

DAVID B. GOLUBCHIK (State Bar No. 185520)  
 LEVENE, NEALE, BENDER, YOO & BRILL L.L.P.  
 10250 Constellation Boulevard, Suite 1700  
 Los Angeles, California 90067  
 Telephone: (310) 229-1234

Attorneys for Debtor and Debtor in Possession

**UNITED STATES BANKRUPTCY COURT  
 CENTRAL DISTRICT OF CALIFORNIA**

In re:  
 CYNTHIA PANDORA STAFFORD

Debtor(s).

CASE NO.: 2:16-bk-133355-NB

**NOTICE OF SALE OF ESTATE PROPERTY**

**Sale Date:** 5/3/16

**Time:** 11:00 AM

**Location:** USBC, Courtroom 1545, 255 E. Temple Street, Los Angeles, CA 90012

Type of Sale:  Public  Private

Last date to file objections:

4/19/16

Description of Property to be Sold: Real Property located at 739 Patterson Place, Pacific Palisades, California 90272

Single family residence. For questions and information, contact real estate broker Lulu Knowlton of Keller Williams at 310.562.7418 or luluxu518@yahoo.com

Terms and Conditions of Sale: Sale price is \$3,050,000 - all cash

Free and clear of liens and interests, subject overbid and Bankruptcy Court approval.

Proposed Sale Price: \$3,050,000 subject to overbid

Overbid Procedure (If Any): No procedures approved. Suggested procedures include confirmation of all cash offer and not more than 20 day

closing

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

5/3/16 at 11:00 a.m., USBC, Courtroom 1545, 255 E. Temple Street, Los Angeles, CA 90012

Contact Person for Potential Bidders (include name, address, telephone, fax and/or e:mail address):

David B. Golubchik

Levene, Neale, Bender, Yoo & Brill L.L.P.

10250 Constellation Blvd., Ste. 1700

Los Angeles, CA 90012

Tel: 310-229-1234, Fax: 310-229-1244, Email: dbg@lnbyb.com

Date: 4/8/16

1 DAVID B. GOLUBCHIK (State Bar No. 185520)  
2 J.P. FRITZ (State Bar No. 245240)  
3 LEVENE, NEALE, BENDER, YOO & BRILL L.L.P.  
4 10250 Constellation Boulevard, Suite 1700  
5 Los Angeles, California 90067  
6 Telephone: (310) 229-1234  
7 Facsimile: (310) 229-1244  
8 Email: DBG@LNBYB.com; JPF@LNBYB.COM

9 Proposed Attorneys for  
10 Cynthia Pandora Stafford, Debtor

11 **UNITED STATES BANKRUPTCY COURT**  
12 **CENTRAL DISTRICT OF CALIFORNIA**  
13 **LOS ANGELES DIVISION**

14 In re:

15 CYNTHIA PANDORA STAFFORD,

16 Debtor and Debtor in Possession.

Case No.: 2:16-bk-133355-NB

Chapter 11

**NOTICE OF MOTION AND MOTION FOR  
ORDER AUTHORIZING SALE OF  
DEBTOR ASSETS FREE AND CLEAR OF  
ALL LIENS, CLAIMS, ENCUMBRANCES  
AND OTHER INTERESTS PURSUANT TO  
11 U.S.C. § 363, SUBJECT TO OVERBID;  
DECLARATION OF CYNTHIA PANDORA  
STAFFORD IN SUPPORT THEREOF**

Hearing:

Date: May 3, 2016

Time: 11:00 a.m.

Place: Courtroom 1545

255 E. Temple Street

Los Angeles, CA 90012

1           **PLEASE TAKE NOTICE** that, on May 3, 2016, at 11:00 a.m. the Honorable Neil W.  
2 Bason, United States Bankruptcy Judge for the Central District of California (the "Court"), will  
3 hold a hearing (the "Hearing") on regular notice in Courtroom 1545 of the United States  
4 Bankruptcy Courthouse located at 255 East Temple Street, Los Angeles, California to consider  
5 the Motion For Order Authorizing Sale Of Debtors Assets Free And Clear Of All Liens, Claims,  
6 Encumbrances And Other Interests Pursuant To 11 U.S.C. § 363 and Subject to Overbid, filed by  
7 Cynthia Pandora Stafford, the debtor and debtor in possession ("Debtor") in the above-captioned  
8 chapter 11 bankruptcy case.

9           In summary, the Debtor owns a single family residence located at 739 Patterson Place,  
10 Pacific Palisades, California 90272 (the "Property"), which is the Debtor's primary residence.  
11 The Debtor believes that the Property is worth over \$3 million in its current condition, while the  
12 secured debt is approximately \$2.5 million. This case was commenced because the Debtor was  
13 unable to maintain payments on the Property and a foreclosure was scheduled. Other than the  
14 secured debt on the Property, the Debtor has no other creditors.

15           The Debtor determined that the sale of the Property is in the best interest of the estate  
16 since it will allow the secured debt to be satisfied in full and provide the Debtor with some funds.  
17 The Debtor hired Keller Williams to assist her in marketing and selling the Property. Based on  
18 Keller Williams' efforts, the Debtor received numerous offers and has agreed to accept and all-  
19 cash offer for \$3,050,000 from Jingzhi Wang ("Buyer"). Pursuant to the Motion, the Debtor  
20 seeks authority to sell the Property to the Buyer (unless a successful overbid is submitted) for  
21 \$3,050,000, pay all costs of sale and the secured debt related to the Property, as well as  
22 administrative claims of the estate. Once the sale is complete and outstanding claims are paid,  
23 the Debtor believes that the dismissal of this case is appropriate since there will be no other  
24 claims in this case.

25           **PLEASE TAKE FURTHER NOTICE** that, pursuant to Local Rule 9013-1(f), any  
26 opposition or response to the Motion must be filed with the Clerk of the United States Bankruptcy  
27 Court and served upon the United States Trustee as well as counsel for the Debtor at the address  
28 located in the upper left-hand corner of the first page of this Notice by no later than fourteen (14)

1 days before the hearing on the Motion. Pursuant to Local Rule 9013-1(h), failure to file a timely  
2 opposition or response may be deemed by the Court to be consent to the granting of the relief  
3 requested in the Motion.

4 **WHEREFORE**, the Debtor respectfully requests that this Court enter an order:

- 5 (1) Affirming the adequacy of the Notice given herein;  
6 (2) Granting the Motion in its entirety;  
7 (3) Authorizing the sale to proceed to closing;  
8 (4) Finding the Buyer to be a good faith purchaser with all the protections of 11  
9 U.S.C. § 363(m);  
10 (5) waiving the 14-day stay period of Rule 6004(h) of the Federal Rules of Bankruptcy  
11 Procedure;  
12 (6) Authorizing the Debtor to take any and all steps necessary and proper to  
13 consummate the sale transaction; and  
14 (7) Granting such other and further relief as the Court deems just and proper under the  
15 circumstances.

16 Dated: April 8, 2016

CYNTHIA PANDORA STAFFORD

17  
18 By: /s/ David B. Golubchik

David B. Golubchik

19 LEVENE, NEALE, BENDER, YOO &

BRILL L.L.P.

20 Proposed Attorneys for Chapter 11 Debtor and

21 Debtor in Possession  
22  
23  
24  
25  
26  
27  
28

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 Cynthia Pandora Stafford, the debtor and debtor in possession (“Debtor”), hereby files her  
3 Motion For Order Authorizing Sale Of Debtor’s Assets Free And Clear Of All Liens, Claims,  
4 Encumbrances And Other Interests Pursuant To 11 U.S.C. § 363, Subject to Overbid.

5 **I.**

6 **STATEMENT OF FACTS**

7 1. The Debtor commenced this bankruptcy case under Chapter 11 of 11 U.S.C. § 101  
8 *et seq.* (the “Bankruptcy Code”) on March 16, 2016 (the “Petition Date”). No trustee has been  
9 appointed and the Debtor is managing her affairs as a debtor in possession.

10 2. The Debtor’s background history is very unusual. The Debtor was the successful  
11 winner of the Lottery in 2007.

12 3. After the winnings, the Debtor was able to acquire a residence for herself located  
13 at 739 Patterson Place, Pacific Palisades, California 90272 (the “Property”). The Debtor believes  
14 that the Property is worth over \$3 million in its current condition with secured debt owing to  
15 Chase Bank (“Chase”) of approximately \$2.5 million.

16 4. The unfortunate side effect of such public success is that the Debtor became a  
17 target for third parties, including unscrupulous individuals, with investment schemes and ideas.  
18 Without proper guidance and knowledge, the Debtor was taken advantage of by such third parties  
19 and her winnings were dissipated. The Debtor is currently in litigation with respect to one such  
20 wrongful conduct by third parties and is optimistic that she will receive a just result.

21 3. The Property was the Debtor’s primary residence. Unfortunately, as a result of  
22 the events described above, the Debtor was unable to maintain the payments on the Property. To  
23 avoid foreclosure pending a refinance or sale, the last of which was scheduled for March 17,  
24 2016, the Debtor commenced this case on March 16, 2016 without the assistance of counsel.

25 4. The Debtor understands that the foreclosure sale was cancelled.

26 5. Shortly thereafter, the Debtor met with Levene, Neale, Bender, Yoo & Brill L.L.P.  
27 (“LNBYB”) to seek representation in Chapter 11.

28 6. In addition, the Debtor entered into a listing agreement with Keller Williams to

1 market and sell the Property.

2 7. Lulu Knowlton of Keller Williams immediately assisted the Debtor with  
3 formulating a marketing strategy and commenced marketing efforts. Such efforts included  
4 contacting specific parties which Ms. Knowlton believed would be interested in the Property.

5 8. Keller William's efforts yielded immediate results. Numerous offers were  
6 submitted and, after counteroffers, the Debtor agreed to accept the sum of \$3,050,000 from  
7 Jingzhi Wang ("Buyer"), which was an all-cash offer with 20-days closing subject to approval of  
8 the Court. True and correct copies of the sale agreement documents are attached hereto as  
9 **Exhibit "A"**. A true and correct copy of the preliminary title report is attached hereto as **Exhibit**  
10 **"B"**.

11 9. The Debtor believes that the foregoing sale price is fair and reasonably.  
12 Specifically, after costs of sale, the proceeds will be sufficient to pay Chase's secured claim,  
13 estimated to be approximately \$2.5 million, in full. There are no other claims asserted against  
14 this estate. Thus, after payment of all administrative expense claims, the Debtor will have some  
15 funds to assist her in seeking alternative living accommodations.

## 16 II.

### 17 DISCUSSION

#### 18 A. The Court Should Authorize the Debtor to Sell the Property Free and Clear of All 19 Liens, Claims, Interests, and Encumbrances

##### 20 1. The Debtor Has Complied With All Notice Requirements Under the Bankruptcy 21 Code, Federal Rules of Bankruptcy Procedure, and Local Bankruptcy Rules 22 Governing the Sale.

23 Section 363(b)(1) provides that the Debtor, "after notice and a hearing, may use, sell or  
24 lease, other than in the ordinary course of business, property of the estate." 11 U.S.C.  
25 § 363(b)(1). Section 102(1) defines "after notice and a hearing" as after such notice as is  
26 appropriate in the particular circumstances, and such opportunity for hearing as is appropriate in  
27 the particular circumstances. 11 U.S.C. § 102(1)(A).

28 Rule 6004(a) of the Federal Rules of Bankruptcy Procedure provides in pertinent part that

1 notice of a proposed sale not in the ordinary course of business must be given pursuant to  
2 Bankruptcy Rule 2002(a)(2), (c)(1), (i) and (k), and, if applicable, in accordance with section  
3 363(b)(2) of the Bankruptcy Code. FED.R.BANKR.P. 6004(a). Rule 2002(a)(2) requires at least  
4 21 days' notice by mail of a proposed sale of property of the estate other than in the ordinary  
5 course of business, unless the Court for cause shown shortens the time or directs another method  
6 of giving notice. FED.R.BANKR.P. 2002(a)(2). Rule 2002(c)(1) requires that the notice of a  
7 proposed sale include the date, time and place of any public sale, the terms and conditions of any  
8 private sale, and the time fixed for filing objections. It also provides that the notice of sale or  
9 property is sufficient if it generally describes the property. FED.R.BANKR.P. 2002(c)(1). Rule  
10 2002(i) requires that the notice be mailed to committees elected pursuant to 11 U.S.C. § 705 or  
11 appointed pursuant to 11 U.S.C. § 1102.<sup>1</sup> FED.R.BANKR.P. 2002(i). Rule 2002(k) requires that  
12 the notice be given to the United States Trustee. FED.R.BANKR.P. 2002(k).

13 Rule 6004(c) provides that a motion for authority to sell property free and clear of liens or  
14 other interests must be made in accordance with Rule 9014 and must be served on the parties who  
15 have liens or other interests in the property to be sold. FED.R.BANKR.P. 6004(c).

16 Local Bankruptcy Rule 9013-1(d)(2) requires that a notice of motion and motion be served  
17 at least 21 days before the hearing on the date specified in the notice. L.B.R. 9013-1(d)(2).

18 In addition, Local Bankruptcy Rule 6004-1(f) requires that an additional copy of the Notice  
19 be submitted to the Clerk of the Bankruptcy Court together with a document Form 6004-2 at the  
20 time of filing for purposes of publication. L.B.R. 6004-1(f).

21 The Debtor has complied with all of the above provisions of the Bankruptcy Code, the  
22 Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules. The Debtor has  
23 complied with Bankruptcy Rules 6004(a) and 2002(a)(2), (c)(1), (i) and (k), because the Notice  
24 that has been filed contemporaneously herewith, which includes the date time and place of the  
25 sale and the deadline for objecting thereto, was served on the United States Trustee, all of the  
26 Debtor's known creditors, and all parties requesting special notice. The Debtor has complied

27 \_\_\_\_\_

28 <sup>1</sup> As of the date of this Motion, no official committee of unsecured creditors has been appointed in this case.

1 with Bankruptcy Rule 6004(c) because the Notice and the Sale Motion were also served upon the  
2 parties who have alleged liens or interests in the property. The Debtor has complied with the  
3 requirements of Local Bankruptcy Rule 6004-1(f) because the Debtor has filed the Notice and  
4 Form 6004-2 with the Clerk of the Bankruptcy Court.

5 2. The Motion Should Be Approved Because Good Business Reasons Exist to  
6 Grant the Motion and the Proposed Sales is in the Best Interest of the Estate.

7 As a general matter, a Court considering a motion to approve a sale under Section 363(b)  
8 should determine from the evidence presented before it that a “good business reason” exists to  
9 grant such a motion. In re Lionel Corp., 722 F.2d 1063, 1071 (2d Cir.1983). In addition, the  
10 Court must further find it is in the best interest of the estate. To make this determination, a Court  
11 should consider whether:

- 12 (1) the sale is fair and reasonable, i.e., the price to be paid is adequate;
- 13 (2) the property has been given adequate marketing;
- 14 (3) the sale is in good faith, i.e., there is an absence of any lucrative deals with  
15 insiders, and
- 16 (4) adequate notice has been provided to creditors.

