State of California and authorized to practice before the District Courts in the Central District of California, and before this Court. I am over the age of eighteen (18). I have personal knowledge of the facts set forth herein, and if called as a witness, I could and would testify competently with respect thereto. Where facts are alleged upon information and belief, I believe them to be true. I am counsel of record for the Debtor herein.

2. A true and correct copy of Debtor's DISCLOSURE STATEMENT AND PLAN OF REORGANIZATION OF DEBTOR WHO IS AN INDIVIDUAL(S) WITH PRIMARILY CONSUMER DEBTS [11 U.S.C. §§ 1123, 1125](Docket No. 122) is attached hereto as **Exhibit "1."**

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

Executed on this Wednesday, October 05, 2016, at Sherman Oaks, California.

**/s/ Roksana D. Moradi**  
**Roksana D. Moradi**

# **EXHIBIT 1**

<div>Attorney or Party Name, Address, Telephone &amp; FAX Nos., State Bar No. &amp; Email Address</div> <div>M. Jonathan Hayes (Bar No. 90388) Matthew D. Resnik (Bar No. 182562) Roksana D. Moradi (Bar No. 266572) <b>SIMON RESNIK HAYES LLP</b> 15233 Ventura Blvd., Suite 250 Sherman Oaks, CA 91403 <b>Telephone:</b> (818) 783-6251 <b>Facsimile:</b> (818) 827-4919 jhayes@SRHLawFirm.com matthew@SRHLawFirm.com roksana@SRHLawFirm.com</div> <div><input type="checkbox"/> Individual appearing without attorney <input checked="" type="checkbox"/> Attorney for: <b>Debtor</b></div>		<div>FOR COURT USE ONLY</div>	
<div>UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA – LOS ANGELES DIVISION</div>			
<div>In re:</div> <div><b>EUGENE ARNOLD,</b></div> <div>Debtor(s).</div>		<div>CASE NO. <b>2:15-bk-22361-VZ</b></div> <div>CHAPTER: <b>11</b></div> <div><b>DISCLOSURE STATEMENT AND PLAN OF REORGANIZATION OF DEBTOR WHO IS AN INDIVIDUAL(S) WITH PRIMARYLY CONSUMER DEBTS</b>  [11 U.S.C. §§ 1123, 1125]</div> <div><input type="checkbox"/> Initial Disclosure Statement and Plan <input checked="" type="checkbox"/> <b>1<sup>st</sup> Amended Disclosure Statement and Plan</b> <input type="checkbox"/></div> <div>For information on court hearings, see the separately filed notice(s) of hearing.</div>	

The Debtor is an individual(s) with primarily consumer debts who filed a chapter 11 bankruptcy case to treat claims through a plan of reorganization. 11 U.S.C. § 1125 requires the Debtor to disclose adequate information about a plan before the Debtor can solicit votes on that plan. To avoid confusion and contradiction, the Debtor filed the document you are reading as a combined “Disclosure Statement and Plan of Reorganization” (“**DS and Plan**”).

**PLAN.** Sections VII – IX of the DS and Plan constitute the plan of reorganization (the “**Plan**”), and contains all information required by 11 U.S.C. § 1123, including the proposed treatment of claims and the effects of confirming the Plan. **If the court confirms the Plan, the terms will be binding on the Debtor and on claimants treated by the Plan.**

**DISCLOSURE STATEMENT.** Sections I – VI and X of the DS and Plan constitute the disclosure statement (the “DS”), The DS meets the standard for adequate information set forth in 11 U.S.C. § 1125(a). **The information disclosed is for explanatory purposes only and is as accurate as possible.**

### NOTE ABOUT CITATIONS

“Chapter, section and §” references are to 11 U.S.C. §§ 101-1532 of the Bankruptcy Code.  
“FRBP” references are to the Federal Rules of Bankruptcy Procedure.  
“LBR” references are to the Local Bankruptcy Rules for the Central District of California.  
“Motion” references mean that a motion is properly filed, served, and ruled on by the court.

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This form has been approved for use in chapter 11 cases assigned to Judge Vincent P. Zurzolo.

## I. TYPE OF PLAN OF REORGANIZATION; IMPORTANT DATES

Payments and treatments under the Plan have a starting date ("**Effective Date**"), a period of time after the Effective Date to continue payments ("**Plan Term**"), and a final payment date.

Plan Type	Effective Date	Plan Term	Final Payment Date
<input checked="" type="checkbox"/> Operating <input type="checkbox"/> Liquidating	<input checked="" type="checkbox"/> 14 days after order confirming Plan <input type="checkbox"/> Other date:	<input checked="" type="checkbox"/> 5 years; or <input type="checkbox"/> months	1/1/2022 (estimated)

## II. BACKGROUND INFORMATION ABOUT THE DEBTOR

### A. FACTORS THAT LED TO FILING THIS BANKRUPTCY CASE. (Describe briefly):

This case was filed in large part to stop a foreclosure sale of Debtor's home after he was unsuccessful in obtaining a loan modification. He fell behind on his home mortgage payments because his father passed away and the burial and other related costs were high.

### B. ACTIONS TAKEN TO SOLVE FINANCIAL PROBLEMS. The Debtor filed this case on (date) **August 5, 2015**, which is called the "Petition Date".

Actions Taken Before Petition Date:	Actions Taken After Petition Date:
Prepetition, Debtor sought to modify the loan on his home. The modification application was denied and thus he sought the protections of the Bankruptcy Code.	Through his Plan, the payments Debtor will make to the lienholders on his real properties will be reduced and he will be able to use these funds to make payments to other creditors. Debtor has also submitted a fresh loan modification application to the lender on his home as sometimes lenders are more willing to consensually modify the loan once a borrower is in Bankruptcy.

### C. PROJECTED FINANCIAL PERFORMANCE AFTER PLAN CONFIRMATION. (Describe briefly)

As set forth in detail on the attached income and expense projections (Exhibit D), with the reduced payments to his creditors as proposed in his Plan, Debtor will have sufficient income to maintain consistent payments to each of his administrative, priority and secured creditors, with the remainder being paid to his unsecured creditors.



### III. DEFINITIONS AND PRELIMINARY INFORMATION

#### A. CLAIMS AND CLAIMANTS

1. Claim [§ 102(2)]. "Claim" refers to all obligations of the Debtor or against property of the Debtor. Claims treated under the Plan are included whether the claim arose before or after the bankruptcy case was filed, and whether or not an obligation involves a cash payment.
2. Claimant. A claimant refers to any party treated under the Plan, even if the party did not file a proof of claim.

#### B. ALLOWED, DISALLOWED, AND DISPUTED CLAIMS

1. Allowed Claims. A claim is allowed if it is (a) timely and properly scheduled or filed, and not objected to; or (b) objected to, and was settled by the parties or otherwise determined by a court order. **Allowed claims are provided for in the Plan in the relevant category or class.**
2. Disallowed Claims. A claim is disallowed if it was timely objected to by the Debtor, and the court made a ruling that the claim is disallowed in part or entirely. **Disallowed claims are not treated under the Plan.**
3. Disputed Claims. A claim is disputed if a ruling on allowance has not been made, and (a) a proof of claim has been filed or deemed filed and the Debtor or a party in interest has filed an objection; or (b) a proof of claim has not been filed and the Debtor scheduled such claim as disputed, contingent, unliquidated or unknown.
  - a. Deadlines for the Claims Objection Process. (1) File proof of claims: **2/19/2016**; and (2) File objections to claims: \_\_\_\_\_ and/or hold a hearing on objections to claims: **5/20/2016**.
  - b. Objections to Claims. ☒ Debtor does not anticipate objecting to any other claims; or  
☐ The objection process is pending, or will begin, for the following claims:

Claimant	Proof of Claim #	Amount of Claim	Basis of Objection to Claim
		\$	
		\$	
		\$	
		\$	

- c. Delayed Distribution on Disputed Claims; Settlement: No distribution will be made on a claim's disputed portion unless allowed by a final non-appealable order. FRBP 9019 authorizes the Debtor to settle disputed claims with court approval; but, court approval is not required if a proposed settlement does not exceed **\$10,000**. The Debtor is required to reserve funds to pay the amount claimants would receive if the claim is allowed in full (unless the court approves a different amount). To the extent a disputed claim is disallowed, (a) the funds that had been reserved for such claims will be distributed as provided in the Plan to other creditors of the same class (or as ordered by the court); or (b) if this box is checked ☒ then such funds will be distributed to the Debtor.

- #### C. POTENTIAL § 1111(b) ELECTIONS. § 1111(b) allows a partially secured claim to be treated as fully secured under certain conditions, notwithstanding § 506(a). Claimants should consult their attorney to evaluate if a § 1111(b) election is available and is in their best interest, and to identify the deadline for making an election.

**D. VOTING BY BALLOT; FILING OBJECTION TO CONFIRMATION OF PLAN.**

1. **Introduction.** “Voting” to accept or reject the Plan is different from “objecting” to confirmation of the Plan.
  - a. **What does voting mean?** Voting means a claimant submits a ballot to the Debtor. Ballots are counted so the court can determine claims and classes of claims which accept proposed claim treatment, and classes of claims which reject the proposed treatment. Whether each class “accepts” or “rejects” treatment is only one factor the court must consider to determine whether to grant the Debtor’s request to confirm the Plan.
  - b. **What does “objecting to confirmation” mean?** Objecting to confirmation means a party files and serves a document that explains their objection. The Debtor must satisfy many requirements for the court to confirm the Plan, and any factor may be a problem the Debtor has not solved before the hearing on Plan confirmation. For example, a claimant may object because the Debtor placed their claim in a category or class that is not entitled to vote, and the claimant believes the claim is subject to voting. Other parties may object because they think the Plan is not feasible, or that the Debtor has not submitted sufficient evidence to support financial projections, or has included a term in the Plan that violates the Bankruptcy Code.
  - c. **Notice of Deadlines for Voting and Objecting.** The Debtor will file and serve 2 notices: (1) Notice of Hearing on Adequacy of Disclosure Statement (“**Notice of DS Hearing**”); and Notice of Dates Related to Confirmation of Plan and Deadlines to (A) Submit Ballot; (B) File Preliminary Objection to Confirmation of Plan; and (C) File Response to Motion to Confirm Plan (“**Notice of Deadlines Related to Confirmation**”).
2. **Voting by Ballot.**
  - a. **Who may vote (§ 1124).** Look for your claim to see if the Debtor believes you are entitled to vote.
    - (1) **Not Entitled to Vote.** The Bankruptcy Code treats many claimants as having accepted the Plan without a vote because the Plan treats the claim exactly as required by the Bankruptcy Code. The Bankruptcy Code also treats claimants as having rejected the Plan without a vote if (a) the claimant is to receive no distribution under the Plan; (b) an objection has been filed to that claimants’ claim and the objection has not been resolved prior to filing the Plan; or (c) Debtor scheduled a claim as contingent, disputed, unliquidated or unknown and the creditor has not filed a proof of claim.
    - (2) **Entitled To Vote.** Claimants are entitled to vote when their claim is impaired, i.e. the Plan alters the contractual, legal or equitable rights of the claimant. In addition, a creditor whose claim has either been objected to or has been scheduled by the Debtor as contingent, disputed, unliquidated, or unknown, or who has not filed a proof of claim, and who wants to vote, must file a motion to have its claim allowed for voting purposes in time for that motion to be heard before the hearing on confirmation of the Plan.
  - b. **Effect of vote.** The Plan can be confirmed if (i) it is accepted by each impaired class because a majority in number and at least two-thirds in dollar amount of the claimants in that class who timely voted to accept the Plan; or (ii) it is subject to cram down because it was accepted by at least one impaired class exclusive of insiders (as defined by §101(31)) and the court determines the Plan is “fair and equitable” (as defined by §1129(b)) to all rejecting classes of creditors, and it meets all other criteria required for confirmation).
  - c. **How to vote.** A ballot will accompany the Notice of Deadlines Related to Confirmation. A voting claimant must follow the instructions set forth in the Notice of Deadlines Related to Confirmation. A claimant whose claim is allowed as partly secured and partly unsecured is entitled to vote in each capacity by delivering one ballot for the secured part of the claim and another ballot for the unsecured portion of the claim.
3. **Filing an Objection to Confirmation of the Plan**
  - a. **Who may object.** Any claimant or other party in interest may object to confirmation of the Plan.
  - b. **How to object.** Follow the instructions set forth in the Notice of Deadlines Related to Confirmation.
  - c. **Effect of objection.** The court will consider all objections that are timely and properly filed and served. If the objection has merit, it may result in the court denying the Debtor’s request to confirm the Plan.

#### IV. LIQUIDATION ANALYSIS

##### A. RECOVERY ON GENERAL UNSECURED CLAIMS IN A CHAPTER 7 CASE vs. UNDER THE PLAN.

For claimants who hold general unsecured claims, a factor to help them determine whether to vote to accept or reject a plan is to compare the amount the claimant would receive in a chapter 7 bankruptcy case instead of the amount proposed in the Plan. The following table illustrates the comparative payouts in terms of the percentage of the amount of a general unsecured claim that would be paid in a chapter 7 case vs. paid under the Plan.

1. CALCULATION OF ESTIMATED PERCENT RECOVERY IN A CHAPTER 7 CASE																					
<p><b>(a) Net Liquidation value of Debtor's assets in a Chapter 7 case:</b> See Exhibit C for a list of all property of the bankruptcy estate, valuations, and valuation methods:</p> <p>(1) Total value of the Debtor's assets: \$1,973,660</p> <p>(2) Total dollar amount that must be subtracted from the total asset value before paying general unsecured claims:</p> <table><tr><td>A. Liens:</td><td>\$1,189,593</td><td>D. Taxes:</td><td>\$</td></tr><tr><td>B. Sale costs:</td><td>\$132,860 (7%)</td><td>E. Exemptions:</td><td>\$62,440</td></tr><tr><td>C. Fees:</td><td>\$</td><td>F. Other:</td><td>\$</td></tr><tr><td colspan="3"></td><td><b>TOTAL of A-F</b></td></tr><tr><td colspan="3"></td><td>\$1,384,893</td></tr></table> <p>(3) Net liquidation value of assets: <b>(a)(1) minus (a)(2) =</b></p>	A. Liens:	\$1,189,593	D. Taxes:	\$	B. Sale costs:	\$132,860 (7%)	E. Exemptions:	\$62,440	C. Fees:	\$	F. Other:	\$				<b>TOTAL of A-F</b>				\$1,384,893	<p><b>\$588,767</b></p>
A. Liens:	\$1,189,593	D. Taxes:	\$																		
B. Sale costs:	\$132,860 (7%)	E. Exemptions:	\$62,440																		
C. Fees:	\$	F. Other:	\$																		
			<b>TOTAL of A-F</b>																		
			\$1,384,893																		
<p><b>(b) Expenses to be paid before paying general unsecured claims.</b></p> <p>(1) <u>Trustee's Fees</u>: Assuming the chapter 7 trustee disburses the net liquidation value of assets to claimants, § 326 indicates the chapter 7 trustee is entitled to fees of:</p> <p>* 25% on the first \$5,000 of all moneys disbursed = \$ ,</p> <p>* 10% on any amount over \$5,000 but less than \$50,000 = \$ ,</p> <p>* 5% on any amount over \$50,000 but not in excess of \$1 million = \$ ,</p> <p>* 3% on all amounts over \$1 million) = \$29,439,</p> <p>(2) <u>Administrative Expense Claims</u>: = \$17,500</p> <p>(3) <u>Tax Claims</u>: = \$3,253</p> <p>(4) <u>Other Unsecured Claims to be Paid Before General Unsecured Claims</u>: = \$</p> <p><b>TOTAL DOLLAR AMOUNT OF (b) (1) + (2) + (3) + (4) =</b></p>	<p><b>- \$50,192</b></p>																				
<p><b>(c) Dollar Amount Available for General Unsecured Claims: (a) minus (b) = \$538,575</b></p>																					
<p><b>(d) Dollar Amount of General Unsecured Claims: = \$8,350</b></p>																					
<p><b>(e) % Chapter 7 recovery on general unsecured claims: [ (c) divided by (d) ] x 100% =</b></p>	<p><b>100%</b></p>																				

2. CALCULATION OF PROPOSED PERCENT RECOVERY UNDER THE PLAN	
(a) Dollar Amount Proposed to Pay General Unsecured Claims: \$8,350	
(b) Dollar Amount of General Unsecured Claims: \$8,350	
(c) % Chapter 11 payout on general unsecured claims: [ (b) divided by (a) ] x 100% =	100%

**V. NON-INCOME SOURCES TO FUND PLAN.** See Exhibit D for income and other contributions that will fund the Plan (Combined Monthly Income). If additional funding sources (non-income) are needed, see below:

**A. Loan or Line of Credit:** ☒ None ☐ Loans or Lines of Credit are as follows:

NAME OF LENDER	CONTRIBUTION TYPE	TERM	INT RATE	PROCEEDS
(1)	<input type="checkbox"/> Loan <input type="checkbox"/> Credit Line		%	\$
(2)	<input type="checkbox"/> Loan <input type="checkbox"/> Credit Line		%	\$

**B. Sales of Property:** ☒ None ☐ Property is planned to be sold as follows:

PROPERTY DESCRIPTION: See sections VII.A-G to identify properties listed below from <b>CLASS #3 - #6</b> . A sale motion is required (FRBP 6004 and LBR 6004-1).		PROPOSED SALE DATE	PROPOSED SALE PRICE	PROCEEDS TO FUND THE PLAN
(1)	<input type="checkbox"/> Residence (CLASS #3 or #4)		\$	\$
(2)	<input type="checkbox"/> Property in CLASS #5 or #6: <b>Check only ONE:</b> <input type="checkbox"/> 5a <input type="checkbox"/> 5b <input type="checkbox"/> 5c <input type="checkbox"/> 5d <input type="checkbox"/> 5e <input type="checkbox"/> 6a <input type="checkbox"/> 6b <input type="checkbox"/> 6c <input type="checkbox"/> 6d <input type="checkbox"/> 6e		\$	\$
(3)	<input type="checkbox"/> Property in CLASS #5 or #6: <b>Check only ONE:</b> <input type="checkbox"/> 5a <input type="checkbox"/> 5b <input type="checkbox"/> 5c <input type="checkbox"/> 5d <input type="checkbox"/> 5e <input type="checkbox"/> 6a <input type="checkbox"/> 6b <input type="checkbox"/> 6c <input type="checkbox"/> 6d <input type="checkbox"/> 6e		\$	\$

**C. Adversary Proceedings:** ☒ None ☐ Adversary proceedings are as follows:

ADVERSARY PROCEEDING DESCRIPTION: FRBP 7001 and LBR 7004-1 require a summons/complaint.	DATE FILED OR TO BE FILED	ADV. PROC. NUMBER	ANTICIPATED RECOVERY
(1)			\$
(2)			\$

**VI. FINANCIAL FEASIBILITY OF THE PLAN.** The court must find that confirmation of the Plan is not likely to be followed by liquidation or the need for further reorganization, unless that is proposed in the Plan.

**A. Payments Before Plan Confirmation.** This section demonstrates the Plan is feasible before confirmation.

<b>Domestic Support Obligation Due After Petition Date</b> (Section VII.A.) = \$383/month	
<b>Source of Funds:</b>	The payments to the Riverside County DCSS are automatically deducted from Debtor's Bristol Farms paychecks.

**B. Payments on the Effective Date.** This section demonstrates the Plan is feasible on the Effective Date.

(1) CLAIMS AND EXPENSES TO BE PAID ON THE EFFECTIVE DATE	AMOUNT
<b>Cure Payments: Executory Contracts, Unexpired Leases:</b> Section VII.B.2.	
<b>Administrative claims + Statutory Costs/Charges:</b> Section VII.C.1. +court costs	\$18,150
<b>1st Payment: Domestic Support Obligation Due Before Petition Date:</b> Section VII.D.	\$
<b>Nominal Unsecured Claims:</b> Section VII.E.1.	\$
<b>First Payments: General Unsecured Claims:</b> Section VII.E.2.	\$140
<b>Arrearages + First Payments: Secured Claims:</b> Sections VII.F. – VII.G.	\$7,715
<b>Priority tax payments</b>	\$3,253
<b>TOTAL TO BE PAID ON THE EFFECTIVE DATE:</b>	\$29,258

(2) SOURCE OF FUNDS ON THE EFFECTIVE DATE	AMOUNT
<b>Cash on Hand:</b>	\$22,000
<b>Contribution of Family Member <u>NOT</u> listed in Schedule J, Line 11:</b> <input type="checkbox"/> Name ( <i>identify</i> ): <input type="checkbox"/> Gift <input type="checkbox"/> Loan	\$
<b>Loan or Line of Credit:</b> Described above in: <input type="checkbox"/> V.A.(1) <input type="checkbox"/> V.A.(2)	\$
<b>Sale of Property:</b> Described above in: <input type="checkbox"/> V.B.(1) <input type="checkbox"/> V.B.(2) <input type="checkbox"/> V.B.(3)	\$
<b>Adversary Proceeding Recovery:</b> Described above in: <input type="checkbox"/> V.C.(1) <input type="checkbox"/> V.C.(2)	\$
<b>Other Sources:</b> <input checked="" type="checkbox"/> ( <i>identify</i> ): Employment and rental income	\$10,742
<b>TOTAL FUNDS AVAILABLE ON THE EFFECTIVE DATE:</b>	\$32,742

<b>(3) CASH AVAILABLE AFTER PAYMENTS MADE ON THE EFFECTIVE DATE:</b>	\$3,484
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**C. Payments During the Plan Term.** This section demonstrates the Plan is feasible during the Plan Term.

