

|   |                           |
|---|---------------------------|
| Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address<br><br><b>HABERBUSH &amp; ASSOCIATES, LLP</b><br>DAVID R. HABERBUSH, ESQ., SBN 107190<br>VANESSA M. HABERBUSH, ESQ. SBN 287044<br>444 West Ocean Boulevard, Suite 1400<br>Long Beach, CA 90802<br>Telephone: (562) 435-3456<br>Facsimile: (562) 435-6335<br>E-Mail: vhaberbush@binsolvency.com | <b>FOR COURT USE ONLY</b> |
| <input type="checkbox"/> Individual appearing without attorney<br><input checked="" type="checkbox"/> Attorney for: R&J Limited Partnership (Proposed)  |                           |

|   |   |
|---|---|
| <b>UNITED STATES BANKRUPTCY COURT<br/>CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES DIVISION</b> |   |
| In re:<br>R&J LIMITED PARTNERSHIP,<br><br><br><br><br><br><br><br><br><br>Debtor(s).            | CASE NO.: 2:15-bk-11029-NB<br>CHAPTER: 11<br><br><br><br><br><br><br><br><br><br><b>NOTICE OF SALE OF ESTATE PROPERTY</b> |

|  |                      |
|--|----------------------|
| <b>Sale Date:</b> 03/31/2015   | <b>Time:</b> 2:00 pm |
| <b>Location:</b> 255 E. Temple Street, Courtroom 1545, Los Angeles, CA 90012 |                      |

**Type of Sale:**  Public  Private      **Last date to file objections:** 03/17/2015

**Description of property to be sold:**  
 Real Property Located at 675 East Wardlow Rd., Long Beach, CA

**Terms and conditions of sale:**  
 Purchase Price: \$1,012,392. Contingencies: (1) Release of lien held by Bayview Loan Servicing; (2) Satisfactory environmental remediation; (3) Issuance of conditional use permit. Proposed buyer will advance the funds prior to the close of escrow to perform all environmental testing and to re-abandon the oil wells on the Real Property and these costs will be allocated between the parties as indicated in the attached Notice of Motion.

**Proposed sale price:** \$ 1,012,392.00

**Overbid procedure (if any):**

**If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:**

March 31, 2015 at 2:00 p.m. Pacific Time, in Courtroom 1545 of the Edward R. Roybal Federal Building and Courthouse located at 255 E. Temple Street, Los Angeles, CA 90012.

**Contact person for potential bidders (include name, address, telephone, fax and/or email address):**

O'Healy Commercial Real Estate Services  
Patrick G. O'Healy  
1240 E. 29th Street, Suite 201  
Signal Hill, California  
Phone: 562-492-9234  
email: patrick@ohcrs.net

Date: 3/6/15

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

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5

6 Proposed Attorneys for Debtor and Debtor-in-Possession

7  
8 **UNITED STATES BANKRUPTCY COURT**  
9 **CENTRAL DISTRICT OF CALIFORNIA, LOS ANGELES DIVISION**

10 In re

11 R & J LIMITED PARTNERSHIP,

12 Debtor and Debtor-in-Possession.

Case No. 2:15-bk-11029-NB

**Chapter 11**

**NOTICE OF MOTION TO SELL THE  
ESTATE'S INTERESTS IN REAL  
PROPERTY LOCATED AT 675 EAST  
WARDLOW RD., LONG BEACH, CA,  
FREE AND CLEAR OF ALL CLAIMS,  
LIENS, AND INTERESTS PURSUANT TO  
11 U.S.C. § 363**

**Hearing Date**

Date: March 31, 2015

Time: 2:00 p.m.

Ctrm: 1545

255 E. Temple Street

Los Angeles, CA 90012

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20 **TO THE HONORABLE NEIL BASON, UNITED STATES BANKRUPTCY JUDGE;**  
21 **THE OFFICE OF THE UNITED STATES TRUSTEE; ALL TENANTS; ALL CREDITORS;**  
22 **AND ALL PARTIES IN INTEREST AND THEIR COUNSEL OF RECORD:**

23 **PLEASE TAKE NOTICE** that on March 31, 2015, 2:00 p.m. in the above-entitled courtroom  
24 located at 255 E. Temple Street, Courtroom 1545, Los Angeles, CA 90012, R & J LIMITED  
25 PARTNERSHIP, Debtor and Debtor-in-Possession herein (hereinafter referred to as "Debtor" and/or  
26 "Movant"), will move this Court to for an order authorizing the sale of the estate's interests in the real  
27 property located at 675 East Wardlow Rd., Long Beach, CA (the "Real Property"), free and clear of all  
28 claims, liens, and interests pursuant to 11 U.S.C. § 363 (the "Motion" and/or "Motion to Sell").