17 In re Wilde Horse Enterprises, Inc., 136 B.R. 830, 841-2 (Bankr.C.D.Cal.1991); In re The  
18 Landing, 156 B.R. 246, 249 (Bankr.E.D.Mo.1993); In re Mama’s Original Foods, Inc., 234 B.R.  
19 500, 502-505 (C.D.Cal.1999). The Debtor submits that the proposed sale of the Property free and  
20 clear of liens, claims, and interests satisfies each of these requirements.

21 **a. Sound Business Purpose.**

22 The Ninth Circuit Bankruptcy Appellate Panel in Walter v. Sunwest Bank (In re Walter),  
23 83 B.R. 14, 19 (9th Cir.B.A.P.1988) has adopted a flexible case-by-case test to determine  
24 whether the business purpose for a proposed sale justifies disposition of property of the estate  
25 under Section 363(b). The facts pertaining to the sale at issue here amply substantiate the  
26 Debtor’s business decision that the contemplated sale of the Property serves the best interest of  
27 the estate’s creditors and merits the approval of this Court. As discussed above, the sole purpose  
28 of the commencement of this case was to save the Property from foreclosure and allow the

1 Debtor an opportunity to sell it. The goal has been achieved and the Debtor is now in a position  
2 to sell the Property for sufficient amounts to pay Chase in full. Moreover, since there are no  
3 other creditors, this is a surplus estate which will allow the Debtor to receive funds to arrange for  
4 alternate living accommodations. The Debtor submits that the foregoing facts support the  
5 Debtor's sound business purpose in connection with the sale of the Property.

6 **b. Fair and Reasonable Price.**

7 In order for a sale to be approved under Section 363(b), the purchase price must be fair  
8 and reasonable. See generally, In re Canyon Partnership, 55 B.R. 520 (Bankr.S.D.Cal.1985). The  
9 trustee (or debtor in possession) is given substantial discretion in this regard. Id. In addition,  
10 Courts have broad discretion with respect to matters under section 363(b). See Big Shanty Land  
11 Corp. v. Comer Properties, Inc., 61 B.R. 272, 278 (Bankr.N.D.Ga.1985). In any sale of estate  
12 assets, the ultimate purpose is to obtain the highest price for the property sold. Wilde Horse  
13 Enterprises, Inc., 136 B.R. at 841 (citing In re Chung King, Inc., 753 F.2d 547 (7th Cir.1985)), In  
14 re Alpha Industries, Inc., 84 B.R. 703, 705 (Bankr.Mont.1988).

15 As discussed above, the Debtor believes that the value of the Property (in its current  
16 condition) is approximately \$3 million. The accepted offer of \$3,050,000 from Buyer supports  
17 such belief. More importantly, the sale will be noticed to the public, thereby allowing interested  
18 parties to bid at the sale hearing. Based on the fact that the sale will be subject to overbid, the  
19 Debtor submits that, by definition, the consideration paid for the Property will be fair and  
20 reasonable.

21 **c. Adequate Marketing.**

22 As discussed above, the Debtor retained Keller Williams to market the Property.  
23 Immediate marketing efforts ensued. Based on such efforts, the Debtor has received a sale price  
24 which is sufficient to pay all claims in full and provide a distribution to the Debtor. Based on the  
25 fact that all claims are being paid in full, the Debtor submits that marketing, even on such a short  
26 timeframe, has been adequate for the purposes of the transaction sought to be approved herein.

27 **d. Good Faith.**

28 When a bankruptcy Court authorizes a sale of assets pursuant to Section 363(b)(1), it is

1 required to make a finding with respect to the “good faith” of the purchaser. In re Abbotts  
2 Dairies, 788 F.2d at 149. Such a procedure ensures that Section 363(b)(1) will not be  
3 employed to circumvent the creditor protections of Chapter 11, and as such, it mirrors the  
4 requirement of Section 1129 that the Bankruptcy Court independently scrutinizes the debtor’s  
5 reorganization plan and makes a finding that it has been proposed in good faith. Id. at 150.  
6 With respect to the Debtors’ conduct in conjunction with the sale of the Hotels, the good faith  
7 requirement focuses principally on whether there is any evidence of “fraud, collusion between  
8 the purchaser and other bidders or the trustee, or an attempt to take grossly unfair advantage of  
9 other bidders.” Abbotts Dairies, 788 F.2d at 147; Wilde Horse Enterprises, 136 B.R. at 842.

10 With respect to the Buyer, the Debtor has negotiated the sale contract at arm’s length,  
11 and the proposed buyer is not an “insider” of the Debtor as that term is defined in the  
12 Bankruptcy Code. 11 U.S.C. § 101(31). The Debtor will continue to negotiate in the same  
13 fashion through the auction process in efforts to maximize the sale price and return to the  
14 estate. There has been no fraud or collusion in connection with the proposed sale. The Debtor  
15 has not given special treatment to Buyer or any potential bidders. The Debtor has sought  
16 competitive bids whenever possible and negotiated hard with all potential purchasers to realize  
17 the maximum sale price. No offers received by the Debtor were ignored. Based on the  
18 foregoing, the Debtor submits that the Buyer, or any other prospective buyer, is a “good faith”  
19 purchaser and entitled to all of the protections afforded by 11 U.S.C. § 363(m).

20 **e. Accurate and Reasonable Notice.**

21 The purpose of the notice is to provide an opportunity for objections and hearing before  
22 the Court if there are objections. In re Karpe, 84 B.R. 926, 930 (Bankr.M.D.Pa.1988). A  
23 notice is sufficient if it includes the terms and conditions of the sale and if it states the time for  
24 filing objections. Id.

25 As set forth above, the Debtor served the Notice on the United States Trustee, all of the  
26 Debtor’s known creditors and all parties requesting special notice. The Notice includes the  
27 date, time and place of the sale and the time fixed for filing objections thereto. The Notice and  
28 Motion were served upon the parties who have liens against, or interests in, the Property, and

1 the Debtor filed the Notice and Form 6004-2 with the Clerk of the Bankruptcy Court, as  
2 required by Local Bankruptcy Rule 6004-1(f), so that the Clerk of the Bankruptcy Court can  
3 publish information regarding the proposed sales. Thus, the Debtor submits that this notice  
4 should be deemed adequate, accurate and reasonable by the Court.

5 3. The Sale of the Property Should be Free and Clear of All Liens, Claims,  
6 Interests and Encumbrances Under 11 U.S.C. §363(f).

7 Bankruptcy Code §363(f) provides that a debtor may sell property of the estate “free  
8 and clear of any interest in such property” if:

- 9 (1) applicable non-bankruptcy law permits the sale of such property free and  
10 clear of such interest;  
11 (2) such entity consents;  
12 (3) such interest is a lien and the price at which such property is to be sold is  
13 greater than the aggregate value of all liens on such property;  
14 (4) such interest is in bona fide dispute; or  
15 (5) such entity could be compelled, in a legal or equitable proceeding, to  
16 accept a money satisfaction of such interest.

17 11 U.S.C. §363(f). Because Section 363(f) is in the disjunctive, the Debtor must only meet one  
18 of the five subsections of Section 363(f) in order to sell the Units free and clear of all liens,  
19 claims, interests and encumbrances. In re Whittemore, 37 B.R. 93, 94 (Bankr.D.Or.1984).

20 The terms of the sale are such that the sale price will be in excess of all secured claims.  
21 Because the sale price will exceed the value of the liens, a sale free and clear of liens is  
22 appropriate pursuant to Section 363(f)(3) of the Bankruptcy Code.

23 4. The Court Should Waive the 14-Day Stay of FRBP 6004(h)

24 In order to allow the sale to close as quickly as possible, and satisfy all claims in full, the  
25 Debtor submits that waiver of the 14-day stay of FRBP 6004(h) is appropriate and is in the best  
26 interest of the estate.

27 ///

28 ///

1 **III.**

2 **CONCLUSION**

3 **WHEREFORE**, the Debtor respectfully requests that the Court enter an order:

4 (1) Affirming the adequacy of the Notice given herein;

5 (2) Granting the Motion in its entirety;

6 (3) Authorizing the sale to proceed;

7 (4) Finding the Buyer to be a good faith purchaser with all the protections of 11  
8 U.S.C. § 363(m);

9 (5) waiving the 14-day stay period of Rule 6004(h) of the Federal Rules of Bankruptcy  
10 Procedure;

11 (6) Authorizing the Debtor to take any and all steps necessary and proper to  
12 consummate the sale transaction; and

13 (7) Granting such other and further relief as the Court deems just and proper under the  
14 circumstances.

15 Dated: April 8, 2016

CYNTHIA PANDORA STAFFORD

16  
17 By: /s/ David B. Golubchik

18 David B. Golubchik

19 LEVENE, NEALE, BENDER, YOO &

20 BRILL L.L.P.

21 Proposed Attorneys for Chapter 11 Debtor and  
22 Debtor in Possession  
23  
24  
25  
26  
27  
28

**DECLARATION OF CYNTHIA PANDORA STAFFORD**

I, Cynthia Pandora Stafford, hereby declare as follows:

1. I am over 18 years of age. I have personal knowledge of the facts set forth below and, if called to testify, would and could competently testify thereto.

2. I commenced this bankruptcy case on March 16, 2016 (the "Petition Date").

3. My background history is very unusual. I was the successful winner of the Lottery in 2007.

4. After the winnings, I was able to acquire a residence for myself located at 739 Patterson Place, Pacific Palisades, California 90272 (the "Property"). I believe that the Property is worth over \$3 million in its current condition with secured debt owing to Chase Bank ("Chase") of approximately \$2.5 million.

5. The unfortunate side effect of such public success is that I became a target for third parties, including unscrupulous individuals, with investment schemes and ideas. Without proper guidance and knowledge, I believe that I was taken advantage of by such third parties and my winnings were dissipated. In fact, I am currently in litigation with respect to one such wrongful conduct by third parties and I am optimistic that I will receive a just result.

6. The Property is my primary residence. Unfortunately, as a result of the events described above, I was unable to maintain the payments on the Property. To avoid foreclosure pending a refinance or sale, the last of which was scheduled for March 17, 2016, I commenced this case on March 16, 2016 without the assistance of counsel.

7. I understand that the foreclosure sale was cancelled.

8. Shortly thereafter, I met with Levene, Neale, Bender, Yoo & Brill L.L.P. to seek representation in Chapter 11.



**EXHIBIT "A"**



CALIFORNIA  
ASSOCIATION  
OF REALTORS®

Main Document Page 16 of 63  
**TABLE OF CONTENTS**  
**RESIDENTIAL PURCHASE AGREEMENT**  
(C.A.R. Form TOC-RPA 11/14)

<u>Para #</u>	<u>Page #</u>	<u>Para #</u>	<u>Page #</u>
1. OFFER	1	19. REPRESENTATIVE CAPACITY	7
2. AGENCY	1	20. JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER	7
3. FINANCE TERMS	1	21. REMEDIES FOR BUYER'S BREACH OF CONTRACT	8
4. SALE OF BUYER'S PROPERTY	2	22. DISPUTE RESOLUTION	8
5. ADDENDA AND ADVISORIES	2	23. SELECTION OF SERVICE PROVIDERS	9
6. OTHER TERMS	2	24. MULTIPLE LISTING SERVICE ("MLS")	9
7. ALLOCATION OF COSTS	2	25. ATTORNEY FEES	9
8. ITEMS INCLUDED IN AND EXCLUDED FROM SALE	3	26. ASSIGNMENT	9
9. CLOSING AND POSSESSION	4	27. EQUAL HOUSING OPPORTUNITY	9
10. STATUTORY AND OTHER DISCLOSURES AND CANCELLATION RIGHTS	4	28. TERMS AND CONDITIONS OF OFFER	9
11. CONDITION OF PROPERTY	5	29. TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES	9
12. BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY	5	30. DEFINITIONS	9
13. TITLE AND VESTING	5	31. EXPIRATION OF OFFER	9
14. TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS	6	32. ACCEPTANCE OF OFFER	10
15. FINAL VERIFICATION OF CONDITION	6	CONFIRMATION OF ACCEPTANCE	10
16. REPAIRS	7	REAL ESTATE BROKERS	10
17. PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS	7	ESCROW HOLDER ACKNOWLEDGMENT	10
18. BROKERS	7	PRESENTATION OF OFFER	10
		REJECTION OF OFFER	10

© 2014, California Association of REALTORS®, Inc. United States copyright law (Title 17 U.S. Code) forbids the unauthorized distribution, display and reproduction of this form, or any portion thereof, by photocopy machine or any other means, including facsimile or computerized formats.

THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ACCURACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.

This form is made available to real estate professionals through an agreement with or purchase from the California Association of REALTORS®. It is not intended to identify the user as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by members of the NATIONAL ASSOCIATION OF REALTORS® who subscribe to its Code of Ethics.

**R E B S C** Published and Distributed by:  
REAL ESTATE BUSINESS SERVICES, INC.  
a subsidiary of the California Association of REALTORS®  
525 South Virgil Avenue, Los Angeles, California 90020

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



TOC-RPA 11/14 (PAGE 1 OF 1)

**TABLE OF CONTENTS (TOC-RPA PAGE 1 OF 1)**



CALIFORNIA ASSOCIATION OF REALTORS®

RESIDENTIAL PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

(C.A.R. Form RPA-CA, Revised 12/15)

Date Prepared: 04/04/2016

1. OFFER:

- A. THIS IS AN OFFER FROM Jingzhi Wang ("Buyer").
B. THE REAL PROPERTY to be acquired is 739 Patterson Pl, Pacific Palisades, 90272
C. THE PURCHASE PRICE offered is Two Million, Nine Hundred Thousand Dollars \$ 2,900,000.00
D. CLOSE OF ESCROW shall occur on (date) or 20 Days After Acceptance.
E. Buyer and Seller are referred to herein as the "Parties." Brokers are not Parties to this Agreement.

2. AGENCY:

- A. DISCLOSURE: The Parties each acknowledge receipt of a "Disclosure Regarding Real Estate Agency Relationships" (C.A.R. Form AD).
B. CONFIRMATION: The following agency relationships are hereby confirmed for this transaction:
C. POTENTIALLY COMPETING BUYERS AND SELLERS: The Parties each acknowledge receipt of a "Possible Representation of More than One Buyer or Seller - Disclosure and Consent" (C.A.R. Form PRBS).

3. FINANCE TERMS: Buyer represents that funds will be good when deposited with Escrow Holder.

- A. INITIAL DEPOSIT: Deposit shall be in the amount of \$ 87,000.00
(1) Buyer Direct Deposit: Buyer shall deliver deposit directly to Escrow Holder by electronic funds transfer, cashier's check, personal check, other within 3 business days after Acceptance (or )

OR (2) Buyer Deposit with Agent: Buyer has given the deposit by personal check (or ) to the agent submitting the offer (or to ), made payable to . The deposit shall be held uncashed until Acceptance and then deposited with Escrow Holder within 3 business days after Acceptance (or ).