(1) REGULAR EXPENSES AND INCOME DURING THE PLAN TERM	Monthly	Total of Plan Term
<b>Regular Expenses:</b> Amount is from Schedule J, Line 22e income and expense projections (Exhibit D) and is for all expenses, including ongoing payments on secured claims that are also listed below in sections VII.F – VII.G.		\$642,960
<b>Combined Monthly Income:</b> Schedule I, Line 12		\$644,520
<b>NET INCOME DURING PLAN TERM:</b> Schedule J, Line 23e Income and expense projections (Exhibit D)	\$26	\$1,560

(2) OTHER PAYMENTS TO BE MADE DURING THE PLAN TERM	Monthly	Plan Term
<b>Arrearages on <u>Impaired</u> Secured Claims:</b> Sections VII.F. – VII.G.	\$204	\$12,240
<b>Balloon Payments:</b> Sections VII.F. – VII.G.		\$
<b>Unsecured Claims</b>		
* <b>Administrative Expenses:</b> Section VII.C.1.	\$18,150	\$18,800
* <b>Unsecured Claims: Taxes, Other:</b> Sections VII.C.2 and VII.D	\$3,253	\$3,253
* <b>Unsecured Claims: General:</b> Section VII.E.2.	\$140	\$8,400
<b>TOTAL OF OTHER PAYMENTS MADE DURING THE PLAN TERM</b>	<b>\$21,747</b>	<b>\$42,693</b>

(3) SOURCE OF FUNDS FOR OTHER PAYMENTS DURING THE PLAN TERM	AMOUNT
<b>Cash After Payments Made on Effective Date:</b> From Section VI.B.(3)	\$634
<b>Net Income During Plan Term:</b> It is possible this is a negative amount. See above, section VI.C.(1), last line in the table, amount under “Plan Term”.	\$2,220
<b>Contribution of Family Member <u>NOT</u> listed in Schedule I Line 11:</b> <input type="checkbox"/> Name ( <i>identify</i> ): <input type="checkbox"/> Gift <input type="checkbox"/> Loan	\$
<b>Loan or Line of Credit:</b> Described above in: <input type="checkbox"/> V.A.(1) <input type="checkbox"/> V.A.(2)	\$
<b>Sale of Property:</b> Described above in: <input type="checkbox"/> V.B.(1) <input type="checkbox"/> V.B.(2) <input type="checkbox"/> V.B.(3)	\$
<b>Adversary Proceeding Recovery:</b> Described above in: <input type="checkbox"/> V.C.(1) <input type="checkbox"/> V.C.(2)	\$
<b>Other Source:</b> <input checked="" type="checkbox"/> ( <i>identify</i> ): Employment and rental income	\$644,520
<b>TOTAL FUNDS FOR OTHER PAYMENTS DURING THE PLAN TERM</b>	<b>\$647,374</b>

**D. Explanation of Risk Factors and Potential Fluctuations When Implementing the Plan.**

RISK FACTOR	EXPLANATION OF RISK AND FLUCTUATIONS
<input checked="" type="checkbox"/> Employment/Business <input type="checkbox"/> Sale of Property <input type="checkbox"/> Balloon Payment <input type="checkbox"/> Int. Rate Adjustment	<p>As set forth in detail in his supporting Declaration (Exhibit A) and his projected income and expenses chart (Exhibit D), Debtor believes that he will be able to meet all of his financial obligations under the Plan. However, as the Plan contemplates payments to certain classes of creditors over time following the Effective Date, it is possible that, based on factors that are either not apparent at this time or do not exist at this time, Debtor will not have sufficient cash flow to pay all of the obligations created under the Plan. For this reason, the projections cannot be guaranteed to be completely accurate.</p> <p>Specifically, Debtor could experience vacancies at his rental properties and/or lose his job with Bristol Farms. However, Debtor feels confident that the proposed payments to creditors are feasible. He had worked at Bristol Farms for many years as a meat cutter and he does not expect his income to change in the near future, if at all. Further, based on his many years of experience, Debtor believes that he could quickly secure a new job as a meat cutter for a new employer at the same hourly rate. Debtor also believes the he can quickly find tenants to occupy his rental properties if the current tenants move out. Debtor is confident that he can make all required payments.</p>
<input type="checkbox"/> Other:	

**E. TAX CONSEQUENCES OF THE PLAN.**

1. To the Debtor: Tax consequences to the Debtor are:

**The following disclosure of possible tax consequences is intended solely for the purpose of alerting readers about possible tax issues this Plan may present to Debtor. Debtor CANNOT and DOES NOT represent that the tax consequences contained below are the only tax consequences of the Plan because the Tax Code embodies many complicated rules that make it difficult to state completely and accurately all the tax implications of any action.**

**Debtor does not anticipate that confirmation of the Plan will have a significant or material effect on his tax liability. He will continue to stay current with his income tax obligations to the IRS and FTB and to the Counties where his real properties are located.**

2. To Claimants: Claimants should consult their advisors regarding potential tax effects of the Plan; nevertheless:

☐ Debtor believes tax consequences to claimants are:

☒ Debtor is not certain of tax consequences, because: **Debtor makes no representations regarding the potential tax consequences to creditors as the Tax Code embodies many complicated rules that make it difficult to state completely and accurately all the tax implications of any action.**

## VII. PLAN PROVISIONS: TREATMENT OF CLAIMS

- A. DOMESTIC SUPPORT OBLIGATION THAT MUST BE PAID BEFORE PLAN IS CONFIRMED.** [§ 1129(a)(14)]  
Before the Plan can be confirmed, § 1129(a)(14) requires the Debtor to pay all domestic support obligations that became due after the bankruptcy case was filed. Domestic support obligations are defined in § 101(14A).

- ☐ The Debtor did not have domestic support obligations that became due after the bankruptcy case was filed.  
☒ The following domestic support obligation became due after the bankruptcy case filed:

Claimant: County of Riverside DCSS			
Statute, Judicial Order, or Administrative Order that Creates the Obligation	First Date After Petition Date that Obligation was Due	Total Due After Petition Date	Date Final Amt <input type="checkbox"/> was paid <input checked="" type="checkbox"/> will be paid
Income Withholding for Support	Payments due monthly (\$383/month)	\$0 (The payments are automatically deducted from Debtor's Bristol Farms paychecks and are <b>current</b> ).	Daughter turns 18 in 2018.

- ☐ See Exhibit \_\_\_\_ for additional domestic support obligation(s) that must be paid before plan is confirmed.

**B. ASSUMPTION AND REJECTION OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES.** [§ 365]

1. ☒ There are no executory contracts or unexpired leases: **Debtor's tenants all rent on a month-to-month basis at this time.**

2. ☐ **Assumption.** The post-confirmation debtor will perform all related obligations whether arising before or after confirmation of the Plan. Any arrearages arising before confirmation of the Plan will be paid by the first day of the month following the Effective Date unless the parties agree otherwise or the court finds that a longer payment schedule still provides the creditor with timely cure and adequate assurance of future performance. Obligations that arise after confirmation of the Plan will be paid as they come due.

☐ **Already Assumed:**

DESCRIPTION OF EXECUTORY CONTRACT OR UNEXPIRED LEASE		DATE: ORDER TO ASSUME	CURE AMOUNT: Must be paid on Effective Date
(a)			\$
(b)			\$

☐ **To be Assumed on the Effective Date.**

DESCRIPTION OF EXECUTORY CONTRACT OR UNEXPIRED LEASE		CURE AMOUNT: Must be paid on Effective Date
(a)		\$
(b)		\$



3. ☐ **Rejection.** Claims arising from the rejection of an executory contract or unexpired lease are treated as general unsecured claims in CLASS #2, except to the extent the court orders otherwise. A claim arising from the rejection must be filed no later than 30 days after the date of the order confirming the Plan.

DESCRIPTION OF EXECUTORY CONTRACT OR UNEXPIRED LEASE	
(a)	<input type="checkbox"/> Rejected: <input type="checkbox"/> Order Entered on: <input type="checkbox"/> Deemed Rejected on: <input type="checkbox"/> To be Rejected on the Effective Date
(b)	<input type="checkbox"/> Rejected: <input type="checkbox"/> Order Entered on: <input type="checkbox"/> Deemed Rejected on: <input type="checkbox"/> To be Rejected on the Effective Date

☐ See Exhibit \_\_\_\_ for additional executory contracts and unexpired leases to be assumed or rejected.

**C. UNSECURED CLAIMS THAT MUST BE TREATED AS REQUIRED BY § 1129(a)(9)(A) and § 1129(a)(9)(C), UNLESS A CLAIMANT CONSENTS TO A DIFFERENT TREATMENT.** §§ 1129(a)(9)(A) and (C) require that certain claims be treated one at a time, rather than as a class. Even if another claimant votes to accept a lesser treatment, the claims listed below are not altered. The debtor must prove to the court that claims are either being treated as 1129(a)(9) requires, or that the claimant agreed to some other treatment.

1. **Administrative Expense Claims - § 507(a)(2) and § 1129(a)(9)(A).** These include: (1) court-approved claims of attorneys and other professionals; and (2) United States trustee fees under 28 U.S.C. chapter 123.

- ☐ The deadline to file administrative expensive claims is (date) \_\_\_\_\_.
- ☐ There are no administrative expense claims.
- ☒ All administrative expense claims ☐ have been filed and/or ☒ are anticipated to be filed, and the claims and amounts indicated below are the amounts requested or anticipated to be requested:

Claimant: U.S. Trustee*						
Claim Amount (less paid to date) <input type="checkbox"/> Actual <input checked="" type="checkbox"/> Estimated	Interest Rate (if any)	Amount Paid on Effective Date	Amount Paid After Effective Date			
			Frequency	Each Payment	Balloon Pymts	Term of Payments
\$650/quarter (estimated)	%	Unknown	<input type="checkbox"/> Monthly <input checked="" type="checkbox"/> Quarterly	Unknown	None	N/A

\* Quarterly fees shall be paid until a final decree is entered or the case is dismissed or converted. Fees of the Office of the United States Trustee are not subject to Court approval and may be paid in the ordinary course of business when due.

<b>Claimant:</b> Simon Resnik Hayes LLP ("SRH")**						
Claim Amount (less paid to date) <input type="checkbox"/> Actual <input checked="" type="checkbox"/> Estimated	Interest Rate (if any)	Amount Paid on Effective Date	Amount Paid After Effective Date			
			Frequency	Each Payment	Balloon Pymts	Term of Payments
\$17,500	%	\$17,500	<input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly	N/A, only one payment will be made	None	N/A

\*\* Requests by professionals for payment of fees and costs are generally subject to review and approval by the Court.

In the event there is a default by Debtor in his payment of fees to SRH, the firm will give him notice of the default by electronic mail and advise him that he has ten (10) days to cure the default.

If Debtor does not cure within that time period, SRH will be permitted to accelerate the balance due at the time and enforce the order of this Court approving the fees by whatever means are available to it including the costs and expenses related to the recording of the order and costs of collection. SRH shall not be required to get any further approval of this Court for payments related to outstanding fees.

SRH and Debtor are permitted to communicate and agree to payment of SRH's administrative claim on an expedited basis, if the ability to pay arises.

2. **Tax Claims - § 507(a)(8) and § 1129(a)(9)(C).** Must be paid in full within 5 years after the Petition Date.

☐ There are no tax claims ☒ All tax claims have been filed or scheduled, and are indicated below:

<b>Claimant:</b> IRS						
Claim Amount	Interest Rate (§ 511)	Amount Paid on Effective Date	Amount Paid After Effective Date			
			Frequency	Each Payment	Balloon Pymts	Term of Payments
\$3,253	%	\$3,253	<input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly	N/A, only one payment will be made	None	N/A

<b>Claimant:</b>						
Claim Amount	Interest Rate (§ 511)	Amount Paid on Effective Date	Amount Paid After Effective Date			
			Frequency	Each Payment	Balloon Pymts	Term of Payments
\$	%	\$	<input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly	\$	\$	months

☐ **See Exhibit** \_\_\_\_ for additional unsecured claims (not listed in VII.C) on which voting is not allowed.

- ☐ **§ 507(a)(2)** – Administrative Expense Claims  
☐ **§ 507(a)(8)** – Tax Claims  
☐ **§ 507(a)(3)** – Involuntary Gap Claims Allowed Under § 502(f)

**D. UNSECURED CLAIMS THAT MUST BE TREATED AS REQUIRED BY § 1129(a)(9)(B) – CLASS #1.**

§ 1129(a)(9)(B) requires certain unsecured claims to be treated with priority over general unsecured claims, and pay them in full on the Effective Date or as soon as practicable after unless claimants vote as a class to accept deferred payments. If so, claims are impaired and claimants are entitled to vote to accept or reject the Plan.

☒ There are no claims in CLASS #1.

☐ **CLASS #1a:** § 507(a)(1) - Domestic Support Obligation Claims Due Before Bankruptcy Case Was Filed

<b>Claimant:</b>						
Claim Amount (less amount paid to date)	Interest Rate (if any)	Amount Paid on Effective Date	Amount Paid After Effective Date			
			Frequency	Each Payment	Balloon Pymts	Term of Payments
\$	%	\$	<input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly	\$	\$	months

☐ **See Exhibit** for additional unsecured claims (not listed above) in Class #1:

☐ **CLASS #1(a):** § 507(a)(1) - Domestic Support Obligation Claims (*claims that are not listed above*)

☐ **CLASS #1(b):** § 507(a)(4) - Wage and Commission Claims

☐ **CLASS #1(c):** § 507(a)(5) – Employee Benefit Plan Contribution Claims

☐ **CLASS #1(d):** § 507(a)(6) – Grain Producer and Fisherman Claims

☐ **CLASS #1(e):** § 507(a)(7) – Consumer Deposit Claims

**E. OTHER UNSECURED CLAIMS – CLASS #2.**

☐ There are no claims in **CLASS #2**.

☒ As of this date, all **CLASS #2** claims are included in Exhibit B.

1. ☐ **CLASS #2a: Nominal Unsecured Claims.** These include “nominal” claims of \$\_\_\_\_\_ or less, and any larger unsecured claims whose claimant agreed to reduce its claim to this amount. Claimants are **not entitled to vote** to accept or reject the Plan.

Claimants will be paid the nominal amount on the Effective Date, or as soon as practicable thereafter. Estimated total payments are \$\_\_\_\_\_.

2. ☒ **CLASS #2b: General unsecured claims.** These are unsecured claims not included in **CLASS #2a**, and will be paid as follows. Claimants are **entitled to vote** to reject or accept the Plan.

☐ **Percent Plan.** Each claimant in CLASS #2b will be paid \_\_\_\_\_% of its claim beginning the first relevant date after the Effective Date:

- Over \_\_\_\_\_ years in equal ☐ monthly ☐ quarterly installments, due on the first day of each calendar month/quarter;
- ☐ with interest at the rate of \_\_\_\_\_% per annum, or ☐ without interest; and.
- The amount each claimant receives depends on the total amount of allowed claims in this class.

☐ **Pot Plan.** Each member of CLASS #2b will be paid a pro rata share of a fund totaling \$\_\_\_\_\_, created by the Debtor’s payment:

- Pro rata means the entire fund amount divided by the total of all allowed claims in this class.

- b. Payment amount is \$\_\_\_\_\_ per ☐ month ☐ quarter for a period of \_\_\_\_\_ months/quarters,  
c. Payments will begin on (date): \_\_\_\_\_

☒ **Other:** Debtor estimates that general unsecured debts total approximately \$8,350; see Exhibit B. These creditors will be paid in full, without interest. Payments will be made in sixty (60) equal monthly installments of \$140 each.

**F. CLAIMS SECURED BY DEBTOR'S PRINCIPAL RESIDENCE ("Residence") – CLASS #3 and CLASS #4.**

<b>Address of Residence: 7603 Dalton Ave., Los Angeles, CA 90047</b>		
<b>Value:</b> \$380,000	<b>Valuation Method</b>	<input type="checkbox"/> Order on motion or stipulation <input type="checkbox"/> Declaration: Certified appraiser <input checked="" type="checkbox"/> Declaration: Debtor as owner <input type="checkbox"/> Other:

**CLASS #3 - Unimpaired Claims.** Claimants **are not entitled** to vote to accept or reject the Plan. Until claims are fully paid, claimants retain their interest in the Residence. Treatment is:

☒ There are no claims in Class #3.

<input type="checkbox"/> <b>CLASS #3a</b>	<b>Claimant:</b>
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Current Status of Loan	Lien Priority	Interest Rate	Unpaid Principal Balance	Arrearages	Total Amount of Allowed Claim
		%	\$	\$	\$

**1. ☐ Payments to Claimant**

a. <input type="checkbox"/> <b>Arrearages</b>	<b>Must be Paid by the Effective Date</b>	<b>Total Amount = \$</b>
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b. <input type="checkbox"/> <b>Ongoing Payments</b>	<b>Principal + Interest</b>	<b>Escrowed Amounts</b>		<b>Amount Each Monthly Ongoing Payment</b>
		<b>Taxes</b>	<b>Insurance</b>	
	\$	\$	\$	\$

c. <input type="checkbox"/> <b>Balloon Payment</b>	<b>Amount = \$</b>	<b>Date of Payment:</b>
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- 2. ☐ Surrender:** Date: ☐ Effective Date ☐ Other: Method: ☐ Deed in lieu of foreclosure ☐ Consent to relief from stay to allow foreclosure ☐ Grant deed ☐ Other:

<input type="checkbox"/> CLASS #3b	Claimant:
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Current Status of Loan	Lien Priority	Interest Rate	Unpaid Principal Balance	Arrearages	Total Amount of Allowed Claim
		%	\$	\$	\$

1. ☐ Payments to Claimant

a. <input type="checkbox"/> Arrearages	Must be Paid by the Effective Date	Total Amount = \$
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b. <input type="checkbox"/> Ongoing Payments	Principal + Interest	Escrowed Amounts		Amount Each Monthly Ongoing Payment
		Taxes	Insurance	
	\$	\$	\$	\$

c. <input type="checkbox"/> Balloon Payment	Amount = \$	Date of Payment:
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2. ☐ Surrender:      Date:      Method:      ☐ Deed in lieu of foreclosure  
☐ Effective Date      ☐ Consent to relief from stay to allow foreclosure  
☐ Other:      ☐ Grant deed  
☐ Other:

**CLASS #4 - Impaired Claims.** Claimants are **entitled to vote** to accept or reject the Plan. Until claims are fully paid, claimants retain their interest in collateral securing the debt. Treatment is:

☐ There are no claims in CLASS #4.

<input checked="" type="checkbox"/> CLASS #4a	Claimant: Seterus
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Current Status of Loan	Lien Priority	Interest Rate	Unpaid Principal Balance	Arrearages	Total Amount of Allowed Claim
	Sole lien	2%	\$242,100	\$53,736	\$295,836 (per POC No. 7)

1. ☒ Payments to Claimant

a. <input type="checkbox"/> Arrearages	Total Amount of Arrearages	Amt Paid on Effective Date	Amounts Paid After Effective Date		
			Frequency	Int. Rate	Amt each Pymt
	\$	\$	<input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly		\$

b. <input checked="" type="checkbox"/> Ongoing	Principal + Interest	Escrowed Amounts		Amount Each Monthly Ongoing Payment
		Taxes	Insurance	

<b>Payments</b>	\$642	\$570	\$100	\$1,312
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<b>c. <input type="checkbox"/> Total Monthly Payment:</b>	<input type="checkbox"/> Until Arrearages Cured	<input type="checkbox"/> After Arrearages Cured
	\$	\$

<b>d. <input type="checkbox"/> Balloon Payment</b>	<b>Amount = \$</b>	<b>Date of Payment:</b>
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2. ☐ **Sale by (date):** . Proceeds: ☐ are likely to be sufficient to pay the secured claim  
☐ are not likely to be sufficient to pay the secured claim,  
and any resulting claim will be in CLASS #2b

3. ☐ **Treat Claim as Fully Unsecured:** Pay as a general unsecured claim under CLASS #2b

4. ☒ **Other:** Debtor submitted a loan modification application to claimant and believes that a modification will result in a monthly payment of this same amount, but will either forgive or put the arrears to the back of the loan. In the event that the modification application is denied, Debtor shall cure the arrears in full over the sixty (60) month Plan term. If the parties agree to the terms of a loan modification, it shall supersede the treatment set forth herein.

<input type="checkbox"/> <b>CLASS #4b</b>	<b>Claimant:</b>
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<b>Current Status of Loan</b>	<b>Lien Priority</b>	<b>Interest Rate</b>	<b>Unpaid Principal Balance</b>	<b>Arrearages</b>	<b>Total Amount of Allowed Claim</b>
			\$	\$	\$

1. ☐ **Payments to Claimant**

<b>a. <input type="checkbox"/> Arrearages</b>	<b>Total Amount of Arrearages</b>	<b>Amt Paid on Effective Date</b>	<b>Amounts Paid After Effective Date</b>		
			<b>Frequency</b>	<b>Int. Rate</b>	<b>Amt Each Pymt</b>
	\$	\$	<input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly		\$

<b>b. <input type="checkbox"/> Ongoing Payments</b>	<b>Principal + Interest</b>	<b>Escrowed amounts</b>		<b>Amount Each Monthly Ongoing Payment</b>
		<b>Taxes</b>	<b>Insurance</b>	
	\$	\$	\$	\$

<b>c. <input type="checkbox"/> Total Monthly Payment:</b>	<input type="checkbox"/> Until Arrearages Cured	<input type="checkbox"/> After Arrearages Cured
	\$	\$

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d. <input type="checkbox"/> <b>Balloon Payment</b>	<b>Amount = \$</b>	<b>Date of Payment:</b>
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2. ☐ **Sale by (date):** \_\_\_\_\_. Proceeds: ☐ are likely to be sufficient to pay the secured claim  
☐ are not likely to be sufficient to pay the secured claim, and any resulting claim will be in CLASS #2b

3. ☐ **Treat Claim as Fully Unsecured:** Pay as a general unsecured claim under CLASS #2b

4. ☐ **Other:**

☐ **See Exh \_\_\_\_** for additional secured claims on the Residence. Please label as Class #3c, 3d, 4c, 4d, etc.

**G. CLAIMS SECURED BY PROPERTY OTHER THAN RESIDENCE – CLASS #5 and CLASS #6.**

**CLASS #5 - Unimpaired Claims.** Claimants **are not entitled** to vote to accept or reject the Plan. Until claims are fully paid, claimants retain their interest in the property securing the claim. Treatment is:

☐ There are no claims in CLASS #5.