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1 follows:

- 2 i. The Debtor is responsible for the first \$200,000 of costs;  
3 ii. The Debtor is responsible for \$25,000 of the next \$50,000 of costs.  
4 iii. The Market Street is responsible for any costs in excess of \$250,000.

5 The Purchase Agreement has an addendum which provides for a due diligence period of 120 days  
6 after Debtor has removed a contingency. Debtor's contingency is a satisfactory a release by Bayview  
7 Loan Servicing ("Bayview") of its first deed of trust against the Real Property, which will be  
8 accomplished by the Court order approving the sale. Satisfactory environmental remediation of the Real  
9 Property and the issuance of a conditional use permit for the use to which Market Street wishes to  
10 develop the Real Property are also contingencies to completing the sale.

11 The offer to purchase the real property by Market Street is subject to a higher and better offer  
12 being made at the hearing on the Motion by any other party wishing to purchase the Real Property.

13 **Sale is Free and Clear of All Liens, Claims, and Interests.** Debtor seeks authority to sell the  
14 Real Property, with appropriate findings by the Court, to the Market Street or the Successful Bidder free  
15 and clear of all liens (as defined in 11 U.S.C. § 101(37)), claims (as defined in 11 U.S.C. § 101(5)), and  
16 interests (collectively, "Liens"), pursuant to 11 U.S.C. § 363(f). The Sale shall be free and clear of the  
17 Liens and the Liens shall attach to the proceeds of the sale to the same priority, extent, and validity as  
18 they now attach to the Real Property pursuant to 11 U.S.C. § 363(f). The following Liens encumber the  
19 Real Property:

20 a. **County of Los Angeles Tax Assessor for Real Property Taxes.** It is unknown  
21 whether any amounts are owed to the County of Los Angeles Tax Assessor for real property taxes, but  
22 if any amounts are owed, Debtor believes they will be no more than \$50,000.

23 b. **Bayview.** The Real Property is subject to first deed of trust securing obligations  
24 owed to Bayview in the sum of \$1,040,684.37 as of December 29, 2014 according to the recorded Notice  
25 of Trustee's Sale. The debt is secured by the first deed of trust against the Real Property and is also  
26 collateralized by other real properties of Debtor, located at 640 East Wardlow Rd., Long Beach, CA,  
27 3373 Lime Avenue, Signal Hill, California, and 3355 Lime Avenue, Signal Hill, California, all of which  
28 are contiguous. All net proceeds of the sale, as discussed below, shall be paid to Bayview and Bayview

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1 shall retain its lien on the other real properties of Debtor. The estimated net proceeds from the sale which  
2 will be paid to Bayview is estimated to be \$630,000. After completion of the sale, the balance of the loan  
3 owed to Bayview will be in the sum of approximately \$400,000 and Bayview shall retain a lien on the  
4 other real properties of Debtor, which have an estimated value of approximately \$1,982,405.00.

5 c. Epps & Coulson, LLP. The Real Property is subject to a deed of trust securing  
6 obligations owed to Epps & Coulson, LLP in the sum of \$250,000. Because the value of the Real  
7 Property is less than the value of Bayview's lien, Epps & Coulson, LLP's claim of lien is totally  
8 unsecured pursuant to 11 U.S.C. § 506(a)(1). Therefore, this claim is subject to a bona fide dispute as  
9 to whether it secured by any value in the Real Property, and the Court may approve the sale free and  
10 clear of this lien pursuant to 11 U.S.C. § 363(f). The liens of this creditor shall attach to the proceeds  
11 of the sale of the Real Property to the same extent, validity, and priority as they now attach to the Real  
12 Property.