(Note: Initial and increased deposits checks received by agent shall be recorded in Broker's trust fund log.)

- B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of \$ within Days After Acceptance (or ).

If the Parties agree to liquidated damages in this Agreement, they also agree to incorporate the increased deposit into the liquidated damages amount in a separate liquidated damages clause (C.A.R. Form RID) at the time the increased deposit is delivered to Escrow Holder.

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

D. LOAN(S):

- (1) FIRST LOAN: in the amount of \$ This loan will be conventional financing or FHA, VA, Seller financing (C.A.R. Form SFA), assumed financing (C.A.R. Form AFA), Other . This loan shall be at a fixed rate not to exceed % or, an adjustable rate loan with initial rate not to exceed %.

- (2) SECOND LOAN in the amount of \$ This loan will be conventional financing or Seller financing (C.A.R. Form SFA), assumed financing (C.A.R. Form AFA), Other . This loan shall be at a fixed rate not to exceed % or, an adjustable rate loan with initial rate not to exceed %.

- (3) FHA/VA: For any FHA or VA loan specified in 3D(1), Buyer has 17 (or ) Days After Acceptance to Deliver to Seller written notice (C.A.R. Form FVA) of any lender-required repairs or costs that Buyer requests Seller to pay for or otherwise correct.

E. ADDITIONAL FINANCING TERMS:

- F. BALANCE OF DOWN PAYMENT OR PURCHASE PRICE in the amount of \$ 2,813,000.00 to be deposited with Escrow Holder pursuant to Escrow Holder instructions.

- G. PURCHASE PRICE (TOTAL): \$ 2,900,000.00

Buyer's Initials ( JW ) ( )

Seller's Initials ( CS ) ( )

© 1991-2015, California Association of REALTORS®, Inc.

RPA-CA REVISED 12/15 (PAGE 1 OF 10)

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 1 OF 10)



Property Address: 739 Patterson Pl, Pacific Palisades, 90272

Date: April 4, 2016

H. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS: Buyer (or Buyer's lender or loan broker pursuant to paragraph 3J(1)) shall, within 3 (or \_\_\_ ) Days After Acceptance, Deliver to Seller written verification of Buyer's down payment and closing costs. (  Verification attached.)

I. APPRAISAL CONTINGENCY AND REMOVAL: This Agreement is (or  is NOT) contingent upon a written appraisal of the Property by a licensed or certified appraiser at no less than the purchase price. Buyer shall, as specified in paragraph 14B(3), in writing, remove the appraisal contingency or cancel this Agreement within 17 (or \_\_\_ ) Days After Acceptance.

J. LOAN TERMS:

(1) LOAN APPLICATIONS: Within 3 (or \_\_\_ ) Days After Acceptance, Buyer shall Deliver to Seller a letter from Buyer's lender or loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any NEW loan specified in paragraph 3D. If any loan specified in paragraph 3D is an adjustable rate loan, the prequalification or preapproval letter shall be based on the qualifying rate, not the initial loan rate. (  Letter attached.)

(2) LOAN CONTINGENCY: Buyer shall act diligently and in good faith to obtain the designated loan(s). Buyer's qualification for the loan(s) specified above is a contingency of this Agreement unless otherwise agreed in writing. If there is no appraisal contingency or the appraisal contingency has been waived or removed, then failure of the Property to appraise at the purchase price does not entitle Buyer to exercise the cancellation right pursuant to the loan contingency if Buyer is otherwise qualified for the specified loan. Buyer's contractual obligations regarding deposit, balance of down payment and closing costs are not contingencies of this Agreement.

(3) LOAN CONTINGENCY REMOVAL:

Within 21 (or \_\_\_ ) Days After Acceptance, Buyer shall, as specified in paragraph 14, in writing, remove the loan contingency or cancel this Agreement. If there is an appraisal contingency, removal of the loan contingency shall not be deemed removal of the appraisal contingency.

(4)  NO LOAN CONTINGENCY: Obtaining any loan specified above is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.

(5) LENDER LIMITS ON BUYER CREDITS: Any credit to Buyer, from any source, for closing or other costs that is agreed to by the Parties ("Contractual Credit") shall be disclosed to Buyer's lender. If the total credit allowed by Buyer's lender ("Lender Allowable Credit") is less than the Contractual Credit, then (i) the Contractual Credit shall be reduced to the Lender Allowable Credit, and (ii) in the absence of a separate written agreement between the Parties, there shall be no automatic adjustment to the purchase price to make up for the difference between the Contractual Credit and the Lender Allowable Credit.

K. BUYER STATED FINANCING: Seller is relying on Buyer's representation of the type of financing specified (including but not limited to, as applicable, all cash, amount of down payment, or contingent or non-contingent loan). Seller has agreed to a specific closing date, purchase price and to sell to Buyer in reliance on Buyer's covenant concerning financing. Buyer shall pursue the financing specified in this Agreement. Seller has no obligation to cooperate with Buyer's efforts to obtain any financing other than that specified in the Agreement and the availability of any such alternate financing does not excuse Buyer from the obligation to purchase the Property and close escrow as specified in this Agreement.

4. SALE OF BUYER'S PROPERTY:

A. This Agreement and Buyer's ability to obtain financing are NOT contingent upon the sale of any property owned by Buyer.

OR B.  This Agreement and Buyer's ability to obtain financing are contingent upon the sale of property owned by Buyer as specified in the attached addendum (C.A.R. Form COP).

5. ADDENDA AND ADVISORIES:

A. ADDENDA:	<input type="checkbox"/> Addendum #	(C.A.R. Form ADM)
<input type="checkbox"/> Back Up Offer Addendum (C.A.R. Form BUO)	<input type="checkbox"/> Court Confirmation Addendum (C.A.R. Form CCA)	
<input type="checkbox"/> Septic, Well and Property Monument Addendum (C.A.R. Form SWPI)		
<input type="checkbox"/> Short Sale Addendum (C.A.R. Form SSA)	<input type="checkbox"/> Other	

B. BUYER AND SELLER ADVISORIES:	<input checked="" type="checkbox"/> Buyer's Inspection Advisory (C.A.R. Form BIA)
<input type="checkbox"/> Probate Advisory (C.A.R. Form PA)	<input type="checkbox"/> Statewide Buyer and Seller Advisory (C.A.R. Form SBSA)
<input type="checkbox"/> Trust Advisory (C.A.R. Form TA)	<input type="checkbox"/> REO Advisory (C.A.R. Form REO)
<input type="checkbox"/> Short Sale Information and Advisory (C.A.R. Form SSIA)	<input type="checkbox"/> Other

6. OTHER TERMS:

7. ALLOCATION OF COSTS

A. INSPECTIONS, REPORTS AND CERTIFICATES: Unless otherwise agreed in writing, this paragraph only determines who is to pay for the inspection, test, certificate or service ("Report") mentioned; it does not determine who is to pay for any work recommended or identified in the Report.

(1)  Buyer  Seller shall pay for a natural hazard zone disclosure report, including tax  environmental  Other: \_\_\_\_\_ prepared by \_\_\_\_\_.

(2)  Buyer  Seller shall pay for the following Report Physical Inspection Report prepared by licensed property inspection firm

(3)  Buyer  Seller shall pay for the following Report \_\_\_\_\_ prepared by \_\_\_\_\_.

Buyer's Initials ( <sup>DS</sup> JW ) ( \_\_\_\_\_ )

Seller's Initials ( <sup>DS</sup> CS ) ( \_\_\_\_\_ )



Property Address: 739 Patterson Pl, Pacific Palisades, 90272

Date: April 4, 2016

**B. GOVERNMENT REQUIREMENTS AND RETROFIT:**

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

**C. ESCROW AND TITLE:**

- (1) (a)  Buyer  Seller shall pay escrow fee each to pay their own fees and costs  
 (b) Escrow Holder shall be Seller's choice  
 (c) The Parties shall, within 5 (or \_\_\_) Days After receipt, sign and return Escrow Holder's general provisions.
- (2) (a)  Buyer  Seller shall pay for owner's title insurance policy specified in paragraph 13E  
 (b) Owner's title policy to be issued by seller's choice  
 (Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)

**D. OTHER COSTS:**

- (1)  Buyer  Seller shall pay County transfer tax or fee \_\_\_\_\_
- (2)  Buyer  Seller shall pay City transfer tax or fee \_\_\_\_\_
- (3)  Buyer  Seller shall pay Homeowners' Association ("HOA") transfer fee \_\_\_\_\_
- (4) Seller shall pay HOA fees for preparing documents required to be delivered by Civil Code §4525.
- (5)  Buyer  Seller shall pay HOA fees for preparing all documents other than those required by Civil Code §4525.
- (6) Buyer to pay for any HOA certification fee.
- (7)  Buyer  Seller shall pay for any private transfer fee \_\_\_\_\_
- (8)  Buyer \_\_\_\_\_ Seller shall pay for \_\_\_\_\_
- (9)  Buyer \_\_\_\_\_ Seller shall pay for \_\_\_\_\_
- (10)  Buyer  Seller shall pay for the cost, not to exceed \$ 800.00, of a standard (or  upgraded) one-year home warranty plan, issued by Seller's choice, with the following optional coverages:  Air Conditioner  Pool/Spa  Other: \_\_\_\_\_  
 Buyer is informed that home warranty plans have many optional coverages in addition to those listed above. Buyer is advised to investigate these coverages to determine those that may be suitable for Buyer.

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

**8. ITEMS INCLUDED IN AND EXCLUDED FROM SALE:**

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

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

- (1) All EXISTING fixtures and fittings that are attached to the Property;
- (2) EXISTING electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fans, fireplace inserts, gas logs and grates, solar power systems, built-in appliances, window and door screens, awnings, shutters, window coverings, attached floor coverings, television antennas, satellite dishes, air coolers/conditioners, pool/spa equipment, garage door openers/remote controls, mailbox, in-ground landscaping, trees/shrubs, water features and fountains, water softeners, water purifiers, security systems/alarms and the following if checked:  all stove(s), except \_\_\_\_\_;  all refrigerator(s) except \_\_\_\_\_;  all washer(s) and dryer(s), except \_\_\_\_\_;
- (3) The following additional items: \_\_\_\_\_
- (4) Existing integrated phone and home automation systems, including necessary components such as intranet and Internet-connected hardware or devices, control units (other than non-dedicated mobile devices, electronics and computers) and applicable software, permissions, passwords, codes and access information, are ( are NOT) included in the sale.
- (5) **LEASED OR LIENED ITEMS AND SYSTEMS:** Seller shall, within the time specified in paragraph 14A, (i) disclose to Buyer if any item or system specified in paragraph 8B or otherwise included in the sale is leased, or not owned by Seller, or specifically subject to a lien or other encumbrance, and (ii) Deliver to Buyer all written materials (such as lease, warranty, etc.) concerning any such item. Buyer's ability to assume any such lease, or willingness to accept the Property subject to any such lien or encumbrance, is a contingency in favor of Buyer and Seller as specified in paragraph 14B and C.
- (6) Seller represents that all items included in the purchase price, unless otherwise specified, (i) are owned by Seller and shall be transferred free and clear of liens and encumbrances, except the items and systems identified pursuant to 8B(5) and \_\_\_\_\_, and (ii) are transferred without Seller warranty regardless of value.

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

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

Buyer's Initials ( JW ) ( \_\_\_\_\_ )

Seller's Initials ( CS ) ( \_\_\_\_\_ )



Property Address: 739 Patterson Pl, Pacific Palisades, 90272

9. CLOSING AND POSSESSION:

- A. Buyer intends (or  does not intend) to occupy the Property as Buyer's primary residence.
  - B. **Seller-occupied or vacant property:** Possession shall be delivered to Buyer: (i) at 6 PM or (  AM/  PM) on the date of Close Of Escrow; (ii)  no later than \_\_\_ calendar days after Close Of Escrow; or (iii)  at \_\_\_ AM/  PM on \_\_\_\_\_.
  - C. **Seller remaining in possession After Close Of Escrow:** If Seller has the right to remain in possession after Close Of Escrow, (i) the Parties are advised to sign a separate occupancy agreement such as  C.A.R. Form SIP, for Seller continued occupancy of less than 30 days,  C.A.R. Form RLAS for Seller continued occupancy of 30 days or more; and (ii) the Parties are advised to consult with their insurance and legal advisors for information about liability and damage or injury to persons and personal and real property; and (iii) Buyer is advised to consult with Buyer's lender about the impact of Seller's occupancy on Buyer's loan.
  - D. **Tenant-occupied property: Property shall be vacant at least 5 (or \_\_\_ ) Days Prior to Close Of Escrow, unless otherwise agreed in writing. Note to Seller: If you are unable to deliver Property vacant in accordance with rent control and other applicable Law, you may be in breach of this Agreement.**
- Tenant to remain in possession (C.A.R. Form TIP).**
- E. At Close Of Escrow: Seller assigns to Buyer any assignable warranty rights for items included in the sale; and Seller shall Deliver to Buyer available Copies of any such warranties. Brokers cannot and will not determine the assignability of any warranties.
  - F. At Close Of Escrow, unless otherwise agreed in writing, Seller shall provide keys, passwords, codes and/or means to operate all locks, mailboxes, security systems, alarms, home automation systems and intranet and Internet-connected devices included in the purchase price, and garage door openers. If the Property is a condominium or located in a common interest subdivision, Buyer may be required to pay a deposit to the Homeowners' Association ("HOA") to obtain keys to accessible HOA facilities.

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

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

Buyer's Initials ( JW ) ( \_\_\_\_\_ )

Seller's Initials ( DS ) ( \_\_\_\_\_ )

RPA-CA REVISED 12/15 (PAGE 4 OF 10)

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



Property Address: 739 Patterson Pl, Pacific Palisades, 90272

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

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

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

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

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

13. TITLE AND VESTING:

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

Buyer's Initials ( DS ) ( JW ) ( \_\_\_\_\_ )  
RPA-CA REVISED 12/15 (PAGE 5 OF 10)

Seller's Initials ( DS ) ( CS ) ( \_\_\_\_\_ )



Property Address: 739 Patterson Pl, Pacific Palisades, 90272

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

Buyer's Initials ( J W ) ( \_\_\_\_\_ )  
RPA-CA REVISED 12/15 (PAGE 6 OF 10)

Seller's Initials ( [Signature] ) ( \_\_\_\_\_ )

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



Date: April 4, 2016

Property Address: 739 Patterson Pl, Pacific Palisades, 90272

15. FINAL VERIFICATION OF CONDITION: Buyer shall have the right to make a final verification of the Property within 5 (or  ) Days

Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 11; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement (C.A.R. Form VP).

16. REPAIRS: Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all Repairs may not be possible. Seller shall: (i) obtain invoices and paid receipts for Repairs performed by others; (ii) prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and (iii) provide Copies of invoices and paid receipts and statements to Buyer prior to final verification of condition.

17. PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS: Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, HOA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are now a lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after Close Of Escrow, by Buyer; and (ii) for periods prior to Close Of Escrow, by Seller (see C.A.R. Form SPT or SBSA for further information). TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.