<input type="checkbox"/> <b>CLASS #5a</b>	<b>Claimant:</b> unused
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<input type="checkbox"/>	<b>Address of Real Property 5a:</b>				
<input type="checkbox"/>	<b>Description of Personal Property 5a:</b>				
<input type="checkbox"/>	<b>Vehicle 5a</b>	<b>Year:</b>	<b>Make:</b>	<b>Model:</b>	<b>VIN:</b>
	<b>Value:</b>	<b>Valuation Method</b>	<input type="checkbox"/> Order on motion or stipulation <input type="checkbox"/> Declaration: Certified appraiser <input type="checkbox"/> Declaration: Debtor as owner <input type="checkbox"/> Other:		

Current Status of Loan	Lien Priority	Interest Rate	Unpaid Principal Balance	Arrearages	Total Amount of Allowed Claim

1. ☐ **Payments to Claimant**

a. <input type="checkbox"/> <b>Arrearages</b>	<b>Must be Paid by the Effective Date</b>	<b>Total Amount = \$</b>
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b. <input type="checkbox"/> <b>Ongoing</b>	<b>Principal + Interest</b>	<b>Escrowed amounts</b>		<b>Amount Each Monthly Ongoing Payment</b>
		<b>Taxes</b>	<b>Insurance</b>	

c. <input type="checkbox"/> Balloon Payment	Amount = \$	Date of Payment:
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2. ☐ **Surrender:** Method: ☐ Deed or certificate of title in lieu of foreclosure  
Date: ☐ Consent to relief from stay to allow foreclosure or repossession  
☐ Effective Date ☐ Grant deed  
☐ Other: ☐ Other:

<input checked="" type="checkbox"/> <b>CLASS #5b</b>	<b>Claimant:</b> Chase Bank
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<input checked="" type="checkbox"/>	<b>Address of Real Property 5b:</b> 204 East 51st Street, Los Angeles, CA 90011				
<input type="checkbox"/>	<b>Description of Personal Property 5b:</b>				
<input type="checkbox"/>	<b>Vehicle 5b</b>	<b>Year:</b>	<b>Make:</b>	<b>Model:</b>	<b>VIN:</b>
	<b>Value:</b> \$300,000	<b>Valuation Method</b>	<input type="checkbox"/> Order on motion or stipulation <input type="checkbox"/> Declaration: Certified appraiser <input checked="" type="checkbox"/> Declaration: Debtor as owner <input type="checkbox"/> Other:		

Current Status of Loan	Lien Priority	Interest Rate	Unpaid Principal Balance	Arrearages	Total Amount of Allowed Claim
	Sole	Unknown (no POC filed)	\$235,140 (per Schedules; no POC filed)	\$0	\$235,140 (per Schedules; no POC filed)

1. ☒ **Payments to Claimant**

a. <input type="checkbox"/> Arrearages	Must be Paid by the Effective Date	Total Amount = \$
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b. <input checked="" type="checkbox"/> Ongoing Payments	Principal + Interest	Escrowed amounts		Amount Each Monthly Ongoing Payment
		Taxes	Insurance	
	\$900	\$240	\$100	\$1,240

c. <input type="checkbox"/> Balloon Payment	Amount = \$	Date of Payment:
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2. ☐ **Surrender:** Method: ☐ Deed or certificate of title in lieu of foreclosure  
Date: ☐ Consent to relief from stay to allow foreclosure or repossession  
☐ Effective Date ☐ Grant deed  
☐ Other: ☐ Other:



<input checked="" type="checkbox"/> <b>CLASS #5c</b>	<b>Claimant:</b> OCWEN
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<input checked="" type="checkbox"/>	<b>Address of Real Property 5c:</b> 344 East 76th Street, Los Angeles, CA 90003				
<input type="checkbox"/>	<b>Description of Personal Property 5c:</b>				
<input type="checkbox"/>	<b>Vehicle 5c</b>	<b>Year:</b>	<b>Make:</b>	<b>Model:</b>	<b>VIN:</b>
	<b>Value:</b> \$280,000	<b>Valuation Method</b>	<input type="checkbox"/> Order on motion or stipulation <input type="checkbox"/> Declaration: Certified appraiser <input checked="" type="checkbox"/> Declaration: Debtor as owner <input type="checkbox"/> Other:		

Current Status of Loan	Lien Priority	Interest Rate	Unpaid Principal Balance	Arrearages	Total Amount of Allowed Claim
	Sole	Unknown (no POC filed)	\$179,022 (per Schedules; no POC filed)	\$0	\$179,022 (per Schedules; no POC filed)

1. ☒ **Payments to Claimant**

a. <input type="checkbox"/> <b>Arrearages</b>	<b>Must be Paid by the Effective Date</b>	<b>Total Amount = \$</b>
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b. <input checked="" type="checkbox"/> <b>Ongoing Payments</b>	Principal + Interest	Escrowed amounts		Amount Each Monthly Ongoing Payment
		Taxes	Insurance	
	\$900	\$137	\$100	\$1,137

c. <input type="checkbox"/> <b>Balloon Payment</b>	<b>Amount = \$</b>	<b>Date of Payment:</b>
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2. ☐ **Surrender:**      Method: ☐ Deed or certificate of title in lieu of foreclosure  
Date: ☐ Consent to relief from stay to allow foreclosure or repossession  
☐ Effective Date      ☐ Grant deed  
☐ Other:      ☐ Other:

3. ☒ **Other:** Debtor and claimant entered into a Plan Treatment Stipulation which appears as Docket No. 102, and related Order thereon at Docket No. 106 (collectively attached hereto as Exhibit E), which are incorporated into the Plan by this reference, and summarized as follows: *the claim is unimpaired and claimant is not entitled to vote on the Plan.*

<input checked="" type="checkbox"/> <b>CLASS #5d</b>	<b>Claimant:</b> Chase Bank
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<input checked="" type="checkbox"/>	<b>Address of Real Property 5d:</b> 742 Washington Street, Hanford, CA 93230				
<input type="checkbox"/>	<b>Description of Personal Property 5d:</b>				

This form has been approved for use in chapter 11 cases assigned to Judge Vincent P. Zurzolo.

<input type="checkbox"/>	<b>Vehicle 5d</b>	<b>Year:</b>	<b>Make:</b>	<b>Model:</b>	<b>VIN:</b>
	<b>Value:</b> \$260,000	<b>Valuation Method</b>	<input type="checkbox"/> Order on motion or stipulation <input type="checkbox"/> Declaration: Certified appraiser <input checked="" type="checkbox"/> Declaration: Debtor as owner <input type="checkbox"/> Other:		

Current Status of Loan	Lien Priority	Interest Rate	Unpaid Principal Balance	Arrearages	Total Amount of Allowed Claim
	Sole	Unknown (no POC filed)	\$131,761 (per Schedules; no POC filed)	\$0	\$131,761 (per Schedules; no POC filed)

1. ☒ **Payments to Claimant**

a. <input type="checkbox"/> Arrearages	Must be Paid by the Effective Date	Total Amount = \$
--	------------------------------------	-------------------

b. <input type="checkbox"/> Ongoing Payments	Principal + Interest	Escrowed amounts		Amount Each Monthly Ongoing Payment
		Taxes	Insurance	
	\$595	\$100	\$100	\$795

c. <input type="checkbox"/> Balloon Payment	Amount = \$	Date of Payment:
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2. ☐ **Surrender:**

**Method:**

- ☐ Deed or certificate of title in lieu of foreclosure
- ☐ Consent to relief from stay to allow foreclosure or repossession
- ☐ Grant deed
- ☐ Other:

<input checked="" type="checkbox"/> <b>CLASS #5e</b>	<b>Claimant:</b> Los Angeles County Treasurer and Tax Collector
--	---

<input checked="" type="checkbox"/>	<b>Address of Real Property 5e:</b> 7603 Dalton Ave., Los Angeles, CA 90047 2107 Exposition Blvd, Los Angeles, CA 90018 204 East 51st Street, Los Angeles, CA 90011 344 East 76th Street, Los Angeles, CA 90003 8759 McKinley Place, Los Angeles, CA 90002				
<input type="checkbox"/>	<b>Description of Personal Property 5e:</b>				
<input type="checkbox"/>	<b>Vehicle 5e</b>	<b>Year:</b>	<b>Make:</b>	<b>Model:</b>	<b>VIN:</b>
	<b>Value:</b> Various; see Exhibit C	<b>Valuation Method</b>	<input type="checkbox"/> Order on motion or stipulation <input type="checkbox"/> Declaration: Certified appraiser <input checked="" type="checkbox"/> Declaration: Debtor as owner <input type="checkbox"/> Other:		

Current Status of Loan	Lien Priority	Interest Rate	Unpaid Principal Balance	Arrearages	Total Amount of Allowed Claim
	Property taxes	N/A	N/A	N/A	\$15,612 (per POC No. 6)

1. ☒ **Payments to Claimant**

a. <input type="checkbox"/> <b>Arrearages</b>	<b>Must be Paid by the Effective Date</b>	<b>Total Amount = \$</b>
---	---	--------------------------

b. <input type="checkbox"/> <b>Ongoing Payments</b>	Principal + Interest	Escrowed amounts		Amount Each Monthly Ongoing Payment
		Taxes	Insurance	
	\$	\$	\$	\$

c. <input type="checkbox"/> <b>Balloon Payment</b>	<b>Amount = \$</b>	<b>Date of Payment:</b>
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2. ☐ **Surrender:** Method: ☐ Deed or certificate of title in lieu of foreclosure  
Date: ☐ Consent to relief from stay to allow foreclosure or repossession  
☐ Effective Date ☐ Grant deed  
☐ Other: ☐ Other:

3. ☒ **Other:** Claimant's POC includes amount for future taxes, which were paid as they came due. LACTTC's website shows that no taxes are owed at this time.

<input checked="" type="checkbox"/> <b>CLASS #5f</b>	<b>Claimant:</b> Diamond Resorts
--	----------------------------------

<input checked="" type="checkbox"/>	<b>Address of Real Property 5f:</b> Timeshare				
<input type="checkbox"/>	<b>Description of Personal Property 5f:</b>				
<input type="checkbox"/>	<b>Vehicle 5f</b>	<b>Year:</b>	<b>Make:</b>	<b>Model:</b>	<b>VIN:</b>
	<b>Value:</b> \$2,000	<b>Valuation Method</b>	<input type="checkbox"/> Order on motion or stipulation <input type="checkbox"/> Declaration: Certified appraiser <input checked="" type="checkbox"/> Declaration: Debtor as owner <input type="checkbox"/> Other:		

Current Status of Loan	Lien Priority	Interest Rate	Unpaid Principal Balance	Arrearages	Total Amount of Allowed Claim
	Sole	N/A	\$2,000 (per Schedules; no POC filed)	\$0	\$2,000 (per Schedules; no POC filed)

1. ☒ **Payments to Claimant**

a. <input type="checkbox"/> <b>Arrearages</b>	<b>Must be Paid by the Effective Date</b>	<b>Total Amount = \$</b>
---	---	--------------------------

b. <input checked="" type="checkbox"/> <b>Ongoing Payments</b>	Principal + Interest	Escrowed amounts		Amount Each Monthly Ongoing Payment
		Taxes	Insurance	
	\$250	N/A	N/A	\$250

c. <input type="checkbox"/> <b>Balloon Payment</b>	<b>Amount = \$</b>	<b>Date of Payment:</b>
--	--------------------	-------------------------

2. ☐ **Surrender:**      Method: ☐ Deed or certificate of title in lieu of foreclosure  
Date: ☐ Consent to relief from stay to allow foreclosure or repossession  
☐ Effective Date      ☐ Grant deed  
☐ Other:      ☐ Other:

☐ **See Exhibit \_\_\_\_** for more unimpaired secured claims on non-Residence property.  
Label as Class #5d, #5e, etc.

**CLASS #6 - Impaired Claims.** Claimants **are entitled** to vote to accept or reject the Plan. Until claims are fully paid, claimants retain their interest in the property securing the claim. Treatment is:

☐ There are no claims in CLASS #6.

<input checked="" type="checkbox"/> <b>CLASS #6a</b>	<b>Claimant:</b> U.S. Bank/SPS
--	--------------------------------

<input checked="" type="checkbox"/>	<b>Address of Real Property 6a:</b> 8759 McKinley Place, Los Angeles, CA 90002				
<input type="checkbox"/>	<b>Description of Personal Property 6a:</b>				
<input type="checkbox"/>	<b>Vehicle 6a</b>	<b>Year:</b>	<b>Make:</b>	<b>Model:</b>	<b>VIN:</b>
	<b>Value:</b> \$290,000	<b>Valuation Method</b>	<input type="checkbox"/> Order on motion or stipulation <input type="checkbox"/> Declaration: Certified appraiser <input checked="" type="checkbox"/> Declaration: Debtor as owner <input type="checkbox"/> Other:		

Current Status of Loan	Lien Priority	Interest Rate	Unpaid Principal Balance	Arrearages	Total Amount of Allowed Claim
	Sole	5.575%	\$169,623 (per POC No. 9)	\$	\$169,623 (per POC No. 9)
<input type="checkbox"/> Terms of New Loan			New Loan Principal: \$		

1. ☒ **Payments to Claimant**

a. <input type="checkbox"/> Arrearages	Total Amount of Arrearages	Amt Paid on Effective Date	Amounts Paid After Effective Date		
			Frequency	Int. Rate	Amt Each Pymt
	\$	\$	<input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly		\$

b. <input checked="" type="checkbox"/> Ongoing Payments <input checked="" type="checkbox"/> current loan <input type="checkbox"/> rewritten loan	Principal + Interest	Escrowed amounts		Amt Each Monthly Ongoing Payment
		Taxes	Insurance	
	\$1,109	\$271	\$100	\$1,480

c. <input type="checkbox"/> Total Monthly Payment:	<input type="checkbox"/> Until Arrearages Cured	<input type="checkbox"/> After Arrearages Cured
	\$	\$

d. <input type="checkbox"/> Balloon Payment	<input type="checkbox"/> current loan <input type="checkbox"/> rewritten loan	Amount: \$	Payment Date:
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2. ☐ **Sale by (date):** \_\_\_\_\_. Proceeds: ☐ are likely to be sufficient to pay the secured claim  
☐ are not likely to be sufficient to pay the secured claim,  
☐ any resulting claim will be in CLASS #2b

3. ☐ **Treat Claim as Fully Unsecured:** Pay as a general unsecured claim under CLASS #2b

4. ☒ **Other:**

Debtor and claimant entered into an Adequate Protection Stipulation (Docket No. 55) which calls for him to make the regular monthly mortgage payments and submit a loan modification. The agreement was approved by the Court on January 7, 2016 (Docket No. 73).

Debtor submitted a loan modification application to claimant and believes that a modification will result in a monthly payment of this same amount, but will either forgive or put the arrears to the back of the loan. In the event that the modification application is denied, Debtor shall cure the arrears in full over the sixty (60) month Plan term. If the parties agree to the terms of a loan modification, it shall supersede the treatment set forth herein.

<input checked="" type="checkbox"/> <b>CLASS #6b</b>	<b>Claimant:</b> U.S. Bank/ASC
--	--------------------------------

<input checked="" type="checkbox"/>	<b>Address of Real Property 5a:</b> 2107 Exposition Blvd., Los Angeles, CA 90018				
<input type="checkbox"/>	<b>Description of Personal Property 5a:</b>				
<input type="checkbox"/>	<b>Vehicle 5a</b>	<b>Year:</b>	<b>Make:</b>	<b>Model:</b>	<b>VIN:</b>
	<b>Value:</b> \$388,000	<b>Valuation Method</b>	<input type="checkbox"/> Order on motion or stipulation <input type="checkbox"/> Declaration: Certified appraiser <input checked="" type="checkbox"/> Declaration: Debtor as owner <input type="checkbox"/> Other:		

Current Status of Loan	Lien Priority	Interest Rate	Unpaid Principal Balance	Arrearages	Total Amount of Allowed Claim
	Sole lien	4% (per POC No. 8)	\$229,947 (per POC No. 8)	\$12,209 (per Stipulation; Docket No. 120)	\$242,159 (per Stipulation; Docket No. 120)

1. ☒ **Payments to Claimant**

a. <input checked="" type="checkbox"/> <b>Arrearages</b>	Total Amount of Arrearages	Amt Paid on Effective Date	Amounts Paid After Effective Date		
			Frequency	Int. Rate	Amt Each Pymt
	\$12,209	\$204	<input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Quarterly	N/A	\$204

b. <input checked="" type="checkbox"/> <b>Ongoing Payments</b> <input checked="" type="checkbox"/> current loan <input type="checkbox"/> rewritten loan	Principal + Interest	Escrowed amounts		Amt Each Monthly Ongoing Payment
		Taxes	Insurance	
	\$865	\$332	\$100	\$1,297

c. <input checked="" type="checkbox"/> <b>Total Monthly Payment:</b>	<input checked="" type="checkbox"/> <b>Until Arrearages Cured</b>	<input checked="" type="checkbox"/> <b>After Arrearages Cured</b>
	\$1,501	\$1,297

d. <input type="checkbox"/> <b>Balloon Payment</b>	<input type="checkbox"/> current loan <input type="checkbox"/> rewritten loan	<b>Amount: \$</b>	<b>Payment Date:</b>
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2. ☐ **Sale by (date):** \_\_\_\_\_. Proceeds: ☐ are likely to be sufficient to pay the secured claim  
☐ are not likely to be sufficient to pay the secured claim,  
☐ any resulting claim will be in CLASS #2b
3. ☐ **Treat Claim as Fully Unsecured:** Pay as a general unsecured claim under CLASS #2b
4. ☒ **Other:** The treatment of Class 6(b) shall be pursuant to that Stipulation executed by the parties at Docket No. 120 (attached hereto as Exhibit F), which are incorporated into the Plan by this reference, and summarized as follows: the claim is only impaired to the extent that Debtor shall cure the arrears over 60 months.

☐ **See Exhibit** \_\_\_\_ for more impaired secured claims on non-Residence property. Label as Class #6d, #6e, etc.

**VIII. Unclaimed or Undeliverable Plan Distributions.** Payments or other distributions made under the Plan that are unclaimed or undeliverable for six (6) months after the attempted distribution will revert in the post-confirmation debtor free of restrictions. Any entitlement to distribution will be barred.

**IX. Discharge.** Upon completion of payments required by the Plan, or as provided in § 1141(d)(5)(B), the Debtor will receive a discharge of all debts that arose prior to confirmation of the Plan, whether or not a claimant filed a proof of claim or voted to accept the Plan. This will not discharge Debtor from any debts that are non-dischargeable under § 523 or from obligations created by the Plan. **To obtain a discharge, the Debtor must file and serve a motion for discharge, and the motion must be granted.**

**X. List of Exhibits and Declarations.**

**MANDATORY**

**Exhibit A:** Declaration of Debtor to support all assertions in this Disclosure Statement, and all information provided in all other Exhibits.

**Exhibit B:** List of all claims (*next to each claim, indicate whether or not the claim is disputed and scheduled or unscheduled, and include the class number*).

**Exhibit C:** List of all property of the estate, and valuations as of the date of plan confirmation. Include appendices to describe valuation methods such as order to determine value, declaration of debtor or appraiser, etc.

**Exhibit D:** Projected income, expenses, and plan payments prepared on (date) **9/15/2016**, including proposed plan payments to be made on the Effective Date and for each month and/or quarter of the Plan Term. Sources and uses of funds and any expense fluctuations are explained.

**OPTIONAL**

**Exhibit E:** Declarations: ☐ Certified Appraisers ☐ Family Member (regarding ability to provide funding)  
☒ **Other: Class 6(b) Plan Treatment Stipulation (Docket No. 102) and related Order (Docket No.**

**106)**

**Exhibit F:** Class 5(a) Plan Treatment Stipulation (Docket No. 120)

**ADDITIONAL CLAIMS THAT ARE UNABLE TO BE IDENTIFIED IN SECTIONS VII.A – VII.G.**

**Exhibit G:** Additional Claim(s), Section ☐ VII.A ☐ VII.B ☐ VII.C ☐ VII.D ☐ VII.E ☐ VII.F ☐ VII.G

**Exhibit H:** Additional Claim(s), Section ☐ VII.A ☐ VII.B ☐ VII.C ☐ VII.D ☐ VII.E ☐ VII.F ☐ VII.G

**Exhibit I:** Additional Claim(s), Section ☐ VII.A ☐ VII.B ☐ VII.C ☐ VII.D ☐ VII.E ☐ VII.F ☐ VII.G

**Exhibit J:** Additional Claim(s), Section ☐ VII.A ☐ VII.B ☐ VII.C ☐ VII.D ☐ VII.E ☐ VII.F ☐ VII.G

Date: **September 15, 2016**

SEE NEXT PAGE

Signature of Debtor

**Eugene Arnold**

Printed name of Debtor

Date: **September 15, 2016**

**/s/ Roksana D. Moradi**

Signature of attorney for Debtor, if any

**Roksana D. Moradi**

Printed name of attorney for Debtor, if any

**VIII. Unclaimed or Undeliverable Plan Distributions.** Payments or other distributions made under the Plan that are unclaimed or undeliverable for six (6) months after the attempted distribution will revert in the post-confirmation debtor free of restrictions. Any entitlement to distribution will be barred.

**IX. Discharge.** Upon completion of payments required by the Plan, or as provided in § 1141(d)(5)(B), the Debtor will receive a discharge of all debts that arose prior to confirmation of the Plan, whether or not a claimant filed a proof of claim or voted to accept the Plan. This will not discharge Debtor from any debts that are non-dischargeable under § 523 or from obligations created by the Plan. **To obtain a discharge, the Debtor must file and serve a motion for discharge, and the motion must be granted.**

**X. List of Exhibits and Declarations.**

**MANDATORY**

- Exhibit A:** Declaration of Debtor to support all assertions in this Disclosure Statement, and all information provided in all other Exhibits.
- Exhibit B:** List of all claims (*next to each claim, indicate whether or not the claim is disputed and scheduled or unscheduled, and include the class number*).
- Exhibit C:** List of all property of the estate, and valuations as of the date of plan confirmation. Include appendices to describe valuation methods such as order to determine value, declaration of debtor or appraiser, etc.
- Exhibit D:** Projected income, expenses, and plan payments prepared on (date) **9/9/2016**, including proposed plan payments to be made on the Effective Date and for each month and/or quarter of the Plan Term. Sources and uses of funds and any expense fluctuations are explained.

**OPTIONAL**


- Exhibit E:** Declarations: ☐ Certified Appraisers  
Declarations: ☐ Family Member (regarding ability to provide funding)  
☒ **Other: Class 5(c) Plan Treatment Stipulation (Docket No. 102) and related Order (Docket No.**

106)

**ADDITIONAL CLAIMS THAT ARE UNABLE TO BE IDENTIFIED IN SECTIONS VII.A – VII.G.**

- |  |                                |                                |                                |                                |                                |                                |                                |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>Exhibit F:</b> Additional Claim(s), Section | <input type="checkbox"/> VII.A | <input type="checkbox"/> VII.B | <input type="checkbox"/> VII.C | <input type="checkbox"/> VII.D | <input type="checkbox"/> VII.E | <input type="checkbox"/> VII.F | <input type="checkbox"/> VII.G |
| <b>Exhibit G:</b> Additional Claim(s), Section | <input type="checkbox"/> VII.A | <input type="checkbox"/> VII.B | <input type="checkbox"/> VII.C | <input type="checkbox"/> VII.D | <input type="checkbox"/> VII.E | <input type="checkbox"/> VII.F | <input type="checkbox"/> VII.G |
| <b>Exhibit H:</b> Additional Claim(s), Section | <input type="checkbox"/> VII.A | <input type="checkbox"/> VII.B | <input type="checkbox"/> VII.C | <input type="checkbox"/> VII.D | <input type="checkbox"/> VII.E | <input type="checkbox"/> VII.F | <input type="checkbox"/> VII.G |
| <b>Exhibit I:</b> Additional Claim(s), Section | <input type="checkbox"/> VII.A | <input type="checkbox"/> VII.B | <input type="checkbox"/> VII.C | <input type="checkbox"/> VII.D | <input type="checkbox"/> VII.E | <input type="checkbox"/> VII.F | <input type="checkbox"/> VII.G |
| <b>Exhibit J:</b> Additional Claim(s), Section | <input type="checkbox"/> VII.A | <input type="checkbox"/> VII.B | <input type="checkbox"/> VII.C | <input type="checkbox"/> VII.D | <input type="checkbox"/> VII.E | <input type="checkbox"/> VII.F | <input type="checkbox"/> VII.G |

Date: **September 9, 2016**

  
\_\_\_\_\_  
Signature of Debtor

**Eugene Arnold**  
\_\_\_\_\_  
Printed name of Debtor

Date: **September 9, 2016**

**/s/ Roksana D. Moradi**  
\_\_\_\_\_  
Signature of attorney for Debtor, if any  
**Roksana D. Moradi**  
\_\_\_\_\_  
Printed name of attorney for Debtor, if any



**EXHIBIT A**

**DECLARATION OF EUGENE ARNOLD**

1  
2 I, EUGENE ARNOLD declare as follows:

3  
4 1. I am Debtor herein. I am over the age of eighteen (18). I have personal  
5 knowledge of the facts set forth herein, and if called as a witness, I could and would testify  
6 competently with respect thereto. Where facts are alleged upon information and belief, I  
7 believe them to be true.