13 Adequacy of Notice of the Sale. Debtor seeks an order, with appropriate findings of the Court,  
14 approving the adequacy of notice given to creditors and parties-in-interest of the hearing on the Motion.

15 Court Approval. The sale of the Real Property is wholly contingent upon entry of a final, non-  
16 appealable order by this Court approving the Purchase Agreement and the sale of the Real Property,  
17 authorizing the transactions contemplated by the Purchase Agreement, directing payment of the purchase  
18 price, and providing that the Real Property will be conveyed by Debtor to Market Street or the  
19 Successful Bidder free and clear of all claims, liens, interests, and encumbrances or interests of any kind.

20 Distribution of Proceeds. The proceeds of the sale shall be distributed as follows:

21 a. Payment of Costs of Sale.

22 i. Payment of Broker. By the Motion, Debtor seeks authority to pay a six  
23 percent (6%) commission to O'Healy Real Estate Services and Patrick G. O'Healy (collectively  
24 "Broker"), whose address is 1240 E. 29<sup>th</sup> Street, Signal Hill, California, from the purchase price of the  
25 Real Property<sup>1</sup>. Assuming a sale price of \$1,012,392.00, which is the purchase price offered by the  
26 Market Street, Broker would be entitled to a dollar amount of \$60,743.52. The terms of the employment

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28 <sup>1</sup> An application to employ Broker has been filed with the Court and notice of the  
application has been given in conformity with the Local Bankruptcy Rules.

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1 of Broker provide that Broker is to sell the Real Property on the basis that it will receive no  
2 compensation except upon the consummation of any sale of the Real Property, in which event Broker  
3 will receive a real estate broker's commission in an amount equal to six percent (6%) of the total  
4 purchase price for the Real Property. Such commission may be shared with any other real estate broker  
5 involved in the sale of the Real Property on behalf of an overbidder at the sale who is not Market Street,  
6 as is customary in the real estate industry, subject to disclosure and application to this Court. In the event  
7 that the Real Property is sold on an overbid to a buyer not procured by Broker, Broker will nonetheless  
8 be entitled to receive a real estate broker's commission equivalent to six percent (6%) of the accepted  
9 sales bid for services rendered and expenses incurred in representing Debtor in marketing the Real  
10 Property and any commission payable to the broker procuring the Successful Bidder shall be the  
11 responsibility of Broker, as is customary in the real estate industry, subject to disclosure and application  
12 to this Court. At the hearing on the Motion, Broker, as well as any broker who may have procured the  
13 Successful Bidder, will disclose the dollar amount of the commission, based on the purchase price of  
14 the Real Property, and the identities of any other broker sharing in the commission, so that it may be  
15 approved by the Court at the hearing on the Motion.

16 ii. Payment of Escrow and Title. By the Motion, Debtor seeks authority to  
17 pay its own portion (one half) of the Escrow Fee and for owner's title insurance from the purchase price  
18 of the Real Property. These fees and expenses are estimated to be no more than \$20,000. Debtor seeks  
19 authority to pay these amounts from the purchase price for the Real Property without seeking further  
20 approval by the Court.

21 iii. Environmental Remediation. Market Street will advance all funds  
22 necessary for the remediation of the Real Property due to oil contamination, etc., as discussed above.  
23 However, up to \$250,000 of such costs advanced by Market Streets shall be credited against the purchase  
24 price and, therefore, will be a deduction from the proceeds of the sale of the Real Property.

25 iv. Transfer Costs. By the Motion, Debtor seeks authority to pay the County  
26 transfer tax or transfer fee and the City transfer tax or transfer fee from the purchase price of the Real  
27 Property. Pursuant to the Purchase Agreement, Debtor shall pay the County transfer tax or transfer fee  
28 and the City transfer tax or transfer fee. This fee is estimated to be \$1,100.00 Debtor seeks authority to

1 pay these amounts from the purchase price for the Real Property without seeking further approval by the  
2 Court.

3 v. Real Property Taxes. All unpaid real estate taxes owing to the Los Angeles  
4 County Tax Collector. It is unknown whether any amounts are owed to the County of Los Angeles Tax  
5 Assessor for real property taxes, but if any amounts are owed, Debtor believes they will be no more than  
6 \$50,000.