18. BROKERS:

A. COMPENSATION: Seller or Buyer, or both, as applicable, agree to pay compensation to Broker as specified in a separate written agreement between Broker and that Seller or Buyer. Compensation is payable upon Close Of Escrow, or if escrow does not close, as otherwise specified in the agreement between Broker and that Seller or Buyer.

B. SCOPE OF DUTY: Buyer and Seller acknowledge and agree that Broker: (i) Does not decide what price Buyer should pay or Seller should accept; (ii) Does not guarantee the condition of the Property; (iii) Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) Does not have an obligation to conduct an inspection of common areas or areas off the site of the Property; (v) Shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Broker; (vi) Shall not be responsible for inspecting public records or permits concerning the title or use of Property; (vii) Shall not be responsible for identifying the location of boundary lines or other items affecting title; (viii) Shall not be responsible for verifying square footage, representations of others or information contained in Investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; (ix) Shall not be responsible for determining the fair market value of the Property or any personal property included in the sale; (x) Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (xi) Shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.

19. REPRESENTATIVE CAPACITY: If one or more Parties is signing this Agreement in a representative capacity and not for him/herself as an individual then that Party shall so indicate in paragraph 31 or 32 and attach a Representative Capacity Signature Disclosure (C.A.R. Form RCSD). Wherever the signature or initials of the representative identified in the RCSD appear on this Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. The Party acting in a representative capacity (i) represents that the entity for which that party is acting already exists and (ii) shall Deliver to the other Party and Escrow Holder, within 3 Days After Acceptance, evidence of authority to act in that capacity (such as but not limited to: applicable portion of the trust or Certification Of Trust (Probate Code §18100.5), letters testamentary, court order, power of attorney, corporate resolution, or formation documents of the business entity).

20. JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:

A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: paragraphs 1, 3, 4B, 5A, 6, 7, 10C, 13, 14G, 17, 18A, 19, 20, 26, 29, 30, 31, 32 and paragraph D of the section titled Real Estate Brokers on page 10. If a Copy of the separate compensation agreement(s) provided for in paragraph 18A, or paragraph D of the section titled Real Estate Brokers on page 10 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions, if any, directly from Escrow Holder and will execute such provisions within the time specified in paragraph 7C(1)(c). To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow and, as directed by Escrow Holder, within 3 (or \_\_\_ ) Days, shall pay to Escrow Holder or HOA or HOA management company or others any fee required by paragraphs 7, 10 or elsewhere in this Agreement.

B. A Copy of this Agreement including any counter offer(s) and addenda shall be delivered to Escrow Holder within 3 Days After Acceptance (or \_\_\_\_\_). Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement. Escrow Holder shall provide Seller's Statement of Information to Title company when received from Seller. If Seller delivers an affidavit to Escrow Holder to satisfy Seller's FIRPTA obligation under paragraph 10C, Escrow Holder shall deliver to Buyer a Qualified Substitute statement that complies with federal Law.

Buyer's Initials ( JD ) ( \_\_\_\_\_ )  
RPA-CA REVISED 12/15 (PAGE 7 OF 10)

Seller's Initials ( CS ) ( \_\_\_\_\_ )



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

**21. REMEDIES FOR BUYER'S BREACH OF CONTRACT:**

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

Buyer's Initials JW / \_\_\_\_\_

Seller's Initials CS / \_\_\_\_\_

**22. DISPUTE RESOLUTION:**

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

**B. ARBITRATION OF DISPUTES:**

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

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

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

Buyer's Initials JW / \_\_\_\_\_

Seller's Initials CS / \_\_\_\_\_

**C. ADDITIONAL MEDIATION AND ARBITRATION TERMS:**

- (1) **EXCLUSIONS:** The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; and (iii) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court.

Buyer's Initials ( JW ) ( \_\_\_\_\_ )

Seller's Initials ( CS ) ( \_\_\_\_\_ )

Property Address: 739 Patterson Pl, Pacific Palisades, 90272

(2) **PRESERVATION OF ACTIONS:** The following shall not constitute a waiver nor violation of the mediation and arbitration provisions: (i) the filing of a court action to preserve a statute of limitations; (ii) the filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies; or (iii) the filing of a mechanic's lien.

(3) **BROKERS:** Brokers shall not be obligated nor compelled to mediate or arbitrate unless they agree to do so in writing. Any Broker(s) participating in mediation or arbitration shall not be deemed a party to this Agreement.

23. **SELECTION OF SERVICE PROVIDERS:** Brokers do not guarantee the performance of any vendors, service or product providers ("Providers"), whether referred by Broker or selected by Buyer, Seller or other person. Buyer and Seller may select ANY Providers of their own choosing.

24. **MULTIPLE LISTING SERVICE ("MLS"):** Brokers are authorized to report to the MLS a pending sale and, upon Close Of Escrow, the sales price and other terms of this transaction shall be provided to the MLS to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS.

25. **ATTORNEY FEES:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorney fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 22A.

26. **ASSIGNMENT:** Buyer shall not assign all or any part of Buyer's interest in this Agreement without first having obtained the separate written consent of Seller to a specified assignee. Such consent shall not be unreasonably withheld. Any total or partial assignment shall not relieve Buyer of Buyer's obligations pursuant to this Agreement unless otherwise agreed in writing by Seller. (C.A.R. Form AOA).

27. **EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.

28. **TERMS AND CONDITIONS OF OFFER:**

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

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

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

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

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

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

Date 04/04/2016 BUYER   
(Print name) Jingzhi Wang 34C0AAC44299487

Date \_\_\_\_\_ BUYER \_\_\_\_\_  
(Print name) \_\_\_\_\_

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

Seller's Initials ( \_\_\_\_\_ ) ( \_\_\_\_\_ )



Property Address: 739 Patterson Pl, Pacific Palisades, 90272 Page 26 of 62 Date: April 4, 2016

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

(If checked) SELLER'S ACCEPTANCE IS **SUBJECT TO ATTACHED COUNTER OFFER (C.A.R. Form SCO or SMCO) DATED:** 4/5/2016

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

Date 4/5/2016 SELLER [Signature]  
(Print name) Cynthia Staffick 40DAC35209A94CC...

Date \_\_\_\_\_ SELLER \_\_\_\_\_  
(Print name) \_\_\_\_\_

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

(\_\_\_\_\_/\_\_\_\_\_) (Do not initial if making a counter offer.) **CONFIRMATION OF ACCEPTANCE:** A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date) \_\_\_\_\_ at \_\_\_\_\_  
(Initials)  AM/  PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

**REAL ESTATE BROKERS:**

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

Real Estate Broker (Selling Firm) Keller Williams Realty CalBRE Lic. # 01947193  
 By Lara Ko Lara Ko CalBRE Lic. # 01923433 Date 04/04/2016  
 By \_\_\_\_\_ CalBRE Lic. # \_\_\_\_\_ Date \_\_\_\_\_  
 Address 700 S. Flower St. #2900 City Los Angeles State CA Zip 90017  
 Telephone (909)784-8896 Fax (213)537-0004 E-mail lara.dtla@gmail.com  
 Real Estate Broker (Listing Firm) Keller Williams Santa Monica/Palisades CalBRE Lic. # 01499010  
 By Lulu Knowlton Lulu Knowlton CalBRE Lic. # 01950225 Date 4/5/2016  
 By \_\_\_\_\_ CalBRE Lic. # \_\_\_\_\_ Date \_\_\_\_\_  
 Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
 Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

**ESCROW HOLDER ACKNOWLEDGMENT:**

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

Escrow Holder is advised that the date of Confirmation of Acceptance of the Agreement as between Buyer and Seller is \_\_\_\_\_  
Escrow Holder \_\_\_\_\_ Escrow # \_\_\_\_\_  
By \_\_\_\_\_ Date \_\_\_\_\_  
Address \_\_\_\_\_  
Phone/Fax/E-mail \_\_\_\_\_  
Escrow Holder has the following license number # \_\_\_\_\_  
 Department of Business Oversight,  Department of Insurance,  Bureau of Real Estate.

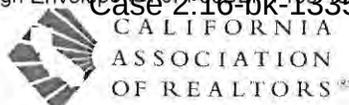
**PRESENTATION OF OFFER:** (\_\_\_\_\_) Listing Broker presented this offer to Seller on \_\_\_\_\_ (date).  
Broker or Designee Initials \_\_\_\_\_

**REJECTION OF OFFER:** (\_\_\_\_\_) (\_\_\_\_\_) No counter offer is being made. This offer was rejected by Seller on \_\_\_\_\_ (date).  
Seller's Initials \_\_\_\_\_

©1991- 2015, California Association of REALTORS®, Inc. United States copyright law (Title 17 U.S. Code) forbids the unauthorized distribution, display and reproduction of this form, or any portion thereof, by photocopy machine or any other means, including facsimile or computerized formats. THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ACCURACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.

Published and Distributed by: REAL ESTATE BUSINESS SERVICES, INC. Buyer Acknowledges that page 10 is part of this Agreement ( [Signature] Buyer's Initials )  
a subsidiary of the CALIFORNIA ASSOCIATION OF REALTORS®  
525 South Virgil Avenue, Los Angeles, California 90020  
RPA-CA REVISED 12/15 (PAGE 10 of 10) Reviewed by \_\_\_\_\_ Broker or Designee





# BUYER'S INSPECTION ADVISORY

(C.A.R. Form BIA, Revised 11/14)

Property Address: 739 Patterson Pl, Pacific Palisades, 90272 ("Property").

- 1. IMPORTANCE OF PROPERTY INVESTIGATION:** The physical condition of the land and improvements being purchased is not guaranteed by either Seller or Brokers. You have an affirmative duty to exercise reasonable care to protect yourself, including discovery of the legal, practical and technical implications of disclosed facts, and the investigation and verification of information and facts that you know or that are within your diligent attention and observation. A general physical inspection typically does not cover all aspects of the Property nor items affecting the Property that are not physically located on the Property. If the professionals recommend further investigations, including a recommendation by a pest control operator to inspect inaccessible areas of the Property, you should contact qualified experts to conduct such additional investigations.
- 2. BROKER OBLIGATIONS:** Brokers do not have expertise in all areas and therefore cannot advise you on many items, such as those listed below. If Broker gives you referrals to professionals, Broker does not guarantee their performance.
- 3. YOU ARE STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO THE FOLLOWING. IF YOU DO NOT DO SO, YOU ARE ACTING AGAINST THE ADVICE OF BROKERS.**
  - A. GENERAL CONDITION OF THE PROPERTY, ITS SYSTEMS AND COMPONENTS:** Foundation, roof (condition, age, leaks, useful life), plumbing, heating, air conditioning, electrical, mechanical, security, pool/spa (cracks, leaks, operation), other structural and nonstructural systems and components, fixtures, built-in appliances, any personal property included in the sale, and energy efficiency of the Property.
  - B. SQUARE FOOTAGE, AGE, BOUNDARIES:** Square footage, room dimensions, lot size, age of improvements and boundaries. Any numerical statements regarding these items are APPROXIMATIONS ONLY and have not been verified by Seller and cannot be verified by Brokers. Fences, hedges, walls, retaining walls and other barriers or markers do not necessarily identify true Property boundaries.
  - C. WOOD DESTROYING PESTS:** Presence of, or conditions likely to lead to the presence of wood destroying pests and organisms.
  - D. SOIL STABILITY:** Existence of fill or compacted soil, expansive or contracting soil, susceptibility to slippage, settling or movement, and the adequacy of drainage.
  - E. WATER AND UTILITIES; WELL SYSTEMS AND COMPONENTS; WASTE DISPOSAL:** Water and utility availability, use restrictions and costs. Water quality, adequacy, condition, and performance of well systems and components. The type, size, adequacy, capacity and condition of sewer and septic systems and components, connection to sewer, and applicable fees.
  - F. ENVIRONMENTAL HAZARDS:** Potential environmental hazards, including, but not limited to, asbestos, lead-based paint and other lead contamination, radon, methane, other gases, fuel oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, and other substances, materials, products, or conditions (including mold (airborne, toxic or otherwise), fungus or similar contaminants).
  - G. EARTHQUAKES AND FLOODING:** Susceptibility of the Property to earthquake/seismic hazards and propensity of the Property to flood.
  - H. FIRE, HAZARD AND OTHER INSURANCE:** The availability and cost of necessary or desired insurance may vary. The location of the Property in a seismic, flood or fire hazard zone, and other conditions, such as the age of the Property and the claims history of the Property and Buyer, may affect the availability and need for certain types of insurance. Buyer should explore insurance options early as this information may affect other decisions, including the removal of loan and inspection contingencies.
  - I. BUILDING PERMITS, ZONING AND GOVERNMENTAL REQUIREMENTS:** Permits, inspections, certificates, zoning, other governmental limitations, restrictions, and requirements affecting the current or future use of the Property, its development or size.
  - J. RENTAL PROPERTY RESTRICTIONS:** Some cities and counties impose restrictions that limit the amount of rent that can be charged, the maximum number of occupants, and the right of a landlord to terminate a tenancy. Deadbolt or other locks and security systems for doors and windows, including window bars, should be examined to determine whether they satisfy legal requirements.
  - K. SECURITY AND SAFETY:** State and local Law may require the installation of barriers, access alarms, self-latching mechanisms and/or other measures to decrease the risk to children and other persons of existing swimming pools and hot tubs, as well as various fire safety and other measures concerning other features of the Property.
  - L. NEIGHBORHOOD, AREA, SUBDIVISION CONDITIONS; PERSONAL FACTORS:** Neighborhood or area conditions, including schools, law enforcement, crime statistics, registered felons or offenders, fire protection, other government services, availability, adequacy and cost of internet connections or other technology services and installations, commercial, industrial or agricultural activities, existing and proposed transportation, construction and development that may affect noise, view, or traffic, airport noise, noise or odor from any source, wild and domestic animals, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally protected sites or improvements, cemeteries, facilities and condition of common areas of common interest subdivisions, and possible lack of compliance with any governing documents or Homeowners' Association requirements, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer.

By signing below, Buyers acknowledge that they have read, understand, accept and have received a Copy of this Advisory. Buyers are encouraged to read it carefully.

Buyer Jingzhi Wang Buyer \_\_\_\_\_

© 1991-2004, California Association of REALTORS®. Inc. THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ACCURACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.

Published and Distributed by:  
REAL ESTATE BUSINESS SERVICES, INC.  
a subsidiary of the California Association of REALTORS®  
525 South Virgil Avenue, Los Angeles, California 90020

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



BIA REVISED 11/14 (PAGE 1 OF 1)

## BUYER'S INSPECTION ADVISORY (BIA PAGE 1 OF 1)



CALIFORNIA ASSOCIATION OF REALTORS®

Main Document **SELLER COUNTER OFFER No. 1**  
May not be used as a multiple counter offer.  
(C.A.R. Form SCO, 11/14)

Date April 5, 2016

This is a counter offer to the:  Purchase Agreement,  Buyer Counter Offer No. \_\_\_\_\_, or  Other \_\_\_\_\_ ("Offer"), dated April 4, 2016, on property known as 739 Patterson Pl., Pacific Palisades, 90272 ("Property"), between Jingzhi Wang ("Buyer") and Cynthia Stafford ("Seller").