8 2. I have reviewed the information within this FIRST AMENDED  
9 DISCLOSURE STATEMENT AND PLAN OF REORGANIZATION OF DEBTOR  
10 WHO IS AN INDIVIDUAL(S) WITH PRIMARILY CONSUMER DEBTS (the  
11 “Disclosure Statement and Plan”), including all financial information.

12 3. I believe that all information contained in the Disclosure Statement and Plan  
13 is true and correct and fairly presented, to the best of my knowledge.

14 4. I am employed by Bristol Farms as a meat cutter.

15 5. I have been the caretaker for an elderly and disabled woman for the last three  
16 (3) years and for my mother, who is bedridden, for the last eight (8) years; I am  
17 compensated by the State of California for this. I assist the ladies in daily life activities  
18 such as going to the grocery store, doctor visits, helping around the house, preparing  
19 meals, making sure they are taking their medications, and anything that makes their lives  
20 more manageable.

21 6. My now ex-wife and I have been foster parents for the last ten (10) years and  
22 are compensated by the State of California for this (we share joint-custody of the children).  
23 We provide a nurturing home for the children and assist them in transitioning back to their  
24 families. We have traditionally left the door open to adopt the children in case they unable  
25 to be transitioned back to their families.

26 ///

27 ///

7. I also own and manage the following six (6) real properties:

<b>Residence</b> 7603 Dalton Ave. Los Angeles, CA 90047	<b><i>Fair market Value: \$380,000</i></b> (Pursuant to Debtor's Schedules) <b><i>1<sup>st</sup> Trust Deed Holder:</i></b> Seterus \$242,099 (Pursuant to POC No. 7)
<b>Residential Rental Property</b> 2107 Exposition Blvd. Los Angeles, CA 90018 <i>Rental Income: \$600</i>	<b><i>Fair market Value: \$388,000</i></b> (Pursuant to Debtor's Schedules) <b><i>1<sup>st</sup> Trust Deed Holder:</i></b> U.S. Bank/ASC \$229,948 (Pursuant to POC No. 8)
<b>Residential Rental Property</b> 204 East 51st Street Los Angeles, CA 90011 <i>Rental Income: \$1,400</i>	<b><i>Fair market Value: \$300,000</i></b> (Pursuant to Debtor's Schedules) <b><i>1<sup>st</sup> Trust Deed Holder:</i></b> Chase Mortgage \$235,140 (Pursuant to Debtor's Schedules)
<b>Residential Rental Property</b> 344 East 76th Street, Los Angeles, CA 90003 <i>Rental Income: \$1,500</i>	<b><i>Fair market Value: \$280,000</i></b> (Pursuant to Debtor's Schedules) <b><i>1<sup>st</sup> Trust Deed Holder:</i></b> Ocwen Loan Servicing \$179,022 (Pursuant to Debtor's Schedules)
<b>Residential Rental Property</b> 8759 McKinley Place Los Angeles, CA 90002 <i>Rental Income: \$1,700</i>	<b><i>Fair market Value: \$290,000</i></b> (Pursuant to Debtor's Schedules) <b><i>1<sup>st</sup> Trust Deed Holder:</i></b> U.S. Bank/SPS \$166,623 (Pursuant to POC No. 9)
<b>Residential Rental Property</b> 742 Washington Street Hanford, CA 93230 <i>Rental Income: \$1,305</i>	<b><i>Fair market Value: \$260,000</i></b> (Pursuant to Debtor's Schedules) <b><i>1<sup>st</sup> Trust Deed Holder:</i></b> Chase \$131,761 (Pursuant to Debtor's Schedules)

8. I filed this case in large part to stop a foreclosure sale of my home after I was unsuccessful in obtaining a loan modification. I fell behind on mortgage payments because my father passed away and the burial and other related costs were high.

9. A true and correct copy of a list of my claims and creditors is attached hereto as **Exhibit "B."**

10. All of my assets are listed on my updated Schedules A, B and C, true and correct copies of which are attached hereto as **Exhibit "C."** The list of assets includes the liquidation value of each asset. I base the value of my home and of my rental properties

upon my knowledge of property values in the neighborhoods where I have been a property owner for many years. I base the value of my remaining assets on what I think I could sell them for either online or at a garage sale.

11. A true and correct copy of my income and expense projections for the Plan terms is attached hereto as **Exhibit "D."** Through my Plan, the payments I will make to the lienholders on my real properties will be reduced and I will be able to use these funds to make payments to other creditors. I have also submitted a fresh loan modification application to the lender on my home as sometimes lenders are more willing to consensually modify the loan once a borrower is in Bankruptcy. I believe that I can maintain all necessary payments and complete my five (5) year Plan.

12. As my Plan contemplates payments to certain classes of creditors over time following the Effective Date, it is possible that, based on factors that are either not apparent at this time or do not exist at this time, I will not have sufficient cash flow to pay all of the obligations created under the Plan. For this reason, the projections cannot be guaranteed to be completely accurate. Specifically, Debtor I experience vacancies at my rental properties and/or lose my job with Bristol Farms. However, I feel confident that the proposed payments to creditors are feasible. I have worked at Bristol Farms for many years as a meat cutter and I do not expect my income to change in the near future, if at all. Further, based on my many years of experience, I believe that I could quickly secure a new job as a meat cutter for a new employer at the same hourly rate. I also believe that I can quickly find tenants to occupy my rental properties if the current tenants move out. I am confident that I can make all required payments.

13. Class 5(c) claimant, OCWEN, holds the sole lien against my E. 76<sup>th</sup> Street rental property. The bank and I entered into a Plan Treatment Stipulation which appears as Docket No. 102, and related Order thereon at Docket No. 106 (true and correct copies of which are collectively attached hereto as **Exhibit "E"**).

14. Class 6(b) claimant, U.S. Bank/ASC, holds the sole lien against my Exposition Blvd. rental property. The bank and I entered into a Plan Treatment Stipulation

which appears as Docket No. 120 (a true and correct copy of which is attached hereto as

**Exhibit “F”**).

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

Executed this Thursday, September 15, 2016 at Los Angeles, California.

/s/ Eugene Arnold

---

**Eugene Arnold**

# **EXHIBIT B**

Schedule of Claims							
Creditor	Scheduled Amount	Filed Claim	Filed Claim Amnt.	Allowed Amt	Allowed Amt	Allowed Amt	Comments
	AMT*	CLAIM#	AMT*	Priority	Secured	Unsecured	
<b>Secured</b>							
Seterus (sole lien on home)[Class 4a]	\$377,525	7	\$242,099		\$242,099		
U.S. Bank/ASC (sole lien on Exposition)[Class 5a]	\$229,226	8	\$229,948		\$229,948		
Chase (sole lien on E. 51st)[Class 5b]	\$235,140				\$235,140		
OCWEN (sole lien on E. 76th)[Class 5c]	\$179,022				\$179,022		
U.S. Bank/SPS (sole lien on McKinley)[Class 6a]	\$166,841	9	\$169,623		\$169,623		
Chase (sole lien on Washington)[Class 5d]	\$131,761				\$131,761		
LACTTC (property taxes on properties locates in L.A.)(Class 5e)	\$0	6	\$15,612		\$0		
Diamond Resorts (timeshare)[Class 5f]	\$2,000				\$2,000		
<b>Priority</b>							
FTB	\$1,600	3	\$0				
IRS		5	\$3,503	\$3,253		\$251	
County of Riverside (child support)	\$358						Automatically deducted from Debtor's paycheck each month
<b>Unsecured</b>							
BofA (5355)	\$0						Listed as disputed in the Schedules; no POC filed.
Cavalry/Capital One	\$1,852	2	\$1,852			\$1,852	
CBNA (4229)	\$719					\$719	
Midland/T-mobile	\$1,081	4	\$1,081			\$1,081	
Wells Fargo (4049)	\$4,447	1	\$4,447			\$4,447	
<b>TOTAL</b>	<b>\$1,331,572</b>		<b>\$668,165</b>	<b>\$3,253</b>	<b>\$1,189,593</b>	<b>\$8,350</b>	

# EXHIBIT C



The following is a list of all assets of the estate with estimated values as of the date of confirmation of Debtor's Plan, summarized in amended Schedules A, B, and C (these have not been filed with the Court).

The list of assets includes the liquidation value of each asset. Debtor bases the value of his home and each of his rental properties upon his knowledge of property values in the neighborhoods where he has been a property owner for many years. He bases the value of his remaining assets on what he thinks he could sell them for either online or at a garage sale.

Fill in this information to identify your case and this filing:

Debtor 1 Eugene Arnold  
First Name Middle Name Last Name

Debtor 2  
(Spouse, if filing) First Name Middle Name Last Name

United States Bankruptcy Court for the: CENTRAL DISTRICT OF CALIFORNIA

Case number 2:15-bk-22361-VZ

☐ Check if this is an amended filing

Official Form 106A/B  
**Schedule A/B: Property**

12/15

In each category, separately list and describe items. List an asset only once. If an asset fits in more than one category, list the asset in the category where you think it fits best. Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write your name and case number (if known). Answer every question.

**Part 1: Describe Each Residence, Building, Land, or Other Real Estate You Own or Have an Interest In**

1. Do you own or have any legal or equitable interest in any residence, building, land, or similar property?

- ☐ No. Go to Part 2.
- ☒ Yes. Where is the property?

1.1

7603 Dalton Ave.

Street address, if available, or other description

Los Angeles CA 90047-0000  
City State ZIP Code

Los Angeles  
County

What is the property? Check all that apply

- ☒ Single-family home
- ☐ Duplex or multi-unit building
- ☐ Condominium or cooperative
- ☐ Manufactured or mobile home
- ☐ Land
- ☐ Investment property
- ☐ Timeshare
- ☐ Other \_\_\_\_\_

Who has an interest in the property? Check one

- ☒ Debtor 1 only
- ☐ Debtor 2 only
- ☐ Debtor 1 and Debtor 2 only
- ☐ At least one of the debtors and another

Other information you wish to add about this item, such as local property identification number:

Debtor's home.

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

Current value of the entire property?	Current value of the portion you own?
<u>\$380,000.00</u>	<u>\$380,000.00</u>

Describe the nature of your ownership interest (such as fee simple, tenancy by the entireties, or a life estate), if known.

Fee simple

☐ Check if this is community property (see instructions)

Debtor 1 Eugene Arnold

Case number (if known) 2:15-bk-22361-VZ

If you own or have more than one, list here:

1.2

2107 Exposition Blvd.

Street address, if available, or other description

Los Angeles CA 90018-0000

City State ZIP Code

Los Angeles

County

What is the property? Check all that apply

- ☒ Single-family home  
☐ Duplex or multi-unit building  
☐ Condominium or cooperative  
☐ Manufactured or mobile home  
☐ Land  
☐ Investment property  
☐ Timeshare  
☐ Other \_\_\_\_\_

Who has an interest in the property? Check one

- ☒ Debtor 1 only  
☐ Debtor 2 only  
☐ Debtor 1 and Debtor 2 only  
☐ At least one of the debtors and another

Other information you wish to add about this item, such as local property identification number:

Debtor intends on operating a battered women's shelter in this property. He is working on obtaining the required licenses and will be fulfilling all necessary city and state conditions. Currently renting one room to tenant for \$600.

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

Current value of the entire property?

\$388,000.00

Current value of the portion you own?

\$388,000.00

Describe the nature of your ownership interest (such as fee simple, tenancy by the entirety, or a life estate), if known.

Fee simple

☐ Check if this is community property (see instructions)

If you own or have more than one, list here:

1.3

204 East 51st Street

Street address, if available, or other description

Los Angeles CA 90011-0000

City State ZIP Code

Los Angeles

County

What is the property? Check all that apply

- ☒ Single-family home  
☐ Duplex or multi-unit building  
☐ Condominium or cooperative  
☐ Manufactured or mobile home  
☐ Land  
☐ Investment property  
☐ Timeshare  
☐ Other \_\_\_\_\_

Who has an interest in the property? Check one

- ☒ Debtor 1 only  
☐ Debtor 2 only  
☐ Debtor 1 and Debtor 2 only  
☐ At least one of the debtors and another

Other information you wish to add about this item, such as local property identification number:

Olive Arnold, month-to-month, rental income of \$1,400.

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

Current value of the entire property?

\$300,000.00

Current value of the portion you own?

\$300,000.00

Describe the nature of your ownership interest (such as fee simple, tenancy by the entirety, or a life estate), if known.

Fee simple

☐ Check if this is community property (see instructions)

Debtor 1 Eugene Arnold

Case number (if known) 2:15-bk-22361-VZ

If you own or have more than one, list here:

1.4

344 East 76th Street,

Street address, if available, or other description

Los Angeles CA 90003-0000

City State ZIP Code

Los Angeles

County

What is the property? Check all that apply

- ☒ Single-family home  
☐ Duplex or multi-unit building  
☐ Condominium or cooperative  
☐ Manufactured or mobile home  
☐ Land  
☐ Investment property  
☐ Timeshare  
☐ Other \_\_\_\_\_

Who has an interest in the property? Check one

- ☒ Debtor 1 only  
☐ Debtor 2 only  
☐ Debtor 1 and Debtor 2 only  
☐ At least one of the debtors and another \_\_\_\_\_

Other information you wish to add about this item, such as local property identification number:

Sharane Blakes, month-to-month, rental income of \$1,500.

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

Current value of the entire property?

\$280,000.00

Current value of the portion you own?

\$280,000.00

Describe the nature of your ownership interest (such as fee simple, tenancy by the entireties, or a life estate), if known.

Fee simple

☐ Check if this is community property (see instructions)

If you own or have more than one, list here:

1.5

8759 McKinley Place,

Street address, if available, or other description

Los Angeles CA 90002-0000

City State ZIP Code

Los Angeles

County

What is the property? Check all that apply

- ☒ Single-family home  
☐ Duplex or multi-unit building  
☐ Condominium or cooperative  
☐ Manufactured or mobile home  
☐ Land  
☐ Investment property  
☐ Timeshare  
☐ Other \_\_\_\_\_

Who has an interest in the property? Check one

- ☒ Debtor 1 only  
☐ Debtor 2 only  
☐ Debtor 1 and Debtor 2 only  
☐ At least one of the debtors and another \_\_\_\_\_

Other information you wish to add about this item, such as local property identification number:

Theresa Arnold, month-to-month, rental income of \$1,700.

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

Current value of the entire property?

\$290,000.00

Current value of the portion you own?

\$290,000.00

Describe the nature of your ownership interest (such as fee simple, tenancy by the entireties, or a life estate), if known.

Fee simple

☐ Check if this is community property (see instructions)

Debtor 1 Eugene Arnold

Case number (if known) 2:15-bk-22361-VZ

If you own or have more than one, list here:

1.6

42 Washington Street

Street address, if available, or other description

Hanford CA 93230-0000

City State ZIP Code

Kings

County

What is the property? Check all that apply

- ☒ Single-family home  
☐ Duplex or multi-unit building  
☐ Condominium or cooperative  
☐ Manufactured or mobile home  
☐ Land  
☐ Investment property  
☐ Timeshare  
☐ Other \_\_\_\_\_

Who has an interest in the property? Check one

- ☒ Debtor 1 only  
☐ Debtor 2 only  
☐ Debtor 1 and Debtor 2 only  
☐ At least one of the debtors and another

Other information you wish to add about this item, such as local property identification number:

Title only in the name of Debtor. Loan in the name of Willie L Scott. Heather Marie Linarte, month-to-month rental income of \$1,305.

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

Current value of the entire property?

\$260,000.00

Current value of the portion you own?

\$260,000.00

Describe the nature of your ownership interest (such as fee simple, tenancy by the entireties, or a life estate), if known.

Fee simple

☐ Check if this is community property (see instructions)

2. Add the dollar value of the portion you own for all of your entries from Part 1, including any entries for pages you have attached for Part 1. Write that number here.....=&gt;

\$1,898,000.00

**Part 2: Describe Your Vehicles**Do you own, lease, or have legal or equitable interest in any vehicles, whether they are registered or not? Include any vehicles you own that someone else drives. If you lease a vehicle, also report it on *Schedule G: Executory Contracts and Unexpired Leases*.

## 3. Cars, vans, trucks, tractors, sport utility vehicles, motorcycles

☐ No☒ Yes

3.1 Make: \_\_\_\_\_  
 Model: \_\_\_\_\_  
 Year: \_\_\_\_\_  
 Approximate mileage: \_\_\_\_\_  
 Other information: \_\_\_\_\_

2008 GMC Arcadia (miles 66,504).

Who has an interest in the property? Check one

- ☒ Debtor 1 only  
☐ Debtor 2 only  
☐ Debtor 1 and Debtor 2 only  
☐ At least one of the debtors and another

☐ Check if this is community property (see instructions)Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

Current value of the entire property?

\$9,369.00

Current value of the portion you own?

\$9,369.00

3.2 Make: \_\_\_\_\_  
 Model: \_\_\_\_\_  
 Year: \_\_\_\_\_  
 Approximate mileage: \_\_\_\_\_  
 Other information: \_\_\_\_\_

2005 GMC Yukon (miles 65,900).

Who has an interest in the property? Check one

- ☒ Debtor 1 only  
☐ Debtor 2 only  
☐ Debtor 1 and Debtor 2 only  
☐ At least one of the debtors and another

☐ Check if this is community property (see instructions)Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

Current value of the entire property?

\$6,949.00

Current value of the portion you own?

\$6,949.00

Debtor 1 Eugene Arnold

Case number (if known) 2:15-bk-22361-VZ

3.3 Make: \_\_\_\_\_  
 Model: \_\_\_\_\_  
 Year: \_\_\_\_\_  
 Approximate mileage: \_\_\_\_\_  
 Other information: \_\_\_\_\_

1999 Suburban (miles 98,400).

**Who has an interest in the property?** Check one

- ☒ Debtor 1 only  
☐ Debtor 2 only  
☐ Debtor 1 and Debtor 2 only  
☐ At least one of the debtors and another

☐ Check if this is community property  
 (see instructions)

Do not deduct secured claims or exemptions. Put  
 the amount of any secured claims on *Schedule D:*  
*Creditors Who Have Claims Secured by Property.*

Current value of the  
entire property?Current value of the  
portion you own?

\$2,400.00

\$2,400.00

**4. Watercraft, aircraft, motor homes, ATVs and other recreational vehicles, other vehicles, and accessories**

Examples: Boats, trailers, motors, personal watercraft, fishing vessels, snowmobiles, motorcycle accessories

- ☒ No  
☐ Yes

5 Add the dollar value of the portion you own for all of your entries from Part 2, including any entries for  
 pages you have attached for Part 2. Write that number here.....=>

\$18,718.00

**Part 3: Describe Your Personal and Household Items**

Do you own or have any legal or equitable interest in any of the following items?

Current value of the  
 portion you own?  
 Do not deduct secured  
 claims or exemptions.

**6. Household goods and furnishings**

Examples: Major appliances, furniture, linens, china, kitchenware

- ☐ No  
☒ Yes. Describe.....

Misc. household goods and furnishings.

\$3,500.00

**7. Electronics**

Examples: Televisions and radios; audio, video, stereo, and digital equipment; computers, printers, scanners; music collections; electronic devices including cell phones, cameras, media players, games

- ☒ No  
☐ Yes. Describe.....

**8. Collectibles of value**

Examples: Antiques and figurines; paintings, prints, or other artwork; books, pictures, or other art objects; stamp, coin, or baseball card collections; other collections, memorabilia, collectibles

- ☐ No  
☒ Yes. Describe.....

Misc. books, pictures and art.

\$500.00

**9. Equipment for sports and hobbies**

Examples: Sports, photographic, exercise, and other hobby equipment; bicycles, pool tables, golf clubs, skis; canoes and kayaks; carpentry tools; musical instruments

- ☐ No  
☒ Yes. Describe.....

Bike.

\$20.00

**10. Firearms**

Examples: Pistols, rifles, shotguns, ammunition, and related equipment

- ☒ No  
☐ Yes. Describe.....

Debtor 1 Eugene Arnold

Case number (if known) 2:15-bk-22361-VZ

**11. Clothes***Examples:* Everyday clothes, furs, leather coats, designer wear, shoes, accessories☐ No☒ Yes. Describe.....

Misc. wearing apparel.

\$400.00

**12. Jewelry***Examples:* Everyday jewelry, costume jewelry, engagement rings, wedding rings, heirloom jewelry, watches, gems, gold, silver☐ No☒ Yes. Describe.....

2 rings and 1 necklace.

\$4,000.00

**13. Non-farm animals***Examples:* Dogs, cats, birds, horses☒ No☐ Yes. Describe.....**14. Any other personal and household items you did not already list, including any health aids you did not list**☒ No☐ Yes. Give specific information.....**15. Add the dollar value of all of your entries from Part 3, including any entries for pages you have attached for Part 3. Write that number here .....**

\$8,420.00

**Part 4: Describe Your Financial Assets****Do you own or have any legal or equitable interest in any of the following?****Current value of the portion you own?**  
Do not deduct secured claims or exemptions.**16. Cash***Examples:* Money you have in your wallet, in your home, in a safe deposit box, and on hand when you file your petition☐ No☒ Yes.....

Cash on hand.

\$50.00

**17. Deposits of money***Examples:* Checking, savings, or other financial accounts; certificates of deposit; shares in credit unions, brokerage houses, and other similar institutions. If you have multiple accounts with the same institution, list each.☐ No☒ Yes.....

Institution name:

17.1. Checking

Funds in DIP bank accounts.

\$22,000.00

**18. Bonds, mutual funds, or publicly traded stocks***Examples:* Bond funds, investment accounts with brokerage firms, money market accounts☒ No☐ Yes.....

Institution or issuer name:

**19. Non-publicly traded stock and interests in incorporated and unincorporated businesses, including an interest in an LLC, partnership, and joint venture**☐ No☒ Yes. Give specific information about them.....

Name of entity:

% of ownership:

Debtor 1 Eugene Arnold

Case number (if known) 2:15-bk-22361-VZ

Life Line of Hope, Inc. -- \$0 value as corp. never did  
any business and has no assets.