7 vi. Remaining Proceeds to Bayview. After deduction of the items set forth  
8 above, which shall be paid at the close of sale and total no more than \$381,843.52, the estimated  
9 remainder of the proceeds of the sale is the sum of \$630,548.50, all of which will be paid to Bayview  
10 on account of its secured debt.

11 13. Anticipated Tax Consequences of the Sale. Debtor anticipates no major tax consequences  
12 of the proposed sale of the Real Property because Debtor is a partnership and pays no income taxes.

13 **Notice of Failure to Oppose Motion and Procedure to Oppose Motion**

14 If you do not oppose the Motion, you need take no further action. However, if you oppose the  
15 Motion, opposition to the Motion, must (1) be in writing, (2) conform to the requirements of the Federal  
16 Rules of Bankruptcy Procedure and the Local Rules of the Bankruptcy Court for the Central District of  
17 California, (3) set forth the name of the objecting party, (4) set forth the basis for the objection and the  
18 specific grounds therefor, (5) be filed with the Court, located at 255 E. Temple Street, Courtroom 1545,  
19 Los Angeles, CA 90012, no later than fourteen (14) days prior to the hearing on the Motion, and (6)  
20 served on Debtor's Attorneys, Haberbusch & Associates, LLP, at 444 West Ocean Boulevard, Suite 1400,  
21 Long Beach, CA 90802, no later than fourteen (14) days prior to the hearing on the Motion.

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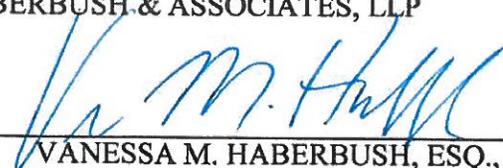
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1 ANY FAILURE TO TIMELY FILE AND SERVE AN OPPOSITION TO THE MOTION MAY  
2 RESULT BE DEEMED BY THE COURT TO CONSENT TO THE RELIEF SOUGHT BY THE  
3 MOTION AND THE COURT MAY ENTER AN ORDER GRANTING THE MOTION WITHOUT  
4 FURTHER NOTICE.

5 Respectfully submitted,

6 HABERBUSH & ASSOCIATES, LLP

7  
8 Dated: March 6, 2015

By: 

VANESSA M. HABERBUSH, ESQ.,  
Proposed Attorneys for Debtor and Debtor-in-  
Possession

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### 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:

444 West Ocean Boulevard, Suite 1400, Long Beach, CA 90802

A true and correct copy of the foregoing document entitled (*specify*): **NOTICE OF SALE OF ESTATE PROPERTY** 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 **March 6, 2015**, 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:

- **Dawn M Coulson** dcoulson@epscoulson.com, cmadero@epscoulson.com
- **Melanie Scott Green** Melanie.green@usdoj.gov
- **David R Haberbush** dhaberbush@lbinsolvency.com, ahaberbush@lbinsolvency.com, abostic@lbinsolvency.com, thurd@lbinsolvency.com, vhaberbush@lbinsolvency.com, haberbush.assistant@gmail.com
- **Vanessa M Haberbush** vhaberbush@lbinsolvency.com, dhaberbush@lbinsolvency.com, ahaberbush@lbinsolvency.com

- m,abostic@lbinsolvency.com, thurd@lbinsolvency.com, haberbush.assistant@gmail.com
- **Kari A Keidser** kkeidser@gmail.com
- **Leslie M Klott** bankruptcy@zievelaw.com
- **Dare Law** dare.law@usdoj.gov
- **Edward G Schloss** egs2@ix.netcom.com
- **John D Schlotter** ecfmail@aclawllp.com
- **United States Trustee (LA)** ustregion16.la.ecf@usdoj.gov

Service information continued on attached page

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

On **March 6, 2015** 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.

Neil W. Bason, JUDGE  
US Bankruptcy Court  
255 E. Temple Street,  
Suite 1552 / Courtroom 1545  
Los Angeles, CA 90012

Service information continued on attached page

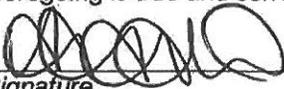
**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served):** Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) \_\_\_\_\_, I served the following persons and/or entities by personal delivery, overnight mail service, or (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.

March 6, 2015  
*Date*

Tasha C. Hurd  
*Printed Name*

  
*Signature*