- 1. **TERMS:** The terms and conditions of the above referenced document are accepted subject to the following:
  - A. Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer or an addendum.
  - B. Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.

- C. **OTHER TERMS:**
  - (1) 1.C. Purchase Price shall be \$3,100,000.00.
  - (2) 1.D. Close of escrow shall occur 20 days after acceptance subject to the approval of the bankruptcy court.
  - (3) 2.B. Listing Broker is confirmed as Keller Williams Santa Monica/Palisades.
  - (4) 3.A. Initial deposit shall be 3% of Purchase Price.
  - (5) 5.B. Statewide Buyer and Seller Advisory and KW Advisory shall be included.
  - (6) 7.C.(1).(b). Escrow Holder shall be Central Escrow, Inc/ Sarah Shum
  - (7) 7.C.(2).(b). Title company shall be WFG Title Company of California/ Joe Soun.

D. The following attached addenda are incorporated into this Seller Counter offer:  Addendum No. \_\_\_\_\_

- 2. **EXPIRATION:** This Seller Counter Offer shall be deemed revoked and the deposits, if any, shall be returned:
  - A. Unless by 5:00pm on the third Day After the date it is signed in paragraph 4 (if more than one signature then, the last signature date) or by \_\_\_\_\_ AM \_\_\_\_\_ PM on \_\_\_\_\_ (date) (i) it is signed in paragraph 5 by Buyer and (ii) a copy of the signed Seller Counter Offer is personally received by Seller or \_\_\_\_\_, who is authorized to receive it.
  - OR B. If Seller withdraws it anytime prior to Acceptance (CAR Form WOO may be used).
  - OR C. If Seller accepts another offer prior to Buyer's Acceptance of this counter offer.

3. **MARKETING TO OTHER BUYERS:** Seller has the right to continue to offer the Property for sale. Seller has the right to accept any other offer received, prior to Acceptance of this Counter Offer by Buyer as specified in 2A and 5. In such event, Seller is advised to withdraw this Seller Counter Offer before accepting another offer.

4. **OFFER:** SELLER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY. Seller Cynthia Stafford Date 4/5/2016

5. **ACCEPTANCE:** I/WE accept the above Seller Counter Offer (If checked  SUBJECT TO THE ATTACHED COUNTER OFFER) and acknowledge receipt of a Copy. Buyer Jingzhi Wang Date 4/5/16 Time 9:30  AM/  PM

**CONFIRMATION OF ACCEPTANCE:** LK / \_\_\_\_\_ (Initials) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by Seller, or Seller's authorized agent as specified in paragraph 2A on (date) 4/5/2016 at \_\_\_\_\_ AM/ \_\_\_\_\_ PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Seller or Seller's authorized agent whether or not confirmed in this document.

© 2014, California Association of REALTORS®. Inc. THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ACCURACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.

Published and Distributed by: REAL ESTATE BUSINESS SERVICES, INC. a subsidiary of the California Association of REALTORS® 525 South Virgil Avenue, Los Angeles, California 90020

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



SCO 11/14 (PAGE 1 OF 1)

**SELLER COUNTER OFFER (SCO PAGE 1 OF 1)**



CALIFORNIA ASSOCIATION OF REALTORS®

BUYER COUNTER OFFER No. 1

(C.A.R. Form BCO, 11/14)

Date April 5, 2016

This is a counter offer to the: [X] Seller Counter Offer No. 1, [ ] Seller Multiple Counter Offer No. \_\_\_\_, [ ] or Other \_\_\_\_ ("Offer"), dated April 5, 2016, on property known as 739 Patterson Pl, Pacific Palisades, 90272 ("Property"), between Jingzhi Wang ("Buyer") and Cynthia Stafford ("Seller").

- 1. TERMS: The terms and conditions of the above referenced document are accepted subject to the following:
A. Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer or an addendum.
B. Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.
C. OTHER TERMS:

Purchase Price to be \$3,050,000.00.

D. The following attached addenda are incorporated into this Buyer Counter offer: [ ] Addendum No. \_\_\_\_

- 2. EXPIRATION: This Buyer Counter Offer shall be deemed revoked and the deposits, if any, shall be returned:
A. Unless by 5:00pm on the third Day After the date it is signed in paragraph 3 (if more than one signature then, the last signature date)(or by \_\_\_\_ AM \_\_\_\_ PM on \_\_\_\_ (date)) (i) it is signed in paragraph 4 by Seller and (ii) a copy of the signed Buyer Counter Offer is personally received by Buyer or \_\_\_\_, who is authorized to receive it.
OR B. If Buyer withdraws it in writing (CAR Form WOO) anytime prior to Acceptance.

3. OFFER: BUYER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY.
Buyer [Signature] Jingzhi Wang Date 04/05/2016
Buyer [ID: 34C0AAC44299487] Date

4. ACCEPTANCE: I/WE accept the above Buyer Counter Offer (If checked [ ] SUBJECT TO THE ATTACHED COUNTER OFFER) and acknowledge receipt of a Copy.
Seller [Signature] Cynthia Stafford Date 4/5/2016 Time \_\_\_\_ AM/ \_\_\_\_ PM
Seller [ID: 40DAC35209A94CC] Date \_\_\_\_ Time \_\_\_\_ AM/ \_\_\_\_ PM

CONFIRMATION OF ACCEPTANCE:
( \_\_\_\_ / \_\_\_\_ ) (Initials) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent as specified in paragraph 2A on (date) \_\_\_\_ at \_\_\_\_ AM/ \_\_\_\_ PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document.

© 2014, California Association of REALTORS®, Inc. United States copyright law (Title 17 U.S. Code) forbids the unauthorized distribution, display and reproduction of this form, or any portion thereof, by photocopy machine or any other means, including facsimile or computerized formats.
THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ACCURACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.
This form is made available to real estate professionals through an agreement with or purchase from the California Association of REALTORS®. It is not intended to identify the user as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by members of the NATIONAL ASSOCIATION OF REALTORS® who subscribe to its Code of Ethics.



Published and Distributed by: REAL ESTATE BUSINESS SERVICES, INC. a subsidiary of the California Association of REALTORS® 525 South Virgil Avenue, Los Angeles, California 90020

Reviewed by \_\_\_\_ Date \_\_\_\_





CALIFORNIA ASSOCIATION OF REALTORS

DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP (Selling Firm to Buyer) (As required by the Civil Code) (C.A.R. Form AD, Revised 12/14)

(If checked) This form is being provided in connection with a transaction for a leasehold interest exceeding one year as per Civil Code section 2079.13(k) and (m).

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

SELLER'S AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

To the Seller: A Fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Seller.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
(b) A duty of honest and fair dealing and good faith.
(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

BUYER'S AGENT

A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller.

To the Buyer: A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Buyer.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
(b) A duty of honest and fair dealing and good faith.
(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

AGENT REPRESENTING BOTH SELLER AND BUYER

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

- (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
(b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form.

This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on page 2. Read it carefully. I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE PRINTED ON THE BACK (OR A SEPARATE PAGE).

DocuSigned by:

[Signature]

34C0AAC44299487...

[X] Buyer [ ] Seller [ ] Landlord [ ] Tenant Date 04/04/2016

Jingzhi Wang

[ ] Buyer [ ] Seller [ ] Landlord [ ] Tenant Date

Agent Keller Williams Realty BRE Lic. # 01947193

DocuSigned by:

Real Estate Broker (Firm)

By Lara Ko BRE Lic. # 01923433 Date 04/04/2016

(Salesperson or Broker-Associate) Lara Ko

Agency Disclosure Compliance (Civil Code §2079.14):
• When the listing brokerage company also represents Buyer/Tenant: The Listing Agent shall have one AD form signed by Seller/Landlord and a different AD form signed by Buyer/Tenant.
• When Seller/Landlord and Buyer/Tenant are represented by different brokerage companies: (i) the Listing Agent shall have one AD form signed by Seller/Landlord and (ii) the Buyer's/Tenant's Agent shall have one AD form signed by Buyer/Tenant and either that same or a different AD form presented to Seller/Landlord for signature prior to presentation of the offer. If the same form is used, Seller may sign here:
[Signature] Date 4/5/2016

Seller/Landlord Date Seller/Landlord Date

The copyright laws of the United States (Title 17 U.S. Code) forbid the unauthorized reproduction of this form, or any portion thereof, by photocopy machine or any other means, including facsimile or computerized formats. Copyright © 1991-2010, CALIFORNIA ASSOCIATION OF REALTORS®, INC. ALL RIGHTS RESERVED.

Reviewed by Date



AD REVISED 12/14 (PAGE 1 OF 2)

DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP (AD PAGE 1 OF 2)

CIVIL CODE SECTIONS 2079.24 (2079.16 APPEARS ON THE FRONT)

2079.13 As used in Sections 2079.14 to 2079.24, inclusive, the following terms have the following meanings: (a) "Agent" means a person acting under provisions of Title 9 (commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained. (b) "Associate licensee" means a person who is licensed as a real estate broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker's agent in connection with acts requiring a real estate license and to function under the broker's supervision in the capacity of an associate licensee. The agent in the real property transaction bears responsibility for his or her associate licensees who perform as agents of the agent. When an associate licensee owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the associate licensee functions. (c) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee. (d) "Commercial real property" means all real property in the state, except single-family residential real property, dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, mobilehomes, as defined in Section 798.3, or recreational vehicles, as defined in Section 799.29. (e) "Dual agent" means an agent acting, either directly or through an associate licensee, as agent for both the seller and the buyer in a real property transaction. (f) "Listing agreement" means a contract between an owner of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer. (g) "Listing agent" means a person who has obtained a listing of real property to act as an agent for compensation. (h) "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the listing agent. (i) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property. (j) "Offer to purchase" means a written contract executed by a buyer acting through a selling agent that becomes the contract for the sale of the real property upon acceptance by the seller. (k) "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property that constitutes or is improved with one to four dwelling units, any commercial real property, any leasehold in these types of property exceeding one year's duration, and mobilehomes, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code. (l) "Real property transaction" means a transaction for the sale of real property in which an agent is employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase. (m) "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer, and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year's duration. (n) "Seller" means the transferor in a real property transaction, and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor. (o) "Selling agent" means a listing agent who acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a buyer for the real property, or an agent who locates property for a buyer or who finds a buyer for a property for which no listing exists and presents an offer to purchase to the seller. (p) "Subagent" means a person to whom an agent delegates agency powers as provided in Article 5 (commencing with Section 2349) of Chapter 1 of Title 9. However, "subagent" does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.

2079.14 Listing agents and selling agents shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and, except as provided in subdivision (c), shall obtain a signed acknowledgement of receipt from that seller or buyer, except as provided in this section or Section 2079.15, as follows: (a) The listing agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement. (b) The selling agent shall provide the disclosure form to the seller as soon as practicable prior to presenting the seller with an offer to purchase, unless the selling agent previously provided the seller with a copy of the disclosure form pursuant to subdivision (a). (c) Where the selling agent does not deal on a face-to-face basis with the seller, the disclosure form prepared by the selling agent may be furnished to the seller (and acknowledgement of receipt obtained for the selling agent from the seller) by the listing agent, or the selling agent may deliver the disclosure form by certified mail addressed to the seller at his or her last known address, in which case no signed acknowledgement of receipt is required. (d) The selling agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase, except that if the offer to purchase is not prepared by the selling agent, the selling agent shall present the disclosure form to the buyer not later than the next business day after the selling agent receives the offer to purchase from the buyer.

2079.15 In any circumstance in which the seller or buyer refuses to sign an acknowledgement of receipt pursuant to Section 2079.14, the agent, or an associate licensee acting for an agent, shall set forth, sign, and date a written declaration of the facts of the refusal.

2079.16 Reproduced on Page 1 of this AD form.

2079.17 (a) As soon as practicable, the selling agent shall disclose to the buyer and seller whether the selling agent is acting in the real property transaction exclusively as the buyer's agent, exclusively as the seller's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the selling agent prior to or coincident with execution of that contract by the buyer and the seller, respectively. (b) As soon as practicable, the listing agent shall disclose to the seller whether the listing agent is acting in the real property transaction exclusively as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the listing agent prior to or coincident with the execution of that contract by the seller.

(c) The confirmation required by subdivisions (a) and (b) shall be in the following form.

(DO NOT COMPLETE. SAMPLE ONLY) \_\_\_\_\_ is the agent of (check one):  the seller exclusively; or  both the buyer and seller.  
(Name of Listing Agent)  
(DO NOT COMPLETE. SAMPLE ONLY) \_\_\_\_\_ is the agent of (check one):  the buyer exclusively; or  the seller exclusively; or  both the buyer and seller.  
(Name of Selling Agent if not the same as the Listing Agent)

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14.

2079.18 No selling agent in a real property transaction may act as an agent for the buyer only, when the selling agent is also acting as the listing agent in the transaction.

2079.19 The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.

2079.20 Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically prohibited by this article if the requirements of Section 2079.14 and Section 2079.17 are complied with.

2079.21 A dual agent shall not disclose to the buyer that the seller is willing to sell the property at a price less than the listing price, without the express written consent of the seller. A dual agent shall not disclose to the seller that the buyer is willing to pay a price greater than the offering price, without the express written consent of the buyer. This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

2079.22 Nothing in this article precludes a listing agent from also being a selling agent, and the combination of these functions in one agent does not, of itself, make that agent a dual agent.

2079.23 A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship.

2079.24 Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.

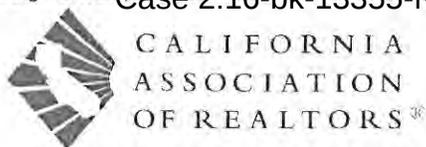
Published and Distributed by:  
REAL ESTATE BUSINESS SERVICES, INC.  
a subsidiary of the California Association of REALTORS®  
525 South Virgil Avenue, Los Angeles, California 90020

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



**POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER OR SELLER - DISCLOSURE AND CONSENT**

(C.A.R. Form PRBS, 11/14)



A real estate broker (Broker), whether a corporation, partnership or sole proprietorship, may represent more than one buyer or seller. This multiple representation can occur through an individual licensed as a broker or salesperson or through different individual broker's or salespersons (associate licensees) acting under the Broker's license. The associate licensees may be working out of the same or different office locations.

**Multiple Buyers:** Broker (individually or through its associate licensees) may be working with many prospective buyers at the same time. These prospective buyers may have an interest in, and make offers on, the same properties. Some of these properties may be listed with Broker and some may not. Broker will not limit or restrict any particular buyer from making an offer on any particular property whether or not Broker represents other buyers interested in the same property.

**Multiple Sellers:** Broker (individually or through its associate licensees) may have listings on many properties at the same time. As a result, Broker will attempt to find buyers for each of those listed properties. Some listed properties may appeal to the same prospective buyers. Some properties may attract more prospective buyers than others. Some of these prospective buyers may be represented by Broker and some may not. Broker will market all listed properties to all prospective buyers whether or not Broker has another or other listed properties that may appeal to the same prospective buyers.