%

\$1.00

**20. Government and corporate bonds and other negotiable and non-negotiable instruments***Negotiable instruments* include personal checks, cashiers' checks, promissory notes, and money orders.  
*Non-negotiable instruments* are those you cannot transfer to someone by signing or delivering them.☒ No☐ Yes. Give specific information about them

Issuer name:

**21. Retirement or pension accounts***Examples:* Interests in IRA, ERISA, Keogh, 401(k), 403(b), thrift savings accounts, or other pension or profit-sharing plans☐ No☒ Yes. List each account separately.

Type of account:

Institution name:

401(K).

\$19,494.99

**22. Security deposits and prepayments**

Your share of all unused deposits you have made so that you may continue service or use from a company

*Examples:* Agreements with landlords, prepaid rent, public utilities (electric, gas, water), telecommunications companies, or others☒ No☐ Yes. ....

Institution name or individual:

**23. Annuities** (A contract for a periodic payment of money to you, either for life or for a number of years)☒ No☐ Yes.....

Issuer name and description.

**24. Interests in an education IRA, in an account in a qualified ABLE program, or under a qualified state tuition program.**

26 U.S.C. §§ 530(b)(1), 529A(b), and 529(b)(1).

☒ No☐ Yes.....

Institution name and description. Separately file the records of any interests. 11 U.S.C. § 521(c):

**25. Trusts, equitable or future interests in property (other than anything listed in line 1), and rights or powers exercisable for your benefit**☒ No☐ Yes. Give specific information about them...**26. Patents, copyrights, trademarks, trade secrets, and other intellectual property***Examples:* Internet domain names, websites, proceeds from royalties and licensing agreements☒ No☐ Yes. Give specific information about them...**27. Licenses, franchises, and other general intangibles***Examples:* Building permits, exclusive licenses, cooperative association holdings, liquor licenses, professional licenses☒ No☐ Yes. Give specific information about them...**Money or property owed to you?****Current value of the  
portion you own?**  
Do not deduct secured  
claims or exemptions.**28. Tax refunds owed to you**☒ No☐ Yes. Give specific information about them, including whether you already filed the returns and the tax years.....**29. Family support***Examples:* Past due or lump sum alimony, spousal support, child support, maintenance, divorce settlement, property settlement☒ No☐ Yes. Give specific information.....



Debtor 1 Eugene Arnold

Case number (if known) 2:15-bk-22361-VZ

**30. Other amounts someone owes you***Examples:* Unpaid wages, disability insurance payments, disability benefits, sick pay, vacation pay, workers' compensation, Social Security benefits; unpaid loans you made to someone else☒ No☐ Yes. Give specific information..**31. Interests in insurance policies***Examples:* Health, disability, or life insurance; health savings account (HSA); credit, homeowner's, or renter's insurance☐ No☒ Yes. Name the insurance company of each policy and list its value.

Company name:

Beneficiary:

Surrender or refund  
value:AAA life insurance (\$100,000 policy; cash  
value \$4,675.45)

\$4,675.45

**32. Any interest in property that is due you from someone who has died**

If you are the beneficiary of a living trust, expect proceeds from a life insurance policy, or are currently entitled to receive property because someone has died.

☒ No☐ Yes. Give specific information..**33. Claims against third parties, whether or not you have filed a lawsuit or made a demand for payment***Examples:* Accidents, employment disputes, insurance claims, or rights to sue☒ No☐ Yes. Describe each claim.....**34. Other contingent and unliquidated claims of every nature, including counterclaims of the debtor and rights to set off claims**☒ No☐ Yes. Describe each claim.....**35. Any financial assets you did not already list**☒ No☐ Yes. Give specific information..**36. Add the dollar value of all of your entries from Part 4, including any entries for pages you have attached for Part 4. Write that number here.....**

\$46,221.44

**Part 5: Describe Any Business-Related Property You Own or Have an Interest In. List any real estate in Part 1.****37. Do you own or have any legal or equitable interest in any business-related property?**☐ No. Go to Part 6.☒ Yes. Go to line 38.**Current value of the  
portion you own?**  
Do not deduct secured  
claims or exemptions.**38. Accounts receivable or commissions you already earned**☒ No☐ Yes. Describe.....**39. Office equipment, furnishings, and supplies***Examples:* Business-related computers, software, modems, printers, copiers, fax machines, rugs, telephones, desks, chairs, electronic devices☐ No☒ Yes. Describe.....

Debtor 1 Eugene Arnold

Case number (if known) 2:15-bk-22361-VZ

Computer, printer.

\$300.00

## 40. Machinery, fixtures, equipment, supplies you use in business, and tools of your trade

☒ No☐ Yes. Describe.....

## 41. Inventory

☒ No☐ Yes. Describe.....

## 42. Interests in partnerships or joint ventures

☒ No☐ Yes. Give specific information about them.....

Name of entity:

% of ownership:

## 43. Customer lists, mailing lists, or other compilations

☒ No.☐ Do your lists include personally identifiable information (as defined in 11 U.S.C. § 101(41A))?☒ No☐ Yes. Describe.....

## 44. Any business-related property you did not already list

☒ No☐ Yes. Give specific information.....

## 45. Add the dollar value of all of your entries from Part 5, including any entries for pages you have attached for Part 5. Write that number here.....

\$300.00

**Part 6: Describe Any Farm- and Commercial Fishing-Related Property You Own or Have an Interest In.**

If you own or have an interest in farmland, list it in Part 1.

## 46. Do you own or have any legal or equitable interest in any farm- or commercial fishing-related property?

☒ No. Go to Part 7.☐ Yes. Go to line 47.**Part 7: Describe All Property You Own or Have an Interest in That You Did Not List Above**

## 53. Do you have other property of any kind you did not already list?

Examples: Season tickets, country club membership

☐ No☒ Yes. Give specific information.....

Time share with Diamond Resort.

\$2,000.00

## 54. Add the dollar value of all of your entries from Part 7. Write that number here .....

\$2,000.00

Debtor 1 Eugene Arnold

Case number (if known) 2:15-bk-22361-VZ

**Part 8:** List the Totals of Each Part of this Form

55. Part 1: Total real estate, line 2 .....			\$1,898,000.00
56. Part 2: Total vehicles, line 5	\$18,718.00		
57. Part 3: Total personal and household items, line 15	\$8,420.00		
58. Part 4: Total financial assets, line 36	\$46,221.44		
59. Part 5: Total business-related property, line 45	\$300.00		
60. Part 6: Total farm- and fishing-related property, line 52	\$0.00		
61. Part 7: Total other property not listed, line 54	+	\$2,000.00	
62. Total personal property. Add lines 56 through 61...	\$75,659.44	Copy personal property total	\$75,659.44
63. Total of all property on Schedule A/B. Add line 55 + line 62			\$1,973,659.44

**Fill in this information to identify your case:**

Debtor 1	Eugene Arnold		
	First Name	Middle Name	Last Name
Debtor 2 (Spouse if, filing)			
	First Name	Middle Name	Last Name
United States Bankruptcy Court for the:	CENTRAL DISTRICT OF CALIFORNIA		
Case number (if known)	2:15-bk-22361-VZ		

☐ Check if this is an amended filing

## Official Form 106C

### Schedule C: The Property You Claim as Exempt

4/16

Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. Using the property you listed on *Schedule A/B: Property* (Official Form 106A/B) as your source, list the property that you claim as exempt. If more space is needed, fill out and attach to this page as many copies of *Part 2: Additional Page* as necessary. On the top of any additional pages, write your name and case number (if known).

**For each item of property you claim as exempt, you must specify the amount of the exemption you claim. One way of doing so is to state a specific dollar amount as exempt. Alternatively, you may claim the full fair market value of the property being exempted up to the amount of any applicable statutory limit. Some exemptions—such as those for health aids, rights to receive certain benefits, and tax-exempt retirement funds—may be unlimited in dollar amount. However, if you claim an exemption of 100% of fair market value under a law that limits the exemption to a particular dollar amount and the value of the property is determined to exceed that amount, your exemption would be limited to the applicable statutory amount.**

#### Part 1: Identify the Property You Claim as Exempt

1. **Which set of exemptions are you claiming?** Check one only, even if your spouse is filing with you.

- ☒ You are claiming state and federal nonbankruptcy exemptions. 11 U.S.C. § 522(b)(3)
- ☐ You are claiming federal exemptions. 11 U.S.C. § 522(b)(2)

2. **For any property you list on *Schedule A/B* that you claim as exempt, fill in the information below.**

Brief description of the property and line on <i>Schedule A/B</i> that lists this property	Current value of the portion you own <small>Copy the value from <i>Schedule A/B</i></small>	Amount of the exemption you claim <small>Check only one box for each exemption.</small>	Specific laws that allow exemption
2008 GMC Arcadia (miles 66,504). Line from <i>Schedule A/B</i> : 3.1	\$9,369.00	<input checked="" type="checkbox"/> \$5,100.00 <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 703.140(b)(2)
2008 GMC Arcadia (miles 66,504). Line from <i>Schedule A/B</i> : 3.1	\$9,369.00	<input checked="" type="checkbox"/> \$4,269.00 <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 703.140(b)(5)
2005 GMC Yukon (miles 65,900). Line from <i>Schedule A/B</i> : 3.2	\$6,949.00	<input checked="" type="checkbox"/> \$6,949.00 <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 703.140(b)(5)
1999 Suburban (miles 98,400). Line from <i>Schedule A/B</i> : 3.3	\$2,400.00	<input checked="" type="checkbox"/> \$2,400.00 <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 703.140(b)(5)
Misc. household goods and furnishings. Line from <i>Schedule A/B</i> : 6.1	\$3,500.00	<input checked="" type="checkbox"/> \$3,500.00 <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 703.140(b)(3)

Debtor 1 Eugene Arnold

Case number (if known)

2:15-bk-22361-VZ

Brief description of the property and line on Schedule A/B that lists this property	Current value of the portion you own Copy the value from Schedule A/B	Amount of the exemption you claim Check only one box for each exemption.	Specific laws that allow exemption
Misc. books, pictures and art. Line from Schedule A/B: 8.1	\$500.00	<input checked="" type="checkbox"/> \$500.00 <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 703.140(b)(3)
Bike. Line from Schedule A/B: 9.1	\$20.00	<input checked="" type="checkbox"/> \$20.00 <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 703.140(b)(3)
Misc. wearing apparel. Line from Schedule A/B: 11.1	\$400.00	<input checked="" type="checkbox"/> \$400.00 <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 703.140(b)(3)
2 rings and 1 necklace. Line from Schedule A/B: 12.1	\$4,000.00	<input checked="" type="checkbox"/> \$1,525.00 <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 703.140(b)(4)
2 rings and 1 necklace. Line from Schedule A/B: 12.1	\$4,000.00	<input checked="" type="checkbox"/> \$2,475.00 <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 703.140(b)(5)
Cash on hand. Line from Schedule A/B: 16.1	\$50.00	<input checked="" type="checkbox"/> \$50.00 <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 703.140(b)(5)
Checking: Funds in DIP bank accounts. Line from Schedule A/B: 17.1	\$22,000.00	<input checked="" type="checkbox"/> \$10,781.00 <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 703.140(b)(5)
Life Line of Hope, Inc. -- \$0 value as corp. never did any business and has no assets. Line from Schedule A/B: 19.1	\$1.00	<input checked="" type="checkbox"/> \$1.00 <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 703.140(b)(5)
401(K). Line from Schedule A/B: 21.1	\$19,494.99	<input checked="" type="checkbox"/> \$19,494.99 <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 703.140(b)(10)(E)
AAA life insurance (\$100,000 policy; cash value \$4,675.45) Line from Schedule A/B: 31.1	\$4,675.45	<input checked="" type="checkbox"/> \$4,675.45 <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 703.140(b)(7)
Computer, printer. Line from Schedule A/B: 39.1	\$300.00	<input checked="" type="checkbox"/> \$300.00 <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 703.140(b)(3)

Debtor 1 Eugene Arnold

Case number (if known)

2:15-bk-22361-VZ

3. **Are you claiming a homestead exemption of more than \$160,375?**

(Subject to adjustment on 4/01/19 and every 3 years after that for cases filed on or after the date of adjustment.)

☒ No

☐ Yes. Did you acquire the property covered by the exemption within 1,215 days before you filed this case?

☐ No

☐ Yes

SEP 9,2016  
2:03PM

**Best Case Bankruptcy**  
**Schedule C: Property Summary**  
Arnold, Eugene

Page 1

Property Description	HW	Equity	Exempt	Unexempt
1. 7603 Dalton Ave. Los Angeles, CA 90047 Los Angeles County	1	137,901.00	0.00	137,901.00
1. 2107 Exposition Blvd. Los Angeles, CA 90018 Los Angeles Co	1	158,052.00	0.00	158,052.00
1. 204 East 51st Street Los Angeles, CA 90011 Los Angeles Cou	1	64,860.00	0.00	64,860.00
1. 344 East 76th Street, Los Angeles, CA 90003 Los Angeles Cot	1	100,978.00	0.00	100,978.00
1. 8759 McKinley Place, Los Angeles, CA 90002 Los Angeles Co	1	120,377.00	0.00	120,377.00
1. 42 Washington Street Hanford, CA 93230 Kings County□□Titl	1	0.00	0.00	0.00
3. 2008 GMC Arcadia (miles 66,504).	1	9,369.00	9,369.00	0.00
3. 2005 GMC Yukon (miles 65,900).	1	6,949.00	6,949.00	0.00
3. 1999 Suburban (miles 98,400).	1	2,400.00	2,400.00	0.00
6. Misc. household goods and furnishings.	1	3,500.00	3,500.00	0.00
8. Misc. books, pictures and art.	1	500.00	500.00	0.00
9. Bike.	1	20.00	20.00	0.00
11. Misc. wearing apparel.	1	400.00	400.00	0.00
12. 2 rings and 1 necklace.	1	4,000.00	4,000.00	0.00
16. Cash on hand.	1	50.00	50.00	0.00
17. Checking: Funds in DIP bank accounts.	1	22,000.00	10,781.00	11,219.00
19. Life Line of Hope, Inc. -- \$0 value as corp. never did any busir	1	1.00	1.00	0.00
21. 401(K).	1	19,494.99	19,494.99	0.00
31. AAA life insurance (\$100,000 policy; cash value \$4,675.45)	1	4,675.45	4,675.45	0.00
39. Computer, printer.	1	300.00	300.00	0.00
53. Time share with Diamond Resort.	1	0.00	0.00	0.00

**EXHIBIT D**



**DEBTOR'S PROJECTED INCOME AND EXPENSES FOR 5 YEAR PLAN TERM**

[illegible]

**DEBTOR'S PROJECTED INCOME AND EXPENSES FOR 5 YEAR PLAN TERM**

[illegible]

**DEBTOR'S PROJECTED INCOME AND EXPENSES FOR 5 YEAR PLAN TERM**

[illegible]

**EXHIBIT E**

Matthew R. Clark (SBN 271054)  
mclark@rasflaw.com  
**ROBERTSON, ANSCHUTZ & SCHNEID**  
1162 El Camino Real, Suite 100  
San Diego, CA 92130  
Telephone: (561) 613-0066 ext. 1899

Attorneys for Creditor  
HSBC BANK USA, NATIONAL  
ASSOCIATION, AS TRUSTEE FOR FREMONT  
HOME LOAN TRUST 2006-A, MORTGAGE-  
BACKED CERTIFICATES, SERIES 2006-A

**UNITED STATES BANKRUPTCY COURT**  
**CENTRAL DISTRICT OF CALIFORNIA – LOS ANGELES DIVISION**

In re  
  
Eugene Arnold,  
  
Debtor.

Case No. 15-22361

Chapter 11

**STIPULATION RE: TREATMENT OF  
CREDITOR'S CLAIM UNDER  
DEBTOR'S CHAPTER 11 PLAN OF  
REORGANIZATION**

**Subject Property**  
344 East 76th Street  
Los Angeles, CA 90003

This Stipulation Re: Treatment of Creditor's Claim under Debtor's Chapter 11 Plan of Reorganization ("Stipulation") is entered by and between HSBC BANK USA, NATIONAL ASSOCIATION, AS TRUSTEE FOR FREMONT HOME LOAN TRUST 2006-A, MORTGAGE-BACKED CERTIFICATES, SERIES 2006-A on behalf of its authorized loan servicing agent Ocwen Loan Servicing, Inc (collectively the "Creditor"), by and through its attorneys of record, Robertson, Anschutz & Schneid, and Eugene Arnold ("Debtor"), by and through his respective attorneys of record, Simon Resnik Hayes LLP. Debtor and Creditor are collectively sometimes referred to herein as the "Parties."

///

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RECITALS

1  
2 A. On or about February 17, 2006, Debtor executed a promissory note in the  
3 principal sum of \$224,000.00 (the "Note"), which was made payable to Fremont Investment &  
4 Loan ("Lender"). The Note was and remains secured by a deed of trust (the "Deed of Trust")  
5 encumbering the real property located at 344 East 76<sup>th</sup> Street, Los Angeles, CA 90003 ("Subject  
6 Property"). Subsequently, Lender's beneficial interest under the Deed of Trust was transferred  
7 to Creditor. The Note and Deed of Trust shall collectively be referred to herein as the "Loan."  
8

9 B. On August 5, 2015, Debtor filed a voluntary petition under Chapter 13 of the  
10 Bankruptcy Code in the Central District of California – Los Angeles Division, and was assigned  
11 bankruptcy case number 15-22361. On October 8, 2015, Debtor's bankruptcy case converted to  
12 Chapter 11.

13 C. On June 15, 2016, Debtor filed a Chapter 11 Plan of Reorganization ("Plan")  
14 providing for Creditor's claim in Class 4 which states that Ocwen's claim shall remain  
15 unimpaired and the Debtor will continue to pay the contractual monthly payment.

16 **THE PARTIES STIPULATE AS FOLLOWS:**

17 1. Creditor's legal, equitable, and contractual rights shall remain unchanged with  
18 respect to its security interest in the Subject Property. The confirmation order will constitute an  
19 order for relief from stay. Creditor shall retain its interest in the Subject Property until paid in  
20 full. **Creditor's secured claim is not impaired and Creditor is not entitled to vote on**  
21 **confirmation of the Plan;**

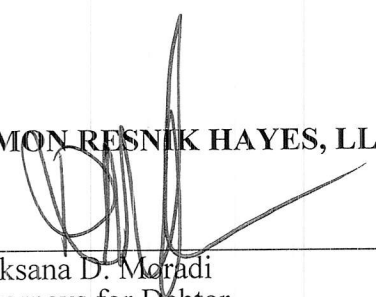
22 2. Debtor shall (i) file an amended Plan that incorporates the terms of this  
23 Stipulation by reference to docket number and/or (ii) the confirmation order shall expressly  
24 incorporate the terms of this Stipulation by reference to docket number. The failure to comply  
25 with this provision shall constitute a Default under the terms of the Stipulation. In the event of a  
26 conflict between a provision of this Stipulation and any provision in Debtor's Chapter 11 Plan or  
27 any amendments or modifications thereto, the terms of this Stipulation shall control; and  
28

3. Nothing herein shall preclude or prevent Debtor from seeking, or the Parties from discussing a potential loan modification agreement, include but not limited to a Forbearance Agreement, Loan Modification, Refinance Agreement, Short Sale, or other Loan Workout/Loss Mitigation Agreement or entering into such agreement with Creditor (and/or its servicer) with respect to the Loan after confirmation of the Debtor's Plan; however, nothing in this Stipulation shall be construed to require or obligate Creditor in any way to enter into, agree to enter into, or accept any such loan modification agreement;

**IT IS SO STIPULATED:**

Dated: July 18, 2016

**SIMON RESNIK HAYES, LLP**

  
\_\_\_\_\_  
Roksana D. Moradi  
Attorneys for Debtor

**ROBERTSON, ANSCHUTZ & SCHNEID, P.L.**

Dated: July 18, 2016

/s/ Matthew R. Clark  
\_\_\_\_\_  
MATTHEW R. CLARK  
Attorneys for Creditor

**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: **15233 Ventura Blvd., Suite 250, Sherman Oaks, CA 91403.**

A true and correct copy of the foregoing document entitled **STIPULATION RE: TREATMENT OF CREDITOR'S CLAIM UNDER DEBTOR'S CHAPTER 11 PLAN OF REORGANIZATION** 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 indicated below:

**I. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING**

**("NEF")** – Pursuant to controlling General Order(s) and Local Bankruptcy Rule(s) **("LBR")**, the foregoing document will be served by the court via NEF and hyperlink to the document. On **7/19/2016** I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email address(es) indicated below:

☐ Service information continued on attached page

- **Darren J Devlin** darren@resolutionfunding.net
- **April Harriott** bkyecf@rasflaw.com, bkyecf@rasflaw.com
- **M Jonathan Hayes** jhayes@srhlawfirm.com, roksana@srhlawfirm.com; matthew@srhlawfirm.com; rosarioz@srhlawfirm.com; jfisher@srhlawfirm.com; maria@srhlawfirm.com; staci@srhlawfirm.com; jhayesecf@gmail.com
- **Merdaud Jafarnia** bknotice@mccarthyholthus.com, mjafarnia@ecf.inforuptcy.com
- **Iris Kwon** ikwon@rasflaw.com, bkyecf@rasflaw.com
- **Kelly L Morrison** kelly.l.morrison@usdoj.gov
- **Kelly M Raftery** bknotice@mccarthyholthus.com, kraftery@ecf.courtdrive.com
- **Matthew D Resnik** matt@srhlawfirm.com, mattec@ecf.inforuptcy.com; renee@srhlawfirm.com
- **United States Trustee (LA)** ustpreion16.la.ecf@usdoj.gov
- **Robert P Zahradka** ecfcacb@aldridgepite.com, RPZ@ecf.inforuptcy.com; rzahradka@aldridgepite.com

**II. SERVED BY U.S. MAIL:** On **7/19/2016** I served the following person(s) and/or entity(ies) at the last known address(es) 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

**Hon. Vincent P. Zurzolo**  
**U.S. Bankruptcy Court**  
**Central District – LA Branch**  
**255 E. Temple Street, Suite 1360**  
**Los Angeles, CA 90012**

**Eugene Arnold**  
**7603 Dalton Ave**  
**Los Angeles, CA 90047-2508**



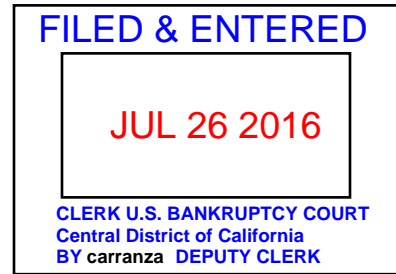
**III. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE  
TRANSMISSION OR EMAIL** (indicate method for each person or entity served):

Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on **7/19/2016** I served the following person(s) and/or entity(ies) 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 the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

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

<u>7/19/2016</u>	<u>Ja'Nita Fisher</u>	<u>/s/ Ja'Nita Fisher</u>
<i>Date</i>	<i>Type Name</i>	<i>Signature</i>

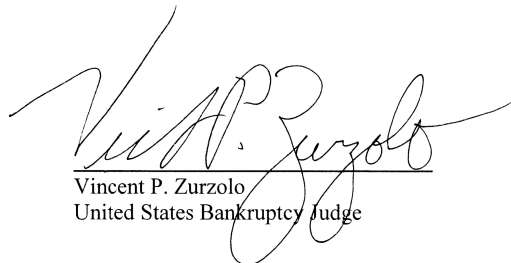


REORGANIZATION (the "Stipulation") [Docket No. 102] with the Court on July 26,  
2016; the Court having considered the Stipulation; and there being good cause;

IT IS ORDERED that the Stipulation is approved.