**Dual Agency:** If Seller is represented by Broker, Seller acknowledges that broker may represent prospective buyers of Seller's property and consents to Broker acting as a dual agent for both seller and buyer in that transaction. If Buyer is represented by Broker, buyer acknowledges that Broker may represent sellers of property that Buyer is interested in acquiring and consents to Broker acting as a dual agent for both buyer and seller with regard to that property.

In the event of dual agency, seller and buyer agree that: (a) Broker, without the prior written consent of the Buyer, will not disclose to seller that the Buyer is willing to pay a price greater than the offered price; (b) Broker, without the prior written consent of the seller, will not disclose to the buyer that seller is willing to sell property at a price less than the listing price; and (c) other than as set forth in (a) and (b) above, a dual agent is obligated to disclose known facts materially affecting the value or desirability of the property to both parties.

**Offers not necessarily confidential:** Buyer is advised that seller or listing agent may disclose the existence, terms, or conditions of buyer's offer unless all parties and their agent have signed a written confidentiality agreement. Whether any such information is actually disclosed depends on many factors, such as current market conditions, the prevailing practice in the real estate community, the listing agent's marketing strategy and the instructions of the seller.

Buyer and seller understand that Broker may represent more than one buyer or more than one seller and even both buyer and seller on the same transaction and consents to such relationships.

**Seller and/or Buyer acknowledges reading and understanding this Possible Representation of More Than One Buyer or Seller - Disclosure and Consent and agrees to the agency possibilities disclosed.**

Seller  Cynthia Staffird Date 4/5/2016  
Seller 40DAC35209A94CC DocuSigned by: \_\_\_\_\_ Date \_\_\_\_\_

Buyer  Jingzhi Wang Date 04/04/2016  
Buyer 34C0AAC44299487 \_\_\_\_\_ Date \_\_\_\_\_

Real Estate Broker (Firm) Keller Williams Santa Monica/Palisades CalBRE Lic # 01499010 Date \_\_\_\_\_  
By LuLu Knowlton CalBRE Lic # 01950225 Date 4/5/2016

Real Estate Broker (Firm) Keller Williams Realty CalBRE Lic # 01947193 Date 04/04/2016  
By Lara Ka CalBRE Lic # 01923433 Date 04/04/2016  
Lara Ka 055D30F701C3400...

© 2014, California Association of REALTORS®, Inc. United States copyright law (Title 17 U.S. Code) forbids the unauthorized distribution, display and reproduction of this form, or any portion thereof, by photocopy machine or any other means, including facsimile or computerized formats. THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ACCURACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL. This form is made available to real estate professionals through an agreement with or purchase from the California Association of REALTORS®. It is not intended to identify the user as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by members of the NATIONAL ASSOCIATION OF REALTORS® who subscribe to its Code of Ethics.

Published and Distributed by:  
REAL ESTATE BUSINESS SERVICES, INC.  
a subsidiary of the California Association of REALTORS®  
525 South Virgil Avenue, Los Angeles, California 90020

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



**PRBS 11/14 (PAGE 1 OF 1)**  
**POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER OR SELLER (PRBS PAGE 1 OF 1)**

**EXHIBIT “B”**



**Branch:**  
**WFG National Title Company of California**  
**700 N. Brand Blvd, Suite 1100**  
**Glendale, CA 91203**  
**(818) 638-7501**  
**Fax (818) 240-2196**  
**E-mail: teamj&e@wfgtitleco.com**

**PRELIMINARY REPORT**

**Title Officer: Julie Alvarado**

**ORDER NO. 5335588-JA**

**Ref. No.: 126946-SS**

**Central Escrow, Inc.**  
**1015 South Baldwin Avenue.**  
**Arcadia, , CA 91007**  
**Attn.: Sarah Shum**

**Property Address:**  
**739 Patterson Place**  
**Pacific Palisades, CA 90272**  
**APN: 4412-009-024**

In response to the above referenced application for a policy of title insurance, WFG National Title Company of California hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Exhibit A attached. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit A. Copies of the policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

The form of policy of title insurance contemplated by this report is:

**ALTA 2006 Extended Loan Policy**  
**ALTA 2013 Homeowner's Policy**  
**Issued by WFG National Title Insurance Company**

Dated as of **March 28, 2016** at **7:30 a.m.**

The estate or interest in the land hereinafter described or referred to covered by this Report is:

**A Fee**

Title to said estate or interest at the date hereof is vested in:

**Cynthia P. Stafford, Trustee of the Cynthia P. Stafford Trust Dated November 9, 2007,**  
**Subject to Item #19 as shown herein**

The land referred to in this Report is situated in the State of California, County of **Los Angeles** and is described as follows:

**(See "Legal Description" Exhibit A attached hereto and made a part hereof)**

**Exhibit A**  
**Legal Description**

All that certain real property in the County of Los Angeles, State of California, described as follows:

Lot 1 of Amended Tract No. 41265A, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 1190, Pages 26 to 29 inclusive of Maps, in the office of the County Recorder of said County.

Excepting therefrom all oil, oil rights, natural gas, natural gas rights and other hydrocarbons by whatsoever name known and all other minerals and mineral rights, whether or not similar to those herein mentioned (including the right to drill, mine, explore and operate under and through said land for the purpose of extracting and producing oil, gas and other hydrocarbons by whatsoever name known and all other minerals, whether or nor similar to those herein mentioned from other lands), provided that grantees shall not drill, mine, explore, (or otherwise operate upon, in or through said land, in the exercise of any of the conveyed rights, in and to the real property, as granted to Charles W. Patterson, David K. Patterson and Martha Sally Ann Patterson, each a 1/3rd interest, as their separate property, in deed recorded August 24, 1972 as Instrument No. 4230, Official Records.

APN: **4412-009-024**

At the date hereof exceptions to coverage in addition to the printed exceptions and Exclusions contained in said policy would be as follows:

1. General and special taxes and assessments for the fiscal year 2016-2017, a lien not yet due or payable.
  - 1a. General and special taxes for the fiscal year 2015-2016, not yet delinquent.

First installment: \$19,037.88, paid  
Second installment: \$19,937.87, open  
Penalty: \$1,913.79, due after April 11, 2016  
Tax Rate Area: 00067  
A. P. No.: 4412-009-024
  - 1b. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
  - 1c. Assessments, for community facility districts, if any, affecting said land which may exist by virtue of assessment maps or notices filed by said districts.
2. Water rights, claims or title to water, whether or not shown by the public records.
3. Covenants, conditions, restrictions and easements in the document recorded April 17, 1943 in Book 20081, Page 135 of Official Records, which provide that a violation thereof shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, sexual orientation, familial status, disability, handicap, national origin, genetic information, gender, gender identity, gender expression, marital status, source of income (as defined in subdivision (p) of Section 12955), or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c) of the United States Codes or Section 12955 of the California Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Document(s) declaring modification(s) thereof recorded in Book 20308 Page 160 and in Book 21636 Page 122, both of Official Records.
4. The terms, conditions and provisions of that certain Waiver of damages, Indemnification Agreement, and Right of ingress and egress to run with the land.

Recorded: February 8, 1979 as Instrument No. 79-167547, Official Records

Reference is hereby made to said document for full particulars.

5. A Covenant and Agreement upon and subject to the terms and conditions therein

Executed by: Owner(s) of said land  
In Favor of: the City of Los Angeles  
Recorded: February 8, 1979 as Instrument No. 79-167549, Official Records

Reference is hereby made to said document for full particulars.

This Covenant and Agreement shall run with the land and shall be binding upon any future owners, encumbrancers, their successors, heirs or assigns and shall continue in effect until the advisory agency approves its termination.

And recorded June 20, 1988 as Instrument No. 88-974564; September 6, 1988 as Instrument Nos. 88-1417516 & 88-1417517 and September 7, 1988 as Instrument No. 88-1426839, all of Official Records.

6. An easement for the purpose shown below and rights incidental thereto, as shown or as offered for dedication on the recorded map shown below.

Map of: said Tract  
Purpose: drainage  
Affects: said land

7. An easement for the purpose shown below and rights incidental thereto, as shown or as offered for dedication on the recorded map shown below.

Map of: said Tract  
Purpose: public utilities, storm drain, sanitary sewer and water line  
Affects: said land

8. A Covenant and Agreement upon and subject to the terms and conditions therein

Executed by: Owner(s) of said land  
In Favor of: the City of Los Angeles  
Recorded: March 27, 1990 as Instrument No. 90-589200, Official Records

Reference is hereby made to said document for full particulars.

This Covenant and Agreement shall run with the land and shall be binding upon any future owners, encumbrancers, their successors, heirs or assigns and shall continue in effect until the advisory agency approves its termination.

And recorded January 21, 1992 as Instrument No. 92-105557; February 20, 1992 as Instrument No. 92-283092; April 17, 1992 as Instrument No. 92-687782; May 19, 1992 as Instrument No. 92-904141; May 29, 1992 as Instrument Nos. 92-977810 & 92-977811 and May 4, 1993 as Instrument No. 93-839581, all of Official Records.

9. An easement for the purposes shown below and rights incidental thereto, as set forth in a document.

Granted to: Southern California Gas Company, a corporation  
Purpose: public utilities  
Recorded: August 8, 1991 as Instrument No. 91-1240870, Official Records  
Affects: said land

10. An easement for the purposes shown below and rights incidental thereto, as set forth in a document.

Purpose: pipe lines  
Recorded: May 29, 1992 as Instrument No. 92-977812, Official Records  
Affects: said land

11. An easement for the purposes shown below and rights incidental thereto, as set forth in a document.

Granted to: GTE California Incorporated, a corporation  
Purpose: public utilities  
Recorded: August 19, 1992 as Instrument No. 92-1545297, Official Records  
Affects: those areas designated as "Private Streets" on the map of said Tract

12. Covenants, conditions, restrictions, easements, assessments, liens, charges, terms and provisions in the document recorded September 15, 1992 as Instrument No. 92-1715646 of Official Records, which provide that a violation thereof shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, sexual orientation, familial status, disability, handicap, national origin, genetic information, gender, gender identity, gender expression, marital status, source of income (as defined in subdivision (p) of Section 12955), or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c) of the United States Codes or Section 12955 of the California Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

13. A Covenant and Agreement upon and subject to the terms and conditions therein

Executed by: Owner(s) of said land  
In Favor of: the City of Los Angeles  
Recorded: October 27, 1994 as Instrument No. 94-1949100, Official Records

Reference is hereby made to said document for full particulars.

This Covenant and Agreement shall run with the land and shall be binding upon any future owners, encumbrancers, their successors, heirs or assigns and shall continue in effect until the advisory agency approves its termination.

14. Any facts, rights, interests or claims which may exist or arise by reason of the following matters disclosed by an inspection or survey:

An unrecorded easement for private street purposes over that portion of Patterson Place as shown on said Tract Map.

15. A deed of trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby

Amount: \$100,000.00  
Dated: March 11, 1998  
Trustor: Richard P. Rosetti and Naomi R. Rosetti, as Trustees of the Richard P. Rosetti and Naomi Ruth Rosetti Trust under the provisions of the Trust Agreement dated November 26, 1997, with the vesting as follows: Richard P. Rosetti and Naomi Ruth Rosetti, Trustees of the Richard P. Rosetti and Naomi Ruth Rosetti Trust dated November 26, 1997  
Trustee: Continental Development of California, Inc., a California Corporation  
Beneficiary:  
Recorded: March 16, 1998 as Instrument No. 98-429692, Official Records

**Please be advised that the above referenced deed of trust secures a credit line, and it will be necessary for said account to be frozen and closed by the Borrower prior to the closing of the transaction contemplated by this order for title insurance.**

16. The effect of a document entitled, "Hazardous Substances Certificate and Indemnity Agreement", dated March 11, 1998, executed by and between People's Bank of California, Richard P. Rosetti and Naomi Ruth Rosetti, recorded March 16, 1998 as Instrument No. 98-429693, Official Records.

Reference is hereby made to said document for full particulars.

17. A deed of trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby

Amount: \$2,030,000.00  
Dated: July 31, 2007  
Trustor: Cynthia Pandora Stafford, a single woman  
Trustee: California Reconveyance Company, a California corp.  
Beneficiary: Washington Mutual Bank, FA, a Federal Savings Bank  
Recorded: August 3, 2007 as Instrument No. 20071837608, Official Records

According to the public records, the beneficial interest under the deed of trust was assigned to JPMorgan Chase Bank, National Association, it's successors and assigns by an assignment recorded March 7, 2014 as Instrument No. 20140238166, Official Records.

A Notice of Default recorded September 10, 2014 as Instrument No. 20140949025, Official Records.

A document recorded May 5, 2015 as Instrument No. 20150518016 of Official Records provides that Quality Loan Service Corporation was substituted as trustee under the deed of trust.

A Notice of Trustee's Sale recorded December 10, 2015 as Instrument No. 20151553090, Official Records.

18. A lien in favor of the State of California, evidenced by a certificate issued by the Franchise Tax Board, recorded February 11, 2015 as Instrument No. 20150153219 of Official Records.

Debtor: Cynthia P. Stafford  
Certificate No.: 15033241734  
Amount: \$142,346.26, and any other amounts due thereunder.

19. Proceedings pending in the Bankruptcy Court of the Central District of the U.S. District Court, County of Los Angeles, State of California, entitled in re: Cynthia Pandora Stafford, Debtor, Case No.16-bk-13355-NB, wherein a petition for relief was filed on 3/16/2016.
20. Matters which may be disclosed by an inspection or by a survey of said land that is satisfactory to this company, or by inquiry of the parties in possession thereof.

An inspection of said land has been ordered; upon its completion we will advise you of our findings.

21. The transaction contemplated in connection with this report is subject to the review and approval of the Company's Corporate Underwriting Department. The Company reserves the right to add additional items or make further requirements after such review.

**REQUIREMENTS:**

Req. No. 1: Statements of information from all parties to the transaction.

Req. No. 2: With respect to the **Cynthia P. Stafford Trust Dated November 9, 2007**:

- a. A certification pursuant to Section 18100.5 of the California Probate Code in a form satisfactory to the Company.
- b. Copies of those excerpts from the original trust documents and amendments thereto which designate the trustee and confer upon the trustee the power to act in the pending transaction.
- c. Other requirements which the Company may impose following its review of the material required herein and other information which the Company may require.

**NOTES:**

- Note No. 1: This report does not reflect requests for notice of default, requests for notice of delinquency, subsequent transfers of easements, and similar matters not germane to the issuance of the policy of title insurance anticipated hereunder.
- Note No. 2: If this company is requested to disburse funds in connection with this transaction, Chapter 598 of 1989 Mandates of the California Insurance Code requires hold periods for checks deposited to escrow or sub-escrow accounts. Such periods vary depending upon the type of check and anticipated methods of deposit should be discussed with the escrow officer.
- Note No. 3: No endorsement issued in connection with the policy and relating to covenants, conditions or restrictions provides coverage for environmental protection.
- Note No. 4: Special recordings: Due to a severe budget shortfall, many county recorders have announced that severe limitations will be placed on the acceptance of "special recordings."
- Note No. 5: Homeowners association: if the property herein described is subject to membership in a homeowners association, it will become necessary that we be furnished a written statement from the said homeowners association of which said property is a member, which provides that all liens, charges and/or assessments levied on said land have been paid. Said statement should provide clearance up to and including the time of closing. In order to avoid unnecessary delays at the time of closing, we ask that you obtain and forward said statement at your earliest convenience.
- Note No. 6: Demands: This company requires that all beneficiary demands be current at the time of closing. If the demand has expired and a current demand cannot be obtained it may be necessary to hold money whether payoff is made based on verbal figures or an expired demand.
- Note No. 7: Line of credit payoffs: If any deed of trust herein secures a line of credit, we will require that the account be frozen and closed and no additional advances be made to the borrower. If the beneficiary is unwilling to freeze the account, we will require you submit to us all unused checks, debit vouchers, and/or credit cards associated with the loan along with a letter (affidavit) signed by the trustor stating that no additional advances will be made under the credit line. If neither of the above is possible, it will be necessary to hold any difference between the demand balance and the maximum available credit.
- Note No. 8: Maps: The map attached hereto may or may not be a survey of the land depicted thereon. You should not rely upon it for any purpose other than orientation to the general location of the parcel or parcels depicted. WFG National Title Company of California expressly disclaims any liability for alleged loss or damages which may result from reliance upon this map.
- Note No. 9: The Homeowner's Policy applies only if each insured named in Schedule A is a Natural Person (as Natural Person is defined in said policy). If each insured to be named in Schedule A is not such a Natural Person, then a CLTA Owners Policy will be issued.
- Note No. 10: In the event of cancellation or if the transaction has not closed within 90 days from the date hereof, the rate imposed and collectable shall be a minimum of \$360.00, pursuant to Section 12404 of the Insurance code, unless other provisions are made.
- Note No. 11: A ***Preliminary Change of Ownership Report (PCOR)*** must be filed with each conveyance in the County Recorder's office for the county where the property is located. If a document evidencing a change in ownership is presented to the Recorder for recordation without the concurrent filing of a PCOR, the Recorder may charge an additional recording fee of twenty dollars (\$20). State law also provides for a penalty of be levied if the Change of Ownership Report is not returned to the Assessor within a timely filing period. The penalty for failure to file a Change in Ownership Statement is \$100 or 10% of the new tax bill, whichever is greater, but not to exceed \$2,500.

Note No. 12: This report is preparatory to the issuance of an ALTA Loan Policy. We have no knowledge of any fact which would preclude the issuance of the policy with CLTA endorsement forms 100 and 116 and if applicable, 115 and 116.2 attached.

When issued, the CLTA endorsement form 116 or 116.2, if applicable will reference **a Single Family Residence**

known as **739 Patterson Place, (Pacific Palisades area), City of Los Angeles, County of Los Angeles, California**

Note No. 13: According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:

None.

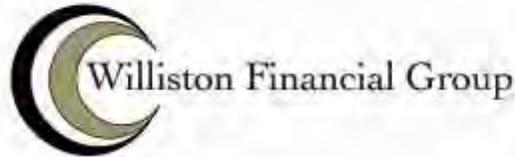


**Please call your Escrow Officer if your answer is  
"Yes" to any of the following questions**

- ◆ At any time during the preceding 6 months, has there been, or is there currently, any work or construction of improvements on the property?
- ◆ Are any of the parties currently vested in title, on the property herein currently Incapacitated or Deceased?
- ◆ Are any of the principals of the transaction intending to use a Power of Attorney to execute any of the documentation involved in this transaction?
- ◆ Has there been a recent change of marital status of any of the principals involved in this transaction?
- ◆ Is the property herein intended to be transferred into a Trust, Partnership, Corporation, or Limited Liability Company?
- ◆ Do the sellers of the property reside outside the state of California?
- ◆ Will the property described herein be part of a Tax Deferred Exchange?

**In order to better serve you, We ask that you remember:**

- ◆ All parties signing documents must have a valid Photo Identification Card, Drivers License, or Passport for notarial acknowledgment.
- ◆ Please call your Escrow Officer with any Loan or Lien payoff information, if required, he or she may order payoff demands in a timely manner, & advise your Escrow Officer of any loan(s) that are to be assumed by the buyer.
- ◆ If parties are obtaining a loan, your Escrow Officer will need to have the Fire/Hazard Insurance, agent name & phone number to add the new lender on the policy as a loss payee.
- ◆ If there is to be a change of ownership, it will be necessary for the parties acquiring title to indicate how they would like to be vested. **WFG National Title Company of California** has a worksheet available that will briefly explain each of the various methods of holding title (please feel free to request a copy from us). Note: Each method by which you can hold title has different legal &/or tax considerations & parties are encouraged to obtain advise from an Attorney, CPA, or other professional knowledgeable in this area.



## **ABOUT YOUR PRIVACY**

At WFG, we believe it is important to protect the privacy and confidences of our customers. This notice is intended to explain how we collect, use, and protect any information that we may collect. It will explain the choices you may make about the use of that information.

### **What Information Do We Collect About You?**

We collect certain types of information about you. This may consist of:

- Your name, address, and telephone number.
- Your email address.
- Your social security or government ID numbers.
- Your financial information.

We collect this information from:

- The application or other forms you fill out with us.
- The correspondence you and others direct to us.
- Our transactions with you.
- Others involved in your transaction, including the real estate agent or lender.

In some cases, we collect information from third parties. For instance, we may receive real estate information from local assessor's offices.

### **How Do We Use This Information?**

We use the information we collect to respond to your requests. **WE DO NOT SHARE** your information with other companies.

### **How Can You "Opt Out?"**

We do not share your information so there is no need to opt out.

### **The information We Collect About You On Our Website**

When you enter our website, we automatically collect and store certain information. This consists of:

- Your IP Address
- (Internet Protocol Address) and domain name.
- The type of browser and operating system you use.
- The time of your visit.
- The pages of our site you visit.

If you register with us or fill out an on online survey, we will collect additional personal information, such as your name, telephone number, email address and mailing address.

## **Cookie Usage**

In order to provide you with customized service, we make use of “cookies.” Cookies are essentially files that help us identify your computer and respond to it. You may disable cookies on your own computer, but you may not be able to download online documents unless cookies are enabled.

## **How We Use Information**

The information we collect concerning:

- Your browser
- The time and date of your visit
- The web pages or services you accessed

is used for administrative and technical purposes. For instance, we may use it to count the number of visitors to our site and determine the most popular pages. We may also use it to review types of technology you are using, determine which link brought you here, assess how our advertisements on other sites are working, and to help with maintenance.

We use information contained in your emails only for the purpose of responding to those emails. If we ask you to fill out any forms or surveys, we will use the information we receive only for the specific purposes indicated in those forms or surveys.

## **Your Right to See and Correct Information**

If you wish to see the information collected about you, please contact your settlement agent.

## **Children’s Policy**

We do not knowingly collect information from children under the age of 18. We delete any information that we discover has been provided by children.

## **Security**

### **--Generally**

We make every effort to protect the integrity of your information. Any personal information you enter into online forms or surveys will be encrypted to ensure it remains private. We limit the right of access to your information to employees that need to use the information to respond to or process your request or transaction. We also take industry standard (IPSEC) measures to protect our sites from malicious intrusions or hacking.

### **--Phishing and Pretexting**

As you know, consumers are increasingly targeted by unscrupulous persons attempting to acquire sensitive personal or financial information, by impersonating legitimate businesses. We will never send you an unsolicited email or other communication requesting your private information. If you receive a communication directing you to enter your personal information, please disregard the instruction and contact us immediately at [Compliance@wfgnationaltitle.com](mailto:Compliance@wfgnationaltitle.com).

## **Do Not Track**

Because there is not an industry-standard process or defined criteria to permit a user to opt out of tracking their internet access (Do Not Track or DNT), we do not currently respond to the various DNT signals.

## How to Contact Us

If you have any questions about our privacy policy, please contact WFG:

- By email: Compliance@wfgnationaltitle.com
- By telephone: 800-385-1590
- By fax: 503-974-9596
- By mail: 12909 SW 68<sup>th</sup> Pkwy, Suite 350, Portland, OR 97223
- In person: 12909 SW 68<sup>th</sup> Pkwy, Suite 350, Portland, OR 97223

## Oregon Residents

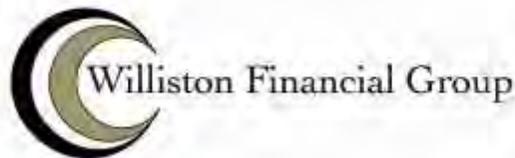
We may not disclose personal or privileged information about you unless we provide you with a disclosure authorization form that is executed by you or your representative and otherwise complies with certain statutory requirements. Any such authorization is not valid for more than 24 months and may be revoked by you at any time, subject to the rights of anyone who relied on the authorization prior to your notice of revocation.

In addition, if your personal or privileged information was collected or received by us in connection with a title insurance transaction, we cannot disclose such information if the disclosure authorization form that you executed is more than one year old or if the requested disclosure is for a purpose other than a purpose expressly permitted by statute.

You have the right at any time to request in writing access to recorded personal information about you that is reasonably described by you and reasonably available to us. Within 30 days of the date of our receipt of any such written request from you, we will inform you of the nature and substance of any such information, permit you to see and copy that information or obtain a copy by mail, disclose the identity, if recorded, of the persons to whom we have disclosed such information during the previous two years, and provide you with a summary of the procedures by which you may request that such information be corrected, amended or deleted.

### WFG FAMILY

WILLISTON FINANCIAL GROUP LLC  
WFG NATIONAL TITLE INSURANCE COMPANY  
WFG LENDER SERVICES, LLC  
WFGLS TITLE AGENCY OF UTAH, LLC  
WFG NATIONAL TITLE COMPANY OF WASHINGTON, LLC  
WFG NATIONAL TITLE COMPANY OF CALIFORNIA  
WFG NATIONAL TITLE COMPANY OF TEXAS, LLC D/B/A WFG NATIONAL TITLE COMPANY  
UNIVERSAL TITLE PARTNERS, LLC  
VALUTRUST SOLUTIONS, LLC  
WILLISTON ENTERPRISE SOLUTIONS & TECHNOLOGY, LLC





**Disclosure to Consumer of Available Discounts  
Pursuant to California Code of Regulations Section 2355.3**

In compliance with Section 2355.3 of the California Code of Regulations, if the current transaction involves an improved, one-to-four family, residential dwelling, the proposed insured may be entitled to certain cost reductions and/or discounts in their title insurance premiums and/or settlement service charges, pursuant to the programs listed below, and as further described in the Company's current Schedule of Rates and Rules for the State of California, currently on file with the California Department of Insurance. The reductions and/or discounts available are:

Churches or Charitable Non-Profit Corporations	Consumer Direct Rates
Credit for Reports on Subsequent Policies	Disaster Loans
Electronic Commerce	Expedited/Electronic Refinance Rates
Group Title Discount Program	Refinance Bulk Rates 1, 2, 3
Special "REO" Rate	Limited Escrow Rates
First Time Buyer(s)	Home Equity Escrow rate
Senior Citizen Rate	REO Escrow Rate
U.S. Military Rate	Group Rate Escrow and Title Discount Program
Previous Title Policy Rate	

Application of the Reductions and/or Discounts listed above shall be governed by the rules and requirements set forth in the Schedule of Rates and Rules on file in the office of the California Insurance Commissioner. Multiple programs may or may not be applied. Pursuant to the above referenced California Code of Regulations Section, neither provision nor acceptance of this form shall constitute a waiver of the consumer's right to be charged the filed rate.

With the receipt of the Preliminary Report to which this Disclosure Form is attached, the proposed insured acknowledges that they have been notified that they may be entitled to certain cost reductions and/or discounts, as listed above and as more particularly described in the Company's Schedule of Rates and Rules, currently on file in the office of the Insurance Commissioner of the State of California.



**Notice of Opportunity to Earn Interest**

You have the opportunity to earn interest on the funds you deposit with us by instructing us to deposit your funds into an interest bearing account. (You do not have an opportunity to earn interest on any funds deposited by a lender.) If you elect to earn interest, there is an additional fee in the amount of \$50.00 for establishing and maintaining such an account. It is important that you consider this cost as it may exceed the actual interest you earn.

**Example:** A regular savings deposit of \$1,000.00 at an average interest rate of 3.0%\* per annum for a 30 day period:

<u>Deposit</u>	x	<u>Rate</u>	÷	<u>Annual</u>	x	<u>Days</u>	=	<u>Total Interest Earned</u>
\$1,000.00	x	.03	÷	360	x	30	=	\$2.50

PLEASE READ THE FOLLOWING CAREFULLY:

**A.** If you do not want to have your funds deposited into an interest-bearing account, please initial below this paragraph and return this Notice and such will constitute an instruction to us that your funds be deposited into **WFG National Title Company of California** general escrow account. Likewise, non-receipt of this form will also constitute an instruction to us that your funds be deposited into **WFG National Title Company of California** general escrow account. For important information regarding the general escrow accounts, please read the disclosure in Paragraph C below.

Initials \_\_\_\_\_

**B.** If you elect to have your funds earn interest in an interest-bearing account using **WFG National Title Company of California** depository bank, you **MUST** sign this form below, and return to **WFG National Title Company of California** both this signed form and a W-9 form, which can be provided upon request. Please be advised that you will be responsible for reporting all earnings to the applicable taxing authorities.

**C.** Should you not elect to earn interest on your deposit, your funds will be deposited into our general escrow account at a financial institution insured by the FDIC. The general escrow account is restricted and protected against claims by third parties or creditors of **WFG National Title Company of California**. This is a non-interest bearing account; however, **WFG National Title Company of California**, may receive certain financial benefits from that financial institution because of the general escrow account and its on-going banking relationship. These benefits may include, without limitation, credits allowed by such financial institution on loans to **WFG National Title Company of California** and earnings on investments made with the proceeds of such loans, accounting, reporting and other services and products of such financial institution. We do not have an obligation to account to you in any manner for the value of, or to compensate any party for, any benefit received by **WFG National Title Company of California**. Any such benefits shall be deemed additional compensation of **WFG National Title Company of California** for its services in connection with the escrow.

**ELECTION TO EARN INTEREST:**

**I HEREBY AUTHORIZE AND DIRECT, WFG NATIONAL TITLE COMPANY OF CALIFORNIA TO OPEN AN INTEREST BEARING ACCOUNT AT WFG NATIONAL TITLE COMPANY OF CALIFORNIA DEPOSITORY BANK AND TO CHARGE THE ADDITIONAL FEE FOR THIS SERVICE.**

SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_

\* Please note that this interest rate is only an example and **WFG National Title Company of California** does not guaranty the availability of any specific rate.