###

Date: July 26, 2016



Vincent P. Zurzolo  
United States Bankruptcy Judge

# **EXHIBIT F**

CHRISTOPHER M. MCDERMOTT (SBN 253411)  
cmcdermott@aldridgepite.com  
TODD S. GARAN (CA SBN 236878)  
tgaran@aldridgepite.com  
**ALDRIDGE PITE, LLP**  
4375 Jutland Dr., Ste. 200  
P.O. Box 19734  
San Diego, CA 92177-9734  
Telephone: (858) 750-7600  
Facsimile: (619) 590-1385

Attorneys for Secured Creditor:  
U.S. Bank National Association, as Trustee for the Structured Asset Investment Loan Trust,  
Mortgage Pass-Through Certificates, Series 2005-9; America's Servicing Company, as servicer

**UNITED STATES BANKRUPTCY COURT**  
**CENTRAL DISTRICT OF CALIFORNIA – LOS ANGELES DIVISION**

In re

EUGENE ARNOLD,

Debtor and Debtor in  
Possession.

Case No. 2:15-bk-22361-VZ

Chapter 11

**STIPULATION RE: TREATMENT OF  
CREDITOR'S CLAIM UNDER  
DEBTORS' CHAPTER 11 PLAN OF  
REORGANIZATION**

**Class 2**

**Subject Property:**  
*2107 Exposition Blvd.  
Los Angeles, CA 90018*

This Stipulation Re: Treatment of Claim ("**Stipulation**") is entered into by and between Secured Creditor, U.S. Bank National Association, as Trustee for the Structured Asset Investment Loan Trust, Mortgage Pass-Through Certificates, Series 2005-9; America's Servicing Company, as servicer ("**Creditor**"), and Debtor, Eugene Arnold (the "**Debtor**"), by and through their respective attorneys of record.

The real property which is the subject of this matter is commonly known as 2107 Exposition Blvd., Los Angeles, CA 90018 (hereinafter the "**Subject Property**"), which is more fully described in the Deed of Trust attached hereto as Exhibit B and incorporated herein by this reference.

The Loan is evidenced by a promissory note dated July 2, 2005, executed by Debtor and

1 delivered to New Century Mortgage Corporate ("**Lender**") in the principal sum of \$265,000.00 (the  
2 "**Note**"). A copy of the Note is attached hereto as **Exhibit A** and incorporated herein by reference.

3 The Note is secured by a 1<sup>st</sup> Deed of Trust (the "**Deed of Trust**") granting Lender a security  
4 interest in the Subject Property, which is more fully described in the Deed of Trust. The Deed of  
5 Trust was duly recorded on July 14, 2005, in the official records of the Los Angeles County  
6 Recorder's office, State of California. A copy of the Deed of Trust is attached hereto as **Exhibit B**  
7 and incorporated herein by reference.

8 Subsequently, all of Lender's beneficial interest in the Note and Deed of Trust was assigned  
9 and transferred to Creditor. The note is endorsed in blank. A copy of the assignment of Deed of  
10 Trust is attached hereto as **Exhibit C** and incorporated herein by this reference.

11 On January 1, 2013, Debtor and Creditor entered into a Loan Modification Agreement  
12 ("**Loan Modification**") whereby certain obligations under the Note and Deed of Trust were  
13 modified. A copy of the Loan Modification is attached hereto as **Exhibit D** and incorporated herein  
14 by this reference. The Note, Deed of Trust and Loan Modification may be referred to herein  
15 collectively as the "**Loan**."

16 On or about August 5, 2015, Debtor filed a voluntary petition for relief under Chapter 11 of  
17 the Bankruptcy Code in the United States Bankruptcy Court for the Central District of California and  
18 was assigned Case No. 2:15-bk-22361-VZ.

19 Creditor filed a Proof of Claim against the Debtor's estate in the amount of \$229,947.43,  
20 secured by the Subject Property, with \$1,941.18 in pre-petition arrears. A copy of Creditor's Proof  
21 of Claim is on file with this Court's Claims Register as Claim Number 8.

22 **THE PARTIES STIPULATE AS FOLLOWS:**

23 1. Creditor's claim (its successors and/or assigns), secured by the Subject Property shall  
24 be fully secured, paid in full and Debtor's Plan shall not alter or modify the legal, equitable, and  
25 contractual rights under the Loan ("**Secured Claim**"). Creditor's Secured Claim shall be impaired  
26 pursuant to 11 U.S.C. §1124 only to the extent that Debtor shall cure the contractual arrears as set  
27 forth herein.

28 2. Debtor shall tender regular monthly payments to Creditor (and/or its servicer) on the

1 first day of each month for the Secured Claim commencing August 1, 2016 and continuing on the  
2 first day of each month thereafter until the Maturity Date under the Loan when all outstanding  
3 amounts owed on the Secured Claim, including any escrow payments and/or charges as required per  
4 the terms and provisions of this Stipulation and/or the Loan, are to be paid in full. The amount of  
5 the current contractual monthly payment is \$864.32; however, Debtor understands the amount of this  
6 payment may be subject to change under the Loan. There is also an escrow payment that must be  
7 paid per paragraph 4 below.

8         3. In addition to the regular contractual payment (including escrow required hereunder,  
9 Debtor shall cure the total contractual arrears owing on Creditor's claim in the amount of  
10 \$12,208.96, in equal monthly installments over 60 months without interest. Debtor shall tender  
11 arrearage payments in the amount of \$203.48 per month commencing on the first day of the first  
12 month following entry of the order confirming Debtor's Plan and continuing on the first day of each  
13 month thereafter for a period of 60 months at which time any outstanding contractual arrears owing  
14 on Creditor's claim as specified in this paragraph 3 are to be fully paid. If the Debtor seeks to sell or  
15 refinance the Subject Property any time prior to curing the contractual arrears as set forth herein, all  
16 outstanding contractual arrears must likewise be paid in full at the time of any such sale and/or  
17 refinancing. Notwithstanding the foregoing, if Debtor misses any regular contractual or escrow (if  
18 applicable) payments after August 1, 2016 as required herein, said missed payments shall not be  
19 subject to this paragraph 3, but instead shall be considered a default under this Stipulation and  
20 subject to any and all penalties, interest or other fees and charges as required under the Loan.

21         4. In addition to the monthly payment described in paragraph 2 and the arrearage  
22 payment described in paragraph 3 of this Stipulation, Debtor shall tender to Creditor (and/or its  
23 servicer) all necessary escrow payments for any and all real property taxes and/or real property  
24 insurance advances as required by Creditor (and/or its servicer) and in accordance with any  
25 requirements under the Loan. Debtor shall tender the necessary escrow payments together with the  
26 regular monthly mortgage payments described in paragraph 2 above, commencing on August 1,  
27 2016 and continuing on the first day of each month thereafter until the Maturity Date under the Loan  
28 at which time the Secured Claim, which includes any related escrow charges, must be paid in full.

1 The current amount of the escrow payment is \$432.22; however, Debtor understands the amount of  
2 this escrow payment is subject to change per any escrow analysis of Creditor (and/or its servicer).

3 5. Except as otherwise expressly provided herein, all remaining terms of the Note, Deed  
4 of Trust and Loan Modification, which are incorporated herein by this reference, shall govern the  
5 treatment of Creditor's Secured Claim.

6 6. Pre-Confirmation Default: In the event of any default on any of the provisions of this  
7 Stipulation prior to confirmation of Debtor's Chapter 11 Plan, Creditor (and/or its servicer) shall  
8 provide written notice, via certified mail, to Debtor at the Subject Property and to Debtor's attorney  
9 of record, indicating the nature of default. If Debtor fails to cure the default or payment default with  
10 certified funds after the passage of thirty (30) calendar days from the date said written notice is  
11 placed in the mail as reflected on the certified receipt, then the Automatic Stay shall terminate,  
12 unless it has already been terminated by operation of law, and Creditor (and/or its servicer) may  
13 commence any and all action necessary to obtain complete possession of the Subject Property under  
14 the terms of the Loan and applicable state law, including but not limited to foreclosure thereof,  
15 without further notice, order, or proceeding of this Court.

16 7. Post-Confirmation Default. Upon confirmation of Debtor's Chapter 11 Plan, the  
17 Automatic Stay shall be deemed terminated as to the Debtor and estate, and the Creditor (and/or its  
18 servicer) will no longer be required to provide notice in accordance with paragraph 6 above.  
19 Instead, Creditor will provide Debtor notice of any default related to the Stipulation in accordance  
20 with the Loan, and applicable state law and/or proceed with its remedies under the terms of the Loan  
21 and applicable state law, including but not limited to foreclosure of the Subject Property, without  
22 further notice, order, or proceeding of this Court.

23 8. Any forbearance by Creditor (and/or its servicer) in exercising any right or remedy,  
24 including, without limitation, Creditor (and/or its servicer) accepting payments from third persons,  
25 entities or successors in interest to Debtor, or in amounts less than the amount due, including as  
26 provided for under this Stipulation, shall not be a waiver of or preclude the Creditor's (and/or  
27 servicer) exercise of any right or remedy under the Stipulation, and/or Loan. The acceptance by  
28 Creditor (and/or servicer) of a late or partial payment shall not act as a waiver of Creditor's right to



1 proceed hereunder or under the Loan documents.

2 9. In the event that Creditor is granted relief from the automatic stay, the parties hereby  
3 stipulate that the 14-day stay provided by Bankruptcy Rule 4001(a)(3) is waived.

4 10. In the event the Debtor defaults under this Stipulation and Creditor (and/or its  
5 servicer) forwards a default letter to Debtor, Debtor shall be required to tender Creditor's reasonable  
6 attorneys' fees and costs for each default letter submitted, in addition to the default amount stated  
7 therein, in order to cure the default. Any notice of default that Creditor (and/or its servicer) provides  
8 Debtor and/or Debtor's attorneys pursuant to this Stipulation shall not be construed as a  
9 communication under the Fair Debt Collection Practices Act, 15 U.S.C. §1692.

10 11. At the request of the Creditor (and/or its servicer), the Debtor shall execute such  
11 documents and instruments as requested to reflect the Debtor as the borrower of the Secured Claim  
12 to conform with the provisions of the this Stipulation as Creditor (and/or its servicer) deems  
13 necessary.

14 12. Except as expressly provided herein, the Debtor waive any and all claims, causes of  
15 action, whether known or unknown, he currently has against Creditor, and its respective agents,  
16 parents, affiliates, subsidiaries, attorneys, predecessors, current and subsequent holders of the Loan,  
17 successors and assigns in relation to the Loan referenced herein and any and all agreements which  
18 exist between them regarding or relating to the Loan prior to the date of this Stipulation. This waiver  
19 includes Debtor's right to object to Creditor's Claim. The Debtor also releases Creditor and its  
20 respective agents, parents, affiliates, subsidiaries, attorneys, predecessors, current and subsequent  
21 holders of the Loan, successors and assigns from any liability in relation to the Loan prior to the date  
22 of this Stipulation.

23 13. In the event the Debtor seeks to sell the Subject Property at anytime prior to  
24 confirming his Chapter 11 Plan, or if he seeks to sell the Subject Property through this Chapter 11  
25 Plan, Creditor shall be entitled to credit bid at any such sale in an amount not less than the full  
26 unmodified, original outstanding balance owing under the terms of the Loan and/or exercise any of  
27 its rights pursuant to 11 U.S.C. §§ 363(b), (f) and (k) as applicable, and shall be permitted to receive  
28 proceeds from the sale of the Subject Property in an amount not less than the full unmodified,

1 original outstanding balance owing under the terms of the Loan at said time.

2 14. Nothing herein shall preclude or prevent Debtor from seeking, or the parties from  
3 discussing a potential loan modification with respect to the Loan, or subsequently entering into such  
4 agreement with Creditor (and/or its servicer) after the confirmation of Debtor's Plan; however,  
5 nothing in this Stipulation shall be construed to require or obligate Creditor (and/or its servicer) in  
6 any way to discuss, enter into, agree to enter into, offer or accept any such loan modification.

7 15. Debtor shall be required to attach a copy of this Stipulation to any Chapter 11 Plan  
8 filed in this case as an exhibit, including any modifications thereto or amendments thereto, and the  
9 Plan shall expressly incorporate the terms and provisions of this Stipulation into Debtor's Chapter 11  
10 Plan by reference (including any modifications or amendments thereto). In the event of a conflict  
11 between a provision of Debtor's Plan and the Stipulation, the Stipulation shall control. Further, the  
12 terms and provisions of this Stipulation may not be modified, altered, or changed by the Chapter 11  
13 Plan, any subsequently filed amended or modified Chapter 11 Plan of Reorganization and/or  
14 confirmation order on the foregoing without the express written consent of the Creditor.

15 16. In the event the Debtors' case is dismissed or converted to any other chapter under  
16 Title 11 of the United States Bankruptcy Code, Creditor shall retain its lien in the full, unmodified  
17 amount due under the Loan prior to confirmation of Debtor's Plan, Debtor will no longer be allowed  
18 to cure the delinquent contractual arrears as set forth herein, and the Automatic Stay shall be  
19 terminated without further notice, order or proceeding of the Court.

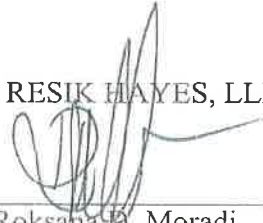
20 17. In the event the Debtor asserts that Creditor has failed to properly update its internal  
21 system to comply with the terms of this Stipulation within a reasonable period of time after an order  
22 is entered confirming the Debtor's Chapter 11 Plan of Reorganization, which shall be not less than  
23 ninety (90) days, the Debtor shall be required to provide written notice of the alleged lack of  
24 compliance to Creditor and Creditor's counsel of record, Aldridge Pite, LLP at 4375 Jutland Drive,  
25 Suite 200, San Diego, CA 92117, indicating the nature of the alleged lack of compliance. If Creditor  
26 fails to either remedy the alleged lack of compliance and/or provide an explanation refuting the  
27 Debtor's allegation after the passage of ninety (90) days from the date Creditor receives said written  
28 notice (the "**Meet and Confer Period**"), Debtor may proceed with filing the appropriate motion in

1 bankruptcy court seeking Creditor's compliance.

2 18. In exchange for the forgoing, Creditor shall provide a ballot voting in favor of the  
3 Debtor's Chapter 11 Plan of Reorganization, as amended, for the Secured Claim.

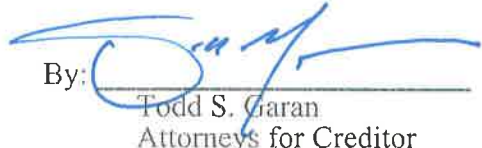
4  
5 Dated: 9/19/, 2016

SIMON RESIK HAYES, LLP.

6  
7 By:   
8 Roksana D. Moradi  
9 M. Jonathan Hayes  
10 Attorneys for Debtor

11  
12 Dated: 9/14/, 2016

ALDRIDGE PITE, LLP

13  
14 By:   
15 Todd S. Garan  
16 Attorneys for Creditor  
17  
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# EXHIBIT A

## ADJUSTABLE RATE NOTE

(LIBOR Six Month Index (as Published in *The Wall Street Journal*) - Rate Caps)  
2 YEAR RATE LOCK

THIS NOTE CONTAINS PROVISIONS THAT WILL CHANGE THE INTEREST RATE AND THE MONTHLY PAYMENT.

July 2, 2005  
(Date)

Los Angeles  
(City)

California  
(State)

2107 EXPOSITION BLVD, Los Angeles, CA 90018

(Property Address)

### 1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay U.S. \$ **265,600.00** (this amount is called "principal"), plus interest, to the order of the Lender. The Lender is **New Century Mortgage Corporation**

, a California Corporation. I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

### 2. INTEREST

Interest will be charged on unpaid principal until the full amount of principal has been paid. I will pay interest at a yearly rate of **5.990 %**. The interest rate I will pay may change. The interest rate required by this Section 2 and Section 4 is the rate I will pay both before and after any default described in Section 7(B) of this Note.

The interest rate I will pay may change on the first day of **August, 2007**, and on that day every 6th month thereafter. Each date on which my interest rate could change is called an "Interest Rate Change Date." The new rate of interest will become effective on each Interest Rate Change Date in accordance with Section 4 of this Note.

### 3. PAYMENTS

#### (A) Time and Place of Payments

Beginning on the first day of **September 1, 2005** and on the first day of every month thereafter until the first day of **August, 2007**, I will pay only interest on the unpaid principal balance of the Note. Thereafter, I will pay principal and interest by making payments every month until the Maturity Date, as provided below. I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note.

My monthly payments will be applied to interest before principal. If on **August 1, 2035**, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date."

I will make my monthly payments at **18400 Von Karman, Suite 1000 Irvine, CA 92612** or at a different place if required by the Note Holder.

**(B) Amount of My Monthly Payments**

Each of my initial monthly payments will be in the amount of U.S. \$ **1,325.79** . This amount may change.

**(C) Monthly Payment Changes**

Changes in my monthly payment will reflect changes in the unpaid principal of my loan and in the interest rate that I must pay. The Note Holder will determine my new interest rate and the changed amount of my monthly payment in accordance with Section 4 of this Note.

**(D) Withholding**

If I am a non-resident alien, I understand that all payments due hereunder shall be paid without reduction for any taxes, deductions or withholding of any nature. If such tax, deduction or withholding is required by any law to be made from any payment to the Note Holder, I shall continue to pay this Note in accordance with the terms hereof, such that the Note Holder will receive such amount as it would have received had no such tax, deduction or withholding been required.

**4. INTEREST RATE AND MONTHLY PAYMENT CHANGES**

**(A) Change Dates**

The interest rate I will pay may change on the first day of **August, 2007** and on the same day of every 6th month thereafter. Each date on which my interest rate could change is called an "Interest Rate Change Date."

**(B) The Index**

Beginning with the first Interest Rate Change Date, my interest rate will be based on an Index plus a margin. The "Index" is the average of interbank offered rates for six-month dollar deposits in the London market ("LIBOR"), as published in *The Wall Street Journal* "Money Rates" Table. The most recent Index figure available as of the first business day of the month immediately preceding the month in which the Change Date occurs is called the "Current Index."

If the Index is no longer available, the Note Holder will choose a new index that is based upon comparable information. The Note Holder will give me notice of this choice.

**(C) Calculation of Changes**

At each Interest Rate Change Date, the Note Holder will calculate my new interest rate by adding **Five And Eight Tenth(s)** percentage points (**5.800%**) to the Current Index. The Note Holder will then round this figure to the nearest one-eighth of one percentage point (0.125%). Subject to the limit stated in Section 4(D) below, this rounded amount will be my new interest rate until the next Interest Rate Change Date.

**(i) Interest-Only Period.** The "Interest-only Period" is the period from the date of this Note through **August 1, 2007** . For the Interest-only Period, the Note Holder will calculate the amount of the monthly payment to be one-twelfth (1/12th) of one (1) year's interest **5.990 %**. The result of this calculation will be the amount of my monthly payment until the next Interest Rate Change Date.

(ii) **Amortization Period.** The "Amortization Period" is the period after the Interest-only Period and continuing until the Maturity Date. During the Amortization Period, after calculating my new interest rate as provided in Section 4(C) above, the Note Holder will then calculate the amount of the monthly payment that would be sufficient to fully repay the remaining unpaid principal in equal monthly payments by the Maturity Date, assuming, for purposes of each calculation, that the interest rate remained unchanged during that period. The result of this calculation will be the new amount of my monthly payment.

**(D) Limit on Interest Rate Changes**

The interest rate I am required to pay at the first Change Date will not be greater than 7.490 % or less than 5.990 %. Thereafter, my interest rate will never be increased or decreased on any single Change Date by more than one and one half percentage points (1.5%) from the rate of interest I have been paying for the preceding month. My interest rate will never be greater than 12.990 % nor less than 5.990%.

**(E) Effective Date of Changes**

My new interest rate will become effective on each Interest Rate Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Interest Rate Change Date until the amount of my monthly payment changes again.

**(F) Notice of Changes**

The Note Holder will deliver or mail to me a notice of any changes in my interest rate and the amount of my monthly payment at least 25 days before the effective date of any change. The notice will include information required by law to be given to me and also the title and telephone number of a person who will answer any questions I may have regarding the notice.

**5. BORROWER'S RIGHT TO PREPAY**

I have the right to make payments of principal at any time before they are due. A payment of principal only is known as a "prepayment." When I make a prepayment, I will tell the Note Holder in writing that I am doing so.

I may make a full prepayment or partial prepayments without paying any prepayment charge. The Note Holder will use all of my prepayments to reduce the amount of principal that I owe under this Note and to pay the interest then accruing at the Note rate as of the date my prepayments are applied. If I make a partial prepayment, there will be no changes in the due dates of my monthly payments unless the Note Holder agrees in writing to those changes. My partial prepayment may reduce the amount of my monthly payments after the first Change Date following my partial prepayment. However, any reduction due to my partial prepayment may be offset by an interest rate increase.

**6. LOAN CHARGES**

If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (i) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (ii) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the principal I owe under this Note or by making a direct payment to me. If a refund reduces principal, the reduction will be treated as a partial prepayment.

## **7. BORROWER'S FAILURE TO PAY AS REQUIRED**

### **(A) Late Charges for Overdue Payments**

If the Note Holder has not received the full amount of any monthly payment by the end of **fifteen** calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be **5.000%** or \$5.00, whichever is greater of my overdue monthly payment. I will pay this late charge promptly but only once on each late payment.

### **(B) Default**

If I do not pay the full amount of each monthly payment on the date it is due, I will be in default.

### **(C) Notice of Default**

If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of principal which has not been paid and all the interest that I owe on that amount. That date must be at least 30 days after the date on which the notice is delivered or mailed to me.

### **(D) No Waiver by Note Holder**

Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time.

### **(E) Payment of Note Holder's Costs and Expenses**

If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees.

## **8. GIVING OF NOTICES**

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at the Property Address above or at a different address if I give the Note Holder a notice of my different address.

Unless the Note Holder requires a different method, any notice that must be given to the Note Holder under this Note will be given by mailing it by first class mail to the Note Holder at the address stated in Section 3(A) above or at a different address if I am given a notice of that different address.

## **9. OBLIGATIONS OF PERSONS UNDER THIS NOTE**

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amount owed under this Note.

## **10. WAIVERS**

I and any other person who has obligations under this Note waive the rights of presentment and notice of dishonor, and further waive all relief under any valuation and appraisal laws. "Presentment" means the right to



require the Note Holder to demand payment of amounts due. "Notice of dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

#### 11. GOVERNING LAW - SECURED NOTE

This Note is governed by federal law and the law of the jurisdiction in which the property encumbered by the Security Instrument (as defined below) is located. In addition to the protections given to the Note Holder under this Note, a Mortgage, Deed of Trust or Security Deed (the "Security Instrument"), dated the same date as this Note protects the Note Holder from possible losses which might result if I do not keep the promises which I make in the Note. That Security Instrument describes how and under what conditions I may be required to make immediate payment in full of all amounts I owe under this Note. Some of those conditions are described as follows:

**Transfer of the Property or a Beneficial Interest in Borrower.** If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

#### CAUTION

IT IS IMPORTANT THAT YOU THOROUGHLY READ THIS NOTE BEFORE YOU SIGN IT.

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED

  
EUGENE ARNOLD

- Borrower

- Borrower

Pay to the order of, without recourse

\_\_\_\_\_  
New Century Mortgage Corporation

- Borrower

- Borrower

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

- Borrower

- Borrower

\_\_\_\_\_  
- Borrower

- Borrower

(Sign Original Only)

Pay to the order of, without recourse

  
New Century Mortgage Corporation

By: \_\_\_\_\_

Name: Magda Villanueva

Title: A.V.P. / Shipping Manager

EXHIBIT A

# EXHIBIT B

Recording Requested By:  
New Century Mortgage  
Corporation  
Return To:  
New Century Mortgage  
Corporation  
18400 Von Karman, Suite 1000  
Irvine, CA 92612

05 1657852

Prepared By:  
New Century Mortgage  
Corporation  
18400 Von Karman, Suite 1000  
Irvine, CA 92612

[Space Above This Line For Recording Data]

## DEED OF TRUST

## DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

(A) "Security Instrument" means this document, which is dated July 2, 2005 together with all Riders to this document.

(B) "Borrower" is EUGENE ARNOLD, [REDACTED] A Married man as his sole and separate property



Borrower's address is 2630 BUCKINGHAM RD , Los Angeles, CA 90016

. Borrower is the trustor under this Security Instrument.

(C) "Lender" is New Century Mortgage Corporation

Lender is a Corporation  
organized and existing under the laws of California

CALIFORNIA-Single Family-Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

Form 3005 1/01

VMP® -6(CA) (0207)

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Initials: E.A.

VMP MORTGAGE FORMS - (800)521-7291

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Lender's address is 18400 Von Karman, Suite 1000, Irvine, CA 92612

Lender is the beneficiary under this Security Instrument.

(D) "Trustee" is EQUITY TITLE COMPANY

(E) "Note" means the promissory note signed by Borrower and dated July 2, 2005

The Note states that Borrower owes Lender TWO HUNDRED SIXTY-FIVE THOUSAND SIX HUNDRED AND 00/100 Dollars

(U.S. \$265,600.00 ) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than August 1, 2035

(F) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."

(G) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.

(H) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

- |   |   |  |
|---|---|--|
| <input checked="" type="checkbox"/> Adjustable Rate Rider | <input type="checkbox"/> Condominium Rider              | <input type="checkbox"/> Second Home Rider                                 |
| <input type="checkbox"/> Balloon Rider                    | <input type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> 1-4 Family Rider                                  |
| <input type="checkbox"/> VA Rider                         | <input type="checkbox"/> Biweekly Payment Rider         | <input checked="" type="checkbox"/> Other(s) [specify]<br>Prepayment Rider |

(I) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.

(J) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.

(K) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

(L) "Escrow Items" means those items that are described in Section 3.

(M) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(N) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on, the Loan.

(O) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.

(P) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. Section 2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard

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to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

(Q) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

#### TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the  
County of Los Angeles :

[Type of Recording Jurisdiction]

[Name of Recording Jurisdiction]

See Legal Description Attached Hereto and Made a Part Hereof

## SEE EXHIBIT A

Parcel ID Number: 5042-009-013  
2107 EXPOSITION BLVD  
Los Angeles  
("Property Address"):

which currently has the address of  
[Street]  
[City], California 90018 [Zip Code]

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

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

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

#### 1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges.

Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S.

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currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

**2. Application of Payments or Proceeds.** Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note; (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

**3. Funds for Escrow Items.** Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5; and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Lender may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be

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in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA.

If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

**4. Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the

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lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

**5. Property Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee and Borrower further agrees to generally assign rights to insurance proceeds to the holder of the Note up to the amount of the outstanding loan balance. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee and Borrower further agrees to generally assign rights to insurance proceeds to the holder of the Note up to the amount of the outstanding loan balance.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with

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the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 22 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

**6. Occupancy.** Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

**7. Preservation, Maintenance and Protection of the Property; Inspections.** Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

**8. Borrower's Loan Application.** Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

**9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument.** If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable

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attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

**10. Mortgage Insurance.** If Lender required Mortgage Insurance as a condition of making the Loan, Borrower shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, the Mortgage Insurance coverage required by Lender ceases to be available from the mortgage insurer that previously provided such insurance and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the Mortgage Insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Lender. If substantially equivalent Mortgage Insurance coverage is not available, Borrower shall continue to pay to Lender the amount of the separately designated payments that were due when the insurance coverage ceased to be in effect. Lender will accept, use and retain these payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve shall be non-refundable, notwithstanding the fact that the Loan is ultimately paid in full, and Lender shall not be required to pay Borrower any interest or earnings on such loss reserve. Lender can no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) provided by an insurer selected by Lender again becomes available, is obtained, and Lender requires separately designated payments toward the premiums for Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Lender's requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and Lender providing for such termination or until termination is required by Applicable Law. Nothing in this Section 10 affects Borrower's obligation to pay interest at the rate provided in the Note.

Mortgage Insurance reimburses Lender (or any entity that purchases the Note) for certain losses it may incur if Borrower does not repay the Loan as agreed. Borrower is not a party to the Mortgage Insurance.

Mortgage insurers evaluate their total risk on all such insurance in force from time to time, and may enter into agreements with other parties that share or modify their risk, or reduce losses. These agreements are on terms and conditions that are satisfactory to the mortgage insurer and the other party (or parties) to these agreements. These agreements may require the mortgage insurer to make payments using any source of funds that the mortgage insurer may have available (which may include funds obtained from Mortgage Insurance premiums).

As a result of these agreements, Lender, any purchaser of the Note, another insurer, any reinsurer, any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that derive from (or might be characterized as) a portion of Borrower's payments for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. If such agreement provides that an affiliate of Lender takes a share of the insurer's risk in exchange for a share of the premiums paid to the insurer, the arrangement is often termed "captive reinsurance." Further:

(a) Any such agreements will not affect the amounts that Borrower has agreed to pay for Mortgage Insurance, or any other terms of the Loan. Such agreements will not increase the amount Borrower will owe for Mortgage Insurance, and they will not entitle Borrower to any refund.

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(b) Any such agreements will not affect the rights Borrower has - if any - with respect to the Mortgage Insurance under the Homeowners Protection Act of 1998 or any other law. These rights may include the right to receive certain disclosures, to request and obtain cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.

**11. Assignment of Miscellaneous Proceeds; Forfeiture.** All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

**12. Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender

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to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

**13. Joint and Several Liability; Co-signers; Successors and Assigns Bound.** Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender.

**14. Loan Charges.** Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

**15. Notices.** All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

**16. Governing Law; Severability; Rules of Construction.** This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

**17. Borrower's Copy.** Borrower shall be given one copy of the Note and of this Security Instrument.

**18. Transfer of the Property or a Beneficial Interest in Borrower.** As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

**19. Borrower's Right to Reinstate After Acceleration.** If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

**20. Sale of Note; Change of Loan Servicer; Notice of Grievance.** The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA

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requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

**21. Hazardous Substances.** As used in this Section 21: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

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

**22. Acceleration; Remedies.** Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 18 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by Applicable Law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 22, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold. Trustee shall cause this notice to be recorded in each county in which any part of the Property is located. Lender or Trustee shall mail copies of the notice as prescribed by Applicable Law to Borrower and to the other persons prescribed by Applicable Law. Trustee shall give public notice of sale to the persons and in the manner prescribed by Applicable Law. After the time required by Applicable Law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

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

**23. Reconveyance.** Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled to it. Lender may charge such person or persons a reasonable fee for reconveying the Property, but only if the fee is paid to a third party (such as the Trustee) for services rendered and the charging of the fee is permitted under Applicable Law. If the fee charged does not exceed the fee set by Applicable Law, the fee is conclusively presumed to be reasonable.

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

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



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BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

Witnesses:

\_\_\_\_\_

Eugene Arnold (Seal)  
EUGENE ARNOLD -Borrower

\_\_\_\_\_

\_\_\_\_\_ (Seal)  
-Borrower

\_\_\_\_\_ (Seal)  
-Borrower

\_\_\_\_\_ (Seal)  
-Borrower

\_\_\_\_\_ (Seal)  
-Borrower

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-Borrower

\_\_\_\_\_ (Seal)  
-Borrower

\_\_\_\_\_ (Seal)  
-Borrower

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State of California

County of LOS ANGELES

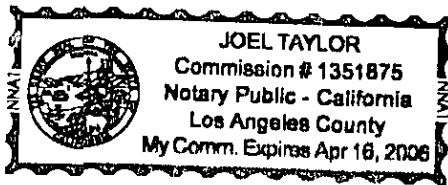
} ss.

On July 6, 2005

before me, Joel Taylor, Notary Public  
personally appeared

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

WITNESS my hand and official seal.



[Signature] (Seal)

17

**EXHIBIT "A"**

The Westerly 44 feet of the Easterly 114 feet of Lots 150 and 151, as measured along the Northerly line of Lot 150, Tract 557 in the City of Los Angeles, County of Los Angeles State of California, as shown on map filed in Book 15, Page 189 of Maps in the office of the County Recorder of said County.

Except therfrom that portion of said Lot 151 Lying Southerly of a line parallel with and distant 5 feet Northerly measured normally from the Southerly line of said Lot 151.

05 1657852

**EXHIBIT B**

18

**ADJUSTABLE RATE RIDER****(LIBOR Six-Month Index (As Published in *The Wall Street Journal*)-Rate Caps)  
2 YEAR RATE LOCK**

THIS ADJUSTABLE RATE RIDER is made this **2nd** day of **July, 2005** and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to **New Century Mortgage Corporation**

("Lender") of the same date and covering the property described in the Security Instrument and located at:

**2107 EXPOSITION BLVD, Los Angeles, CA 90018**

(Property Address)

**THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST  
RATE AND THE MONTHLY PAYMENT. THE NOTE LIMITS THE MAXIMUM RATE  
BORROWER MUST PAY.**

**ADDITIONAL COVENANTS.** In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

**A. INTEREST RATE AND MONTHLY PAYMENT CHANGES**

The Note provides for an initial interest rate of **5.990 %**. The Note provides for changes in the interest rate and monthly payments as follows:

**4. INTEREST RATE AND MONTHLY PAYMENT CHANGES****(A) Change Dates**

The interest rate I will pay may change on the first day of **August, 2007** and on the same day of every 6th month thereafter. Each date on which my interest rate could change is called an "Interest Rate Change Date."

**(B) The Index**

Beginning with the first Interest Rate Change Date, my interest rate will be based on an Index plus a margin. The "Index" is the average of interbank offered rates for six month dollar deposits in the London market ("LIBOR"), as published in *The Wall Street Journal* "Money Rates" Table. The most recent Index figure available as of the first business day of the month immediately preceding the month in which the Change Date occurs is called the "Current Index."

If the Index is no longer available, the Note Holder will choose a new index which is based upon comparable information. The Note Holder will give me notice of this choice.

**(C) Calculation of Changes**

At each Interest Rate Change Date, the Note Holder will calculate my new interest rate by adding **Five And Eight Tenth(s)** percentage points ( **5.800%** ) to the Current Index. The Note Holder will then round this figure to the nearest one-eighth of one percentage point (0.125%). Subject to the limit stated in Section 4(D) below, this rounded amount will be my new interest rate until the next Interest Rate Change Date.

(i) **Interest-Only Period.** The "Interest-only Period" is the period from the date of this Note through **August 1, 2007**. For the Interest-only Period, the Note Holder will calculate the amount of the monthly payment to be one-twelfth (1/12th) of one (1) year's interest at **5.990 %** per annum. The result of this calculation will be the amount of my monthly payment until the Interest Rate Change Date.

(ii) **Amortization Period.** The "Amortization Period" is the period after the Interest-only Period and continuing until the Maturity Date. During the Amortization Period, after calculating my new interest rate as provided in Section 4(C) above, the Note Holder will then calculate the amount of the monthly payment that would be sufficient to fully repay the remaining unpaid principal in equal monthly payments by the Maturity Date, assuming, for purposes of each calculation, that the interest rate remained unchanged during that period. The result of this calculation will be the new amount of my monthly payment.

**(D) Limit on Interest Rate Changes**

The interest rate I am required to pay at the first Change Date will not be greater than **7.490%** or less than **5.990%**. Thereafter, my interest rate will never be increased or decreased on any single Change Date by more than one and one half percentage points (1.5%) from the rate of interest I have been paying for the preceding month. My interest rate will never be greater than **12.990 %** nor less than **5.990 %**.

**(E) Effective Date of Changes**

My new interest rate will become effective on each Interest Rate Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Interest Rate Change Date until the amount of my monthly payment changes again.

**(F) Notice of Changes**

The Note Holder will deliver or mail to me a notice of any changes in my interest rate and the amount of my monthly payment at least 25 days before the effective date of any change. The notice will include information required by law to be given me and also the title and telephone number of a person who will answer any questions I may have regarding the notice.

**11. GOVERNING LAW - SECURED NOTE**

The Note is governed by federal law and the law of the jurisdiction in which the property encumbered by the Security Instrument (as defined below) is located. In addition to the protections given to the Note Holder under the Note, a Mortgage, Deed of Trust or Security Deed (the "Security Instrument"), dated the same date as the Note protects the Note Holder from possible losses which might result if I do not keep the promises which I make in the Note. That Security Instrument describes how and under what conditions I may be required to make immediate payment in full of all amounts I owe under the Note. Some of those conditions are described as follows:

20

**Transfer of the Property or a Beneficial Interest in Borrower.** If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider.

Eugene Arnold

EUGENE ARNOLD

-Borrower

-Borrower

-Borrower

-Borrower

-Borrower

-Borrower

-Borrower

-Borrower

(Sign Original Only)

05 1657852

**EXHIBIT B**

## PREPAYMENT RIDER ADJUSTABLE RATE LOAN

This Prepayment Rider is made this **2nd** day of **July** **2005**, and is incorporated into and shall be deemed to amend and supplement the Promissory Note (the "Note") and Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure repayment of Borrower's Note to

**New Century Mortgage Corporation**

(the "Lender").

To the extent that the provisions of this Prepayment Rider are inconsistent with the provisions of the Note and/or Security Instrument, the provisions of this rider shall prevail over and shall supersede any such inconsistent provisions of the Note and/or Security Instrument.

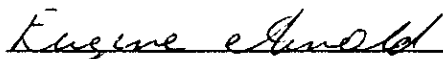
In addition to the covenants and agreements made in the Note and Security Instrument, the Borrower and Lender further covenant and agree as follows:

### 5. BORROWERS RIGHT TO PREPAY

I have the right to make prepayments of principal any time before they are due. A payment of principal only is known as a "prepayment". When I make a prepayment, I will tell the Note Holder in writing I am doing so. The Note Holder will use all of my prepayments to reduce the amount of principal that I owe under this Note. If I make a partial prepayment, there will be no changes in the due dates of my monthly payments unless: the Note Holder agrees in writing to those changes. My partial prepayment may reduce the amount of my monthly payments after the first Change Date following my partial prepayment.

If within **2** year(s) from the date of execution of the Security Instrument, I make a full prepayment or, in certain cases a partial prepayment, and the total of such prepayment(s) in any 12-month period exceeds TWENTY PERCENT (20%) of the original principal amount of this loan, I will pay a prepayment charge in an amount equal to the payment of 6 months advance interest on the amount by which the total of my prepayment(s) within that 12-month period exceeds TWENTY PERCENT (20%) of the original principal amount of the loan.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Prepayment Rider.



EUGENE ARNOLD



**EXHIBIT B**

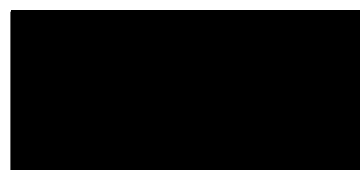
# EXHIBIT C

2

Recording Requested By:  
WELLS FARGO BANK, N.A.

When Recorded Return To:

DEFAULT ASSIGNMENT  
WELLS FARGO BANK, N.A.  
MAC: X9999-018  
PO BOX 1629  
MINNEAPOLIS, MN 55440-9790



CORPORATE ASSIGNMENT OF DEED OF TRUST

Los Angeles, California  
SELLER'S SERVICING # [REDACTED] "ARNOLD"  
INVESTOR'S LOAN #: [REDACTED]  
OLD SERVICING #: [REDACTED]

Prepared By: Rosee Yang, WELLS FARGO BANK, N.A. 1000 BLUE GENTIAN RD., EAGAN, MN 55121 (651)605-3792

For Value Received, WELLS FARGO BANK, N.A. AS ATTORNEY IN FACT FOR NEW CENTURY MORTGAGE CORPORATION, hereby grants, assigns and transfers to US BANK NATIONAL ASSOCIATION, AS TRUSTEE UNDER THE TRUST AGREEMENT FOR THE STRUCTURED ASSET INVESTMENT LOAN TRUST, MORTGAGE PASS-THROUGH CERTIFICATES, SERIES 2005-9 at 4801 FREDERICA STREET, OWENSBORO, KY 42301 all beneficial interest under that certain Deed of Trust dated 07/02/2005, in the amount of \$265,600.00, executed by EUGENE ARNOLD, A MARRIED MAN AS HIS SOLE AND SEPARATE PROPERTY, to NEW CENTURY MORTGAGE CORPORATION and Recorded: 07/14/2005 as Instrument No.: 05 1657852 in the County of Los Angeles, State of California.

Therein described or referred to, in said Deed of Trust, the money due and to become due thereon with interest, and all rights accrued or to accrue under said Deed of Trust.

In witness whereof this instrument is executed.

WELLS FARGO BANK, N.A. AS ATTORNEY IN FACT FOR NEW CENTURY MORTGAGE CORPORATION,  
On 10-18-11

A handwritten signature in cursive script, appearing to read "Janet L. Jones".  
\_\_\_\_\_  
Janet L. Jones

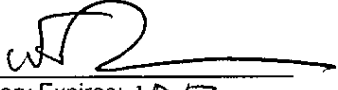
Vice President Loan Documentation

CORPORATE ASSIGNMENT OF DEED OF TRUST Page 2 of 2

STATE OF Minnesota  
COUNTY OF Dakota

On 10-18-11, before me, Matthew F. Ryan, a Notary Public in and for Dakota in the  
State of Minnesota, personally appeared Janet L. Jones, Vice President Loan  
Documentation, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s)  
whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the  
same in his/her/their authorized capacity, and that by his/her/their signature on the instrument the person(s), or the  
entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal,

  
Notary Expires: 1/31/12



(This area for notarial seal)

# EXHIBIT D

## HOME AFFORDABLE MODIFICATION AGREEMENT (Step Two of Two-Step Documentation Process)

Borrower ("I")<sup>1</sup> **EUGENE ARNOLD**

Lender or Servicer ("Lender"): **America's Servicing Company**

Date of first lien mortgage, deed of trust, or security deed ("Mortgage") and Note ("Note"): **07/02/2005**

Loan Number: [REDACTED]

Property Address [and Legal Description if recordation is necessary] ("Property"):

**2107 EXPOSITION BLVD**

**LOS ANGELES, CA 90018-4321**

~~"MERS" is Mortgage Electronic Registration Systems, Inc. MERS is a separate corporation that is acting solely as a nominee for lender and lender's successors and assigns. MERS is the mortgagee under the Mortgage. MERS is organized and existing under the laws of Delaware, and has an address and telephone number of P.O. Box 2026, Flint, MI 48501-2026, [REDACTED]~~

If my representations in Section 1 continue to be true in all material respects, then this Home Affordable Modification Agreement ("Agreement") will, as set forth in Section 3, amend and supplement (1) the Mortgage on the Property, and (2) the Note secured by the Mortgage. The Mortgage and Note together, as they may previously have been amended, are referred to as the "Loan Documents." Capitalized terms used in this Agreement and not defined have the meaning given to them in Loan Documents.

I understand that after I sign and return two copies of this Agreement to the Lender, the Lender will send me a signed copy of this Agreement. This Agreement will not take effect unless the preconditions set forth in Section 2 have been satisfied.

**1. My Representations.** I certify, represent to Lender and agree:

- A. I am experiencing a financial hardship, and as a result, (i) I am in default under the Loan Documents, and (ii) I do not have sufficient income or access to sufficient liquid assets to make the monthly mortgage payments now or in the near future;
- B. I live in the Property as my principal residence, and the Property has not been condemned; (i) I lived in the Property as a principal residence immediately prior to my displacement or (ii) I intend to re-occupy the Property as a principal residence in the future, or (iii) I do not own any single-family real estate other than the Property, and or (iv) the Property has not been condemned. The certifications I have made concerning my intended use of the Property and the number of single-family properties that I own continue to be true and correct on the date hereof, and the Property has not been condemned;
- C. There has been no change in the ownership of the Property since I signed the Loan Documents;
- D. I have provided documentation for all income that I receive (and I understand that I am not required to disclose child support or alimony unless I chose to rely on such income when requesting to qualify for the Home Affordable Modification program ("Program"));
- E. Under penalty of perjury, all documents and information I have provided to Lender in

<sup>1</sup> If there is more than one Borrower or Mortgagor executing this document, each is referred to as "I." For purposes of this document words signifying the singular (such as "I") shall include the plural (such as "we") and vice versa where appropriate.

connection with this Agreement, including the documents and information regarding my eligibility for the Program, are true and correct;

- F. If Lender requires me to obtain credit counseling in connection with the Program, I will do so; and
- G. I have made or will make all payments required under a Trial Period Plan or Loan Workout Plan.

2. **Acknowledgements and Preconditions to Modification.** I understand and acknowledge that:

- A. If prior to the Modification Effective Date as set forth in Section 3 the Lender determines that my representations in Section 1 are no longer true and correct, the Loan Documents will not be modified and this Agreement will terminate. In this event, the Lender will have all of the rights and remedies provided by the Loan Documents; and
- B. I understand that the Loan Documents will not be modified unless and until (i) I receive from the Lender a copy of this Agreement signed by the Lender, and (ii) the Modification Effective Date (as defined in Section 3) has occurred. I further understand and agree that the Lender will not be obligated or bound to make any modification of the Loan Documents if I fail to meet any one of the requirements under this Agreement.