**WIRE INSTRUCTIONS:** THIS COMPANY WILL BE ABLE TO WIRE FUNDS NECESSARY TO PAY LOANS IN FULL AND/OR PROCEEDS TO ESCROW PROVIDED WE HAVE LENDER PROCEEDS WIRED TO US WHEN THE LOAN FUNDS PRIOR TO RECORDING. THIS WILL ALLOW US THE COLLECTED FUNDS IN OUR ACCOUNT NECESSARY TO WIRE TO YOU. OUR WIRE INSTRUCTIONS ARE:

Bank: **Comerica**  
Routing No.: **121137522**  
Address: **2321 Rosecrans Avenue Suite 5000**  
**El Segundo, CA 90245**

Credit: **WFG National Title Company of California**  
Account No.: **1894255478**  
Title Order No.: **5335588**

**PLEASE BE SURE TO REFERENCE OUR TITLE ORDER NUMBER AND TITLE OFFICER.**

IF YOU WISH TO HAVE PROCEEDS WIRED TO YOUR ESCROW ACCOUNT PLEASE REQUEST SO AT THE TIME YOU AUTHORIZE THE RECORDING AND VERIFY THAT WE HAVE YOUR CORRECT WIRE INSTRUCTIONS. FOR YOUR CONVENIENCE WE HAVE PROVIDED THE FOLLOWING FORM TO BE FILLED OUT AND FAXED PRIOR TO RECORDING:

.....  
**WFG NATIONAL TITLE COMPANY OF CALIFORNIA**

DATE: \_\_\_\_\_

YOUR ORDER NO.: \_\_\_\_\_

OUR ESCROW NO.: \_\_\_\_\_

ON THE ABOVE REFERENCE FILE PLEASE WIRE PROCEEDS TO OUR ACCOUNT. OUR WIRE INSTRUCTIONS ARE:

BANK: \_\_\_\_\_

BANK ADDRESS: \_\_\_\_\_

CITY: \_\_\_\_\_

CREDIT TO: \_\_\_\_\_

ACCOUNT NO.: \_\_\_\_\_

ABA ROUTING NUMBER: \_\_\_\_\_

SPECIAL INSTRUCTIONS: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Note: If you have any documents pertaining to this file please call your title unit or our dispatch department for pickup. Our telephone number is: (818) 476-4000

**CLTA Preliminary Report Form - Exhibit A (06-05-14)**

**CLTA STANDARD COVERAGE POLICY - 1990**

**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
  - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
  - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
  - (c) resulting in no loss or damage to the insured claimant;
  - (d) attaching or created subsequent to Date of Policy; or
  - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

**EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.  
  
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

**CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)**

**EXCLUSIONS**

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
  - a. building;
  - b. zoning;
  - c. land use;
  - d. improvements on the Land;
  - e. land division; and
  - f. environmental protection.

This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
  - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
  - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
  - c. that result in no loss to You; or
  - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
  - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
  - b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

### LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16:	1% of Policy Amount or \$2,500.00 (which is less)	\$10,000.00
Covered Risk 18	1% of Policy Amount or \$5,000.00 (which is less)	\$25,000.00
Covered Risk 19:	1% of Policy Amount or \$5,000.00 (which is less)	\$25,000.00
Covered Risk 21:	1% of Policy Amount or \$2,500.00 (which is less)	\$25,000.00

### 2006 ALTA LOAN POLICY (06-17-06)

#### EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending laws.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws,, that the transaction creating the lien of the Insured Mortgage, is
  - (a) a fraudulent conveyance or fraudulent transfer, or
  - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy from may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

#### EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

### 2006 ALTA OWNER'S POLICY (06-17-06)

#### EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions, or location of any improvement erected on the Land; (iii) the subdivision of land; or (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1 (b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
  - (a) a fraudulent conveyance or fraudulent transfer; or
  - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage.

#### EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

### ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (02-03-10)

#### EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions, or location of any improvement erected on the Land; (iii) the subdivision of land; or (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters.

- (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or law of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. The Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. The Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
- (a) a fraudulent conveyance or fraudulent transfer, or
  - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.

**2006 ALTA OWNER'S POLICY (06-17-06)**

**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions, or location of any improvement erected on the Land; (iii) the subdivision of land; or (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1 (b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
  - (a) a fraudulent conveyance or fraudulent transfer; or
  - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage.

**EXCEPTIONS FROM COVERAGE**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

**ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (02-03-10)**

**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions, or location of any improvement erected on the Land; (iii) the subdivision of land; or (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters.
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.

4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or law of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. The Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. The Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
  - (a) a fraudulent conveyance or fraudulent transfer, or
  - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.

**STATEMENT OF INFORMATION**

**CONFIDENTIAL - TO BE USED ONLY IN CONNECTION WITH ORDER NO: , ESCROW NO. 5335588, AND PROPERTY ADDRESS: 739 PATTERSON PLACE, PACIFIC PALISADES, CA 90272**

1. IMPROVEMENTS:  NONE/VACANT LAND  SINGLE RESIDENCE  MULTIPLE RESIDENCE  COMMERCIAL  
 2. OCCUPIED BY:  OWNER  TENANTS  
 3. CONSTRUCTION WITHIN LAST 6 MONTHS?  YES  NO  
 IF YES, INDICATE WORK DONE: \_\_\_\_\_

<b>PARTY 1</b>  FIRST _____ MIDDLE <input type="checkbox"/> NONE _____ LAST _____  FORMER LAST NAME(S), IF ANY _____  BIRTHPLACE _____ BIRTH DATE _____  SOCIAL SECURITY NUMBER _____ DRIVER'S LICENSE _____  NAME OF FORMER SPOUSE/REGISTERED DOMESTIC PARTNER _____	<b>PARTY 2</b>  FIRST _____ MIDDLE <input type="checkbox"/> NONE _____ LAST _____  FORMER LAST NAME(S), IF ANY _____  BIRTHPLACE _____ BIRTH DATE _____  SOCIAL SECURITY NUMBER _____ DRIVER'S LICENSE _____  NAME OF FORMER SPOUSE/REGISTERED DOMESTIC PARTNER _____
---	---

**MARRIAGE**

SINGLE  MARRIED  UNMARRIED DATE OF MARRIAGE/DIVORCE: \_\_\_\_\_

**PARTY 1**

**RESIDENCES FOR LAST 10 YEARS**

ADDRESS _____	CITY _____	STATE _____	FROM (DATE) TO (DATE) _____
ADDRESS _____	CITY _____	STATE _____	FROM (DATE) TO (DATE) _____
ADDRESS _____	CITY _____	STATE _____	FROM (DATE) TO (DATE) _____

**OCCUPATIONS FOR LAST 10 YEARS**

OCCUPATION _____	FIRM NAME _____	ADDRESS _____	NUMBER OF YEARS _____
OCCUPATION _____	FIRM NAME _____	ADDRESS _____	NUMBER OF YEARS _____

**PARTY 2**

**RESIDENCES FOR LAST 10 YEARS**

ADDRESS _____	CITY _____	STATE _____	FROM (DATE) TO (DATE) _____
ADDRESS _____	CITY _____	STATE _____	FROM (DATE) TO (DATE) _____
ADDRESS _____	CITY _____	STATE _____	FROM (DATE) TO (DATE) _____

**OCCUPATIONS FOR LAST 10 YEARS**

OCCUPATION _____	FIRM NAME _____	ADDRESS _____	NUMBER OF YEARS _____
OCCUPATION _____	FIRM NAME _____	ADDRESS _____	NUMBER OF YEARS _____

**THE UNDERSIGNED DECLARE, UNDER PENALTY OF PERJURY, THAT THE FOREGOING IS TRUE AND CORRECT.**

**EXECUTED ON \_\_\_\_\_ (DATE), AT \_\_\_\_\_ (CITY).**

BY \_\_\_\_\_ BY \_\_\_\_\_

HOME TELEPHONE: \_\_\_\_\_ HOME TELEPHONE \_\_\_\_\_

BUSINESS TELEPHONE \_\_\_\_\_ BUSINESS TELEPHONE \_\_\_\_\_

EMAIL \_\_\_\_\_ EMAIL \_\_\_\_\_

Central Escrow, Inc.  
1015 South Baldwin Avenue.  
Arcadia, , CA 91007  
ATTN: Sarah Shum

Ref No.: 126946-SS  
ORDER NO. 5335588

CERTIFICATION OF TRUST  
(PURSUANT TO CALIFORNIA PROBATE CODE 18100.5)

THE UNDERSIGNED, BEING ALL OF THE CURRENTLY ACTING TRUSTEES OF THE TRUST, BEING OF LAWFUL AGES, HEREBY DECLARE THE FOLLOWING TO BE TRUE AND CORRECT:

1. \_\_\_\_\_  
\_\_\_\_\_

TRUST DATED \_\_\_\_\_ IS A VALID AND EXISTING TRUST.

2. THE NAMES AND ADDRESSES OF ALL OF THE SETTLORS (PERSONS WHO CREATED THE TRUST) ARE:

\_\_\_\_\_  
\_\_\_\_\_

3. THE NAMES AND ADDRESSES OF ALL OF THE TRUSTEES OF THE TRUST ARE:

\_\_\_\_\_  
\_\_\_\_\_

TAX I.D. NO. \_\_\_\_\_

4. THE TRUST IS \_\_\_\_\_  
(REVOCABLE/IRREVOCABLE)

5. THE TRUST HAS NOT BEEN REVOKED, MODIFIED OR AMENDED IN ANY MANNER WHICH WOULD CAUSE THE REPRESENTATIONS CONTAINED HEREIN TO BE INCORRECT.

THIS CERTIFICATION IS EXECUTED BY ALL OF THE CURRENTLY ACTING TRUSTEES OF THE TRUST PURSUANT TO SECTION 18100.5 OF THE PROBATE CODE.

DATED: \_\_\_\_\_

BY: \_\_\_\_\_ BY: \_\_\_\_\_

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA )  
COUNTY OF \_\_\_\_\_ )

ON \_\_\_\_\_ BEFORE ME, \_\_\_\_\_, A NOTARY PUBLIC  
PERSONALLY APPEARED \_\_\_\_\_

\_\_\_\_\_  
WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND AND OFFICIAL SEAL.

SIGNATURE \_\_\_\_\_

(SEAL)

Date: \_\_\_\_\_

Lender: \_\_\_\_\_  
Address: \_\_\_\_\_  
City, St., Zip \_\_\_\_\_

RE: Account No. \_\_\_\_\_ Property: \_\_\_\_\_  
Loan No.: \_\_\_\_\_ Borrower(s): \_\_\_\_\_  
Deed of Trust recorded on \_\_\_\_\_ as Instrument No. \_\_\_\_\_

Escrow No. \_\_\_\_\_  
Title Order No.: \_\_\_\_\_

Dear: \_\_\_\_\_

Payoff Department:

The Undersigned request that you furnish in writing to \_\_\_\_\_ the escrow company, at fax no. \_\_\_\_\_, telephone No. \_\_\_\_\_, the necessary information in regard to the payoff and per diem interest amount through \_\_\_\_\_ by completing a Pay-Off Quotation Demand and faxing it to the above number within 72 hours of receipt of this letter.

**Please freeze the loan amount** to include only obligation(s) incurred or draws which I/We have made prior to and including the date of this letter under the terms and conditions of the above-numbered loan secured by the above referenced Deed of Trust, mortgage or surety instrument recorded in \_\_\_\_\_ County **and cancel the revolving credit loan for future advances.**

I/We have ceased utilizing all checks, credit card(s), and/or drafts for this account. I/We are enclosing herewith all such checks, credit cards, and/or drafts for this account that I/we have in our possession.

This is also a notice that I/we intend to sell or execute a new mortgage on the property. Under the laws of some States, future advances may be subordinate to the rights of the new lender or buyer.

**By the execution of this letter this loan is to be frozen and closed.**

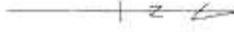
Your cooperation in this matter is essential to completing the real estate transaction contemplated with reference to the mortgaged property.

Sincerely,

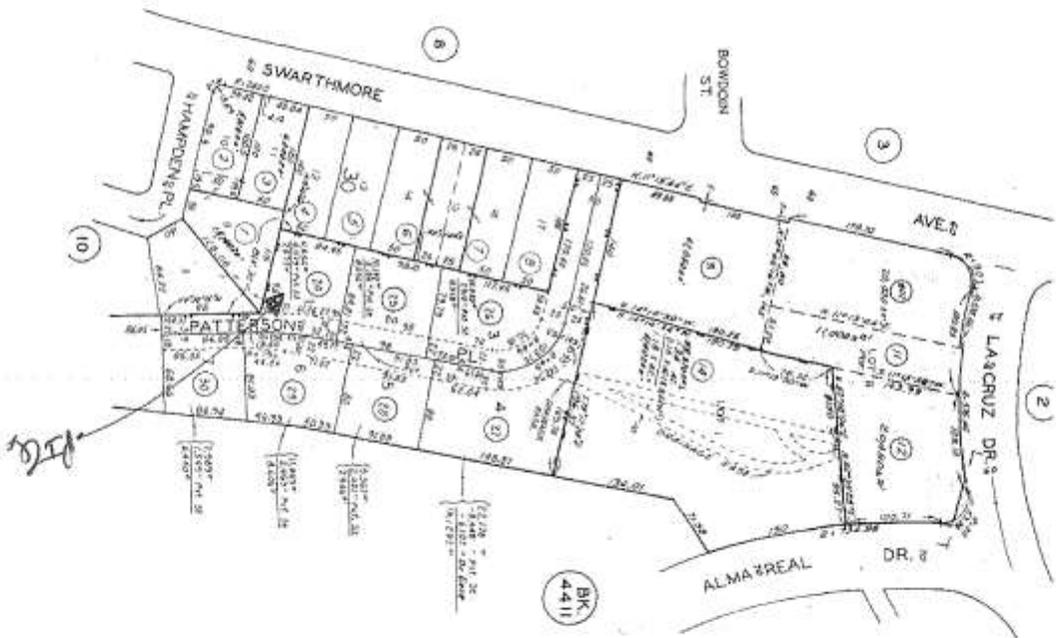
My / Our address and phone number(s), should you need to contact me/us are:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

1412 | 9  
 SCALE 1" = 100'  
 1995



TRACT NO. 9300 M.B. 125-55-78  
 TRACT NO. 23779 M.B. 628-58-59  
 TRACT NO. 41265A M.B. 1190-26-29  
 CODE 67  
 FOR ENCL. ASSWT SEE  
 4412-9



4412/9300-86  
 4412/23779-86  
 4412/41265A-86  
 4412/67-86  
 4412/1190-86

ASSESSOR'S MAP  
 COUNTY OF LOS ANGELES, CALIF.

## PROOF OF SERVICE OF DOCUMENT

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 10250 Constellation Boulevard, Suite 1700, Los Angeles, CA 90067

A true and correct copy of the foregoing document entitled: **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 **April 8, 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:

- John-Patrick M Fritz jpf@lnbyb.com, JPF.LNBYB@ecf.inforuptcy.com
- David B Golubchik dbg@lnbyb