3. **The Modification.** If my representations in Section 1 continue to be true in all material respects and all preconditions to the modification set forth in Section 2 have been met, the Loan Documents will automatically become modified on **01/01/2013** (the "Modification Effective Date") and all unpaid late charges that remain unpaid will be waived. I understand that if I have failed to make any payments as a precondition to this modification under a workout plan or trial period plan, this modification will not take effect. The first modified payment will be due on **01/01/2013**.

A. The new Maturity Date will be: **11/01/2040**.

B. The modified principal balance of my Note will include all amounts and arrearages that will be past due as of the Modification Effective Date (including unpaid and deferred interest, fees, escrow advances and other costs, but excluding unpaid late charges, collectively, "Unpaid Amounts") less any amounts paid to the Lender but not previously credited to my Loan. The new principal balance of my Note will be **\$295,454.25** (the "New Principal Balance"). I understand that by agreeing to add the Unpaid Amounts to the outstanding principal balance, the added Unpaid Amounts accrue interest based on the interest rate in effect under this Agreement. I also understand that this means interest will now accrue on the unpaid interest that is added to the outstanding principal balance, which would not happen without this Agreement.

C. **\$88,636.28** of the New Principal Balance shall be deferred (the "Deferred Principal Balance") and will be treated as a non-interest bearing principal forbearance. I will not pay interest or make monthly payments on the Deferred Principal Balance. In addition, **\$88,636.28** of the Deferred Principal Balance is eligible for forgiveness (the "Deferred Principal Reduction Amount"). Provided I am not in default on my new payments such that the equivalent of three full monthly payments are due and unpaid on the last day of any month, on each of the first, second and third anniversaries of **09/01/2012**, the Lender shall reduce the Deferred Principal Balance of my Note in installments equal to one-third of the Deferred Principal Reduction Amount. Application of the Deferred Principal Reduction Amount will not result in a new payment schedule. **\$100,124.76** of the New Principal Balance shall be an interest bearing balloon (the "Balloon Payment") and I will pay interest on this amount in my monthly modified payment. The New Principal Balance less the Deferred Principal Balance shall be referred to as the "Interest Bearing Principal Balance" and this amount is **\$206,817.97**. Interest at the rate of **4.000%** will begin to accrue on the Interest Bearing Principal Balance

as of 12/01/2012 and the first new monthly payment on the Interest Bearing Principal Balance will be due on 01/01/2013 My payment schedule for the Modified Loan is as follows:

Years	Interest Rate	Interest Rate Change Date	Monthly Principal and Interest Payment	Monthly Escrow Payment Amount	Total Monthly Payment	Payment Begins On	Number of Monthly Payments
1-28	4.000	12/01/2012	\$864.37	268.84 adjusts annually after 1 year	1,133.21 adjusts annually after 1 year	01/01/2013	334
Balloon	4.000		\$100,124.76 which is an estimated amount	Adjusts Annually	Adjusts Annually	11/01/2040	1

\*The escrow payments may be adjusted periodically in accordance with applicable law and therefore my total monthly payment may change accordingly.

The above terms in this Section 3.C. shall supersede any provisions to the contrary in the Loan Documents, including but not limited to, provisions for an adjustable or step interest rate.

I understand that, if I have a pay option adjustable rate mortgage loan, upon modification, the minimum monthly payment option, the interest-only or any other payment options will no longer be offered and that the monthly payments described in the above payment schedule for my modified loan will be the minimum payment that will be due each month for the remaining term of the loan. My modified loan will not have a negative amortization feature that would allow me to pay less than the interest due resulting in any unpaid interest to be added to the outstanding principal balance.

I further understand that, provided I am not in default under the terms of this Agreement and I pay my Note in full (i) any time more than 30 calendar days after the Modification Effective Date, and (ii) prior to the application of the entire Deferred Principal Reduction Amount, I shall be fully vested in and entitled to the unapplied amount of the Deferred Principal Reduction Amount and the unapplied amount shall be deducted from my payoff balance.

- D. I will be in default if I do not comply with the terms of the Loan Documents, as modified by this Agreement.
- E. If a default rate of interest is permitted under the Loan Documents, then in the event of default under the Loan Documents, as amended, the interest that will be due will be the rate set forth in Section 3.C.
- F. I agree to pay in full the Deferred Principal Balance less any Deferred Principal Reduction Amount to which I am entitled, and any other amounts still owed under the Loan Documents by the earliest of: (i) the date I sell or transfer an interest in the Property, (ii) the date I pay the entire Interest Bearing Principal Balance, or (iii) the Maturity Date.

4. **Additional Agreements.** I agree to the following:

- A. That all persons who signed the Loan Documents or their authorized representative(s) have



- signed this Agreement, unless (i) a borrower or co-borrower is deceased; (ii) the borrower and co-borrower are divorced and the property has been transferred to one spouse in the divorce decree, the spouse who no longer has an interest in the property need not sign this Agreement (although the non-signing spouse may continue to be held liable for the obligation under the Loan Documents); or (iii) the Lender has waived this requirement in writing.
- B. That this Agreement shall supersede the terms of any modification, forbearance, Trial Period Plan or Workout Plan that I previously entered into with Lender.
- C. To comply, except to the extent that they are modified by this Agreement, with all covenants, agreements, and requirements of Loan Documents including my agreement to make all payments of taxes, insurance premiums, assessments, Escrow Items, impounds, and all other payments, the amount of which may change periodically over the term of my Loan.
- D. **Funds for Escrow Items.** I will pay to Lender on the day payments are due under the Loan Documents as amended by this Agreement, until the Loan is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over the Mortgage as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under the Loan Documents; (d) mortgage insurance premiums, if any, or any sums payable to Lender in lieu of the payment of mortgage insurance premiums in accordance with the Loan Documents; and (e) any community association dues, fees, and assessments that Lender requires to be escrowed. These items are called "Escrow Items." I shall promptly furnish to Lender all notices of amounts to be paid under this Section 4.D. I shall pay Lender the Funds for Escrow Items unless Lender waives my obligation to pay the Funds for any or all Escrow Items. Lender may waive my obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be in writing. In the event of such waiver, I shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. My obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in the Loan Documents, as the phrase "covenant and agreement" is used in the Loan Documents. If I am obligated to pay Escrow Items directly, pursuant to a waiver, and I fail to pay the amount due for an Escrow Item, Lender may exercise its rights under the Loan Documents and this Agreement and pay such amount and I shall then be obligated to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with the Loan Documents, and, upon such revocation, I shall pay to Lender all Funds, and in such amounts, that are then required under this Section 4.D.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under the Real Estate Settlement Procedures Act ("RESPA"), and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge me for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays me interest on the Funds and applicable law permits Lender to make such a charge. Unless an agreement is made in writing or applicable law requires interest to be paid on the Funds, Lender shall not be required to pay me any interest or earnings on the Funds. Lender and I can agree in writing, however, that interest shall be paid on the Funds. Lender shall provide me, without charge, an annual accounting of the Funds as required by RESPA.

If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to me for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify me as required by RESPA, and I shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify me as required by RESPA, and I shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments.

Upon payment in full of all sums secured by the Loan Documents, Lender shall promptly refund to me any Funds held by Lender.

- E. That the Loan Documents are composed of duly valid, binding agreements, enforceable in accordance with their terms and are hereby reaffirmed.
- F. That all terms and provisions of the Loan Documents, except as expressly modified by this Agreement, remain in full force and effect; nothing in this Agreement shall be understood or construed to be a satisfaction or release in whole or in part of the obligations contained in the Loan Documents; and that except as otherwise specifically provided in, and as expressly modified by, this Agreement, the Lender and I will be bound by, and will comply with, all of the terms and conditions of the Loan Documents.
- G. That, as of the Modification Effective Date, notwithstanding any other provision of the Loan Documents, I agree as follows: If all or any part of the Property or any interest in it is sold or transferred without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by the Mortgage. However, Lender shall not exercise this option if federal law prohibits the exercise of such option as of the date of such sale or transfer. If Lender exercises this option, Lender shall give me notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which I must pay all sums secured by the Mortgage. If I fail to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by the Mortgage without further notice or demand on me.
- H. That, as of the Modification Effective Date, I understand that the Lender will only allow the transfer and assumption of the Loan, including this Agreement, to a transferee of my property as permitted under the Garn St. Germain Act, 12 U.S.C. Section 1701j-3. A buyer or transferee of the Property will not be permitted, under any other circumstance, to assume the Loan. Except as noted herein, this Agreement may not be assigned to, or assumed by, a buyer or transferee of the Property.
- I. That, as of the Modification Effective Date, if any provision in the Note or in any addendum or amendment to the Note allowed for the assessment of a penalty for full or partial prepayment of the Note, such provision is null and void.
- J. That, I will cooperate fully with Lender in obtaining any title endorsement(s), or similar title insurance product(s), and/or subordination agreement(s) that are necessary or required by the Lender's procedures to ensure that the modified mortgage loan is in first lien position and/or is fully enforceable upon modification and that if, under any circumstance and notwithstanding anything else to the contrary in this Agreement, the Lender does not receive such title endorsement(s), title insurance product(s) and/or subordination agreement(s), then the terms of this Agreement will not become effective on the Modification Effective Date and the Agreement will be null and void.
- K. That I will execute such other documents as may be reasonably necessary to either (i) consummate the terms and conditions of this Agreement; or (ii) correct the terms and conditions of this Plan if an error is detected after execution of this Agreement. I understand that a corrected Agreement will be provided to me and this Agreement will be void and of no legal effect upon notice of such error. If I elect not to sign any such corrected Agreement, the terms of the original Loan Documents shall continue in full force and effect, such terms will not be modified by this Agreement, and I will not be eligible for a modification under the

- Home Affordable Modification program.
- L. Mortgage Electronic Registration Systems, Inc. ("MERS") is a separate corporation organized and existing under the laws of Delaware and has an address and telephone number of P.O. Box 2026, Flint, MI 48501-2026, [REDACTED]. In cases where the loan has been registered with MERS who has only legal title to the interests granted by the borrower in the mortgage and who is acting solely as nominee for Lender and Lender's successors and assigns, MERS has the right: to exercise any or all of those interests, including, but not limited to, the right to foreclose and sell the Property; and to take any action required of Lender including, but not limited to, releasing and canceling the mortgage loan.
- M. That Lender will collect and record personal information, including, but not limited to, my name, address, telephone number, social security number, credit score, income, payment history, government monitoring information, and information about account balances and activity. In addition, I understand and consent to the disclosure of my personal information and the terms of the Trial Period Plan and this Modification Agreement by Lender to (a) the U.S. Department of the Treasury, (b) Fannie Mae and Freddie Mac in connection with their responsibilities under the Home Affordability and Stability Plan; (c) any investor, insurer, guarantor or servicer that owns, insures, guarantees or services my first lien or subordinate lien (if applicable) mortgage loan(s); (d) companies that perform support services for the Home Affordable Modification Program and the Second Lien Modification Program; and (e) any HUD certified housing counselor.
- N. I agree that if any document related to the Loan Documents and/or this Agreement is lost, misplaced, misstated, inaccurately reflects the true and correct terms and conditions of the loan as modified, or is otherwise missing, I will comply with the Lender's request to execute, acknowledge, initial and deliver to the Lender any documentation the Lender deems necessary. If the original promissory note is replaced, the Lender hereby indemnifies me against any loss associated with a demand on the original note. All documents the Lender requests of me under this Section 4.N. shall be referred to as "Documents." I agree to deliver the Documents within ten (10) days after I receive the Lender's written request for such replacement.
- O. That the mortgage insurance premiums on my Loan, if applicable, may increase as a result of the capitalization which will result in a higher total monthly payment. Furthermore, the date on which I may request cancellation of mortgage insurance may change as a result of the New Principal Balance.
- P. If my Loan Documents govern a home equity loan or line of credit, then I agree that as of the Modification Effective Date, I am terminating my right to borrow new funds under my home equity loan or line of credit. This means that I cannot obtain additional advances, and must make payments according to this Agreement. (Lender may have previously terminated or suspended my right to obtain additional advances under my home equity loan or line of credit, and if so, I confirm and acknowledge that no additional advances may be obtained.)
- Q. That, as of the Modification Effective Date, any provision in the Note, as amended, for the assessment of a penalty for full or partial prepayment of the Note is null and void.
- R. That MERS holds only legal title to the interests granted by the borrower in the mortgage, but, if necessary to comply with law or custom, MERS (as nominee for lender and lender's successors and assigns) has the right: to exercise any or all of those interests, including, but not limited to, the right to foreclose and sell the Property; and to take any action required of the lender including, but not limited to, releasing and canceling the mortgage loan.
- S. If included, the undersigned Borrower(s) acknowledges receipt and acceptance of the Notice of Special Flood Hazard disclosure.

In Witness Whereof, the Lender and I have executed this Agreement.

Alethea Ladd  
America's Servicing Company

By: Alethea Ladd  
Vice President Loan Documentation

Date 6/7/13

\_\_\_\_\_(Seal)

Date

Eugene Arnold (Seal)  
EUGENE ARNOLD

Date May 17-2013 (Seal)

Date

\_\_\_\_\_(Seal)

Date

~~Mortgage Electronic Registration Systems, Inc. Nominee for Lender~~

#### Other Pertinent Information

Any special instructions related to preparation of this document, use of special signature forms, required riders or addenda, etc. are discussed below.

1. If the borrower is an *inter vivos* revocable trust, we may require: a special rider, a different signature form for the trustee signature, and a special signature acknowledgment for the settlor/credit applicant(s). Lenders are responsible for making any modifications, including the use of different terminology, needed to conform to the signature forms customarily used in the applicable jurisdiction and will be held fully accountable for the use of any invalid signature form(s).

- Each of the trustees must sign this document in a signature block substantially similar to the following, which should be inserted in the Borrower signature lines.

\_\_\_\_\_, Trustee of the \_\_\_\_\_ Trust  
under trust instrument dated \_\_\_\_\_, for the benefit of  
\_\_\_\_\_ (Borrower).

\_\_\_\_\_[Space Below This Line For Acknowledgement]\_\_\_\_\_

**Addendum**

This Addendum is made a part of that Loan Modification Agreement entered into between  
**Wells Fargo Bank, N.A.**

(the "Lender") and

**EUGENE ARNOLD**

(the "Borrower")

Dated **05/08/2013** (the "Loan Modification Agreement").

Notwithstanding anything to the contrary contained in the Loan Modification Agreement, the parties hereto acknowledge the effect of a discharge in bankruptcy that may have been granted to the Borrower prior to the execution hereof and that the Lender may not pursue the Borrower for personal liability. However, the parties acknowledge that the Lender retains certain rights, including but not limited to the right to foreclose its lien under appropriate circumstances. The parties agree that the consideration for this Agreement is the Lender's forbearance from presently exercising its rights and pursuing its remedies under the Security Instrument as a result of the Borrower's default of its obligations thereunder. If the Borrower was discharged in a Chapter 7 bankruptcy proceeding subsequent to the execution of the loan documents, based on this representation, Lender agrees that Borrower will not have personal liability on the debt pursuant to this Agreement. Nothing herein shall be construed to be an attempt to collect against the Borrower personally or an attempt to revive personal liability.

Notwithstanding any monthly payments hereunder, Borrower understands that (1) Lender's sole recourse is the enforcement of its security interest in the Property and any action which may exist in relation to the Property itself and that (2) nothing in this Agreement revives or purports to revive any debt, or create any personal liability or obligation for a debt, that was discharged in bankruptcy.

(BORROWER MUST INITIAL HERE) E.A.

Signed this 17<sup>th</sup> day of May, 2013.

Lender

Borrower

Alethea Ladd 6/7/13  
By: **Alethea Ladd**  
Name: **Vice President Loan Documentation**

Eugene Arnold  
**EUGENE ARNOLD**

**EXHIBIT D**

## 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:  
4375 Jutland Drive/Suite 200/P.O. BOX 17933/San Diego, CA 92177

A true and correct copy of the foregoing document entitled (*specify*): Stipulation Re: Treatment of Creditor's Claim  
Under Debtors' Chapter 11 Plan of Reorganization with Exhibits A-D

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*) 09/14/2016, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

United States Trustee, [ustpregion16.la.ecf@usdoj.gov](mailto:ustpregion16.la.ecf@usdoj.gov)

United States Trustee (represented by): Kelly L Morrison, [kelly.l.morrison@usdoj.gov](mailto:kelly.l.morrison@usdoj.gov)

Attorney for Debtor: M Jonathan Hayes, [jhayes@srhlawfirm.com](mailto:jhayes@srhlawfirm.com); Matthew D. Resnik, [matt@srhlawfirm.com](mailto:matt@srhlawfirm.com)

☒ Service information continued on attached page

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

On (*date*) 09/14/2016, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Honorable Judge Vincent P. Zurzolo  
Suite 1360, Courtroom 1368  
255 E. Temple Street  
Los Angeles, CA 90012

DEBTOR  
Eugene Arnold  
7603 Dalton Ave.  
Los Angeles, CA 90047

☒ 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*) \_\_\_\_\_, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

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

09/14/2016  
*Date*

Esteban Garcia  
*Printed Name*

/s/ Esteban Garcia  
*Signature*

**VIA NOTICE OF ELECTRONIC FILING:**

**OTHER PARTIES IN INTEREST**

Darren J Devlin, Darren@resolutionfunding.net

April Harriott, bkyecf@rasflaw.com

Merdaud Jafarnia, bknotice@mccarthyholthus.com

Iris Kwon, ikwon@rasflaw.com

Kelly M Raftery, bknotice@mccarthyholthus.com

**VIA FIRST CLASS U.S. MAIL:**

**ATTORNEY FOR DEBTOR**

M Jonathan Hayes  
Simon Resnik Hayes LLP  
5233 Ventura Blvd., Suite 250  
Sherman Oaks, CA 91403

**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:  
**15233 Ventura Blvd., Suite 250, Sherman Oaks, CA 91403.**

A true and correct copy of the foregoing document entitled: **CHAPTER 11 DISCLOSURE STATEMENT AND PLAN OF REORGANIZATION OF DEBTOR WHO IS AN INDIVIDUAL(S) WITH PRIMARILY CONSUMER DEBTS [11 U.S.C. §§ 1123, 1125]** 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) **9/15/2016**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- **Darren J Devlin** darren@resolutionfunding.net
- **M Jonathan Hayes** jhayes@srhlawfirm.com, roksana@srhlawfirm.com; matthew@srhlawfirm.com; rosarioz@srhlawfirm.com; jfisher@srhlawfirm.com; maria@srhlawfirm.com; staci@srhlawfirm.com; jhayesecf@gmail.com
- **Merdaud Jafarnia** bknotice@mccarthyholthus.com, mjaafarnia@ecf.inforuptcy.com
- **Iris Kwon** ikwon@rasflaw.com, bkyecf@rasflaw.com
- **Kelly L Morrison** kelly.l.morrison@usdoj.gov
- **Kelly M Raftery** bknotice@mccarthyholthus.com, kraftery@ecf.courtdrive.com
- **Matthew D Resnik** matt@srhlawfirm.com, mattecfc@gmail.com; renee@srhlawfirm.com
- **United States Trustee (LA)** ustpregion16.la.ecf@usdoj.gov
- **Robert P Zahradka** efcacab@aldridgepite.com, RPZ@ecf.inforuptcy.com; rzahradka@aldridgepite.com

☐ Service information continued on attached page

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

On (date) **9/15/2016**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

**Hon. Vincent P. Zurzolo**  
U.S. Bankruptcy Court  
255 E. Temple Street, Suite 1360  
Los Angeles, CA 90012

**Eugene Arnold**  
7603 Dalton Ave  
Los Angeles, CA 90047-2508

**Office of the U.S. Trustee**  
915 Wilshire Blvd., Suite 1850  
Los Angeles, California 90017

☐ 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) **9/15/2016**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ 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.

**9/15/2016**  
Date

**Ja'Nita Fisher**  
Type Name

**/s/ Ja'Nita Fisher**  
Signature



**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: **15233 Ventura Blvd., Suite 250, Sherman Oaks, CA 91403.**

A true and correct copy of the foregoing document entitled **NOTICE OF MOTION AND MOTION TO APPROVE ADEQUACY OF DISCLOSURE STATEMENT OF DEBTOR WHO IS AN INDIVIDUAL(S) WITH PRIMARILY CONSUMER DEBTS [11 U.S.C. § 1125; FRBP 3017; LBR 3017-1]** 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 indicated below:

**I. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING**

**("NEF")** – Pursuant to controlling General Order(s) and Local Bankruptcy Rule(s) **("LBR")**, the foregoing document will be served by the court via NEF and hyperlink to the document. On **10/5/2016** I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email address(es) indicated below:

☐ Service information continued on attached page

- **Darren J Devlin** **darren@resolutionfunding.net**
- **M Jonathan Hayes** **jhayes@srhlawfirm.com,**  
**roksana@srhlawfirm.com;matthew@srhlawfirm.com;rosarioz@srhlawfirm.co**  
**m;jfisher@srhlawfirm.com;maria@srhlawfirm.com;staci@srhlawfirm.com;jh**  
**ayeseef@gmail.com**
- **Merdaud Jafarnia** **bknotice@mccarthyholthus.com,**  
**mjafarnia@ecf.inforuptcy.com**
- **Iris Kwon** **ikwon@rasflaw.com, bkyecf@rasflaw.com**
- **Kelly L Morrison** **kelly.l.morrison@usdoj.gov**
- **Kelly M Raftery** **bknotice@mccarthyholthus.com,**  
**kraftery@ecf.courtdrive.com**
- **Matthew D Resnik** **matt@srhlawfirm.com,**  
**mattecf@gmail.com;renee@srhlawfirm.com**
- **United States Trustee (LA)** **ustpregion16.la.ecf@usdoj.gov**
- **Robert P Zahradka** **ecfcacb@aldridgepite.com,**  
**RPZ@ecf.inforuptcy.com;rzahradka@aldridgepite.com**

**II. SERVED BY U.S. MAIL:** On **10/5/2016** I served the following person(s) and/or entity(ies) at the last known address(es) 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

**Hon. Vincent P. Zurzolo**  
**U.S. Bankruptcy Court**  
**Central District – LA Branch**  
**255 E. Temple Street, Suite 1360**  
**Los Angeles, CA 90012**

**Eugene Arnold**  
**7603 Dalton Ave**  
**Los Angeles, CA 90047-2508**

Office of the U.S. Trustee  
ATTN: Kelly L. Morrison, Esq.  
915 Wilshire Blvd., Suite 1850  
Los Angeles, California 90017

**III. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (indicate method for each person or entity served):

Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on **10/5/2016** I served the following person(s) and/or entity(ies) 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 the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

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

<u>10/5/2016</u>	<u>Ja’Nita Fisher</u>	<u>/s/ Ja’Nita Fisher</u>
<i>Date</i>	<i>Type Name</i>	<i>Signature</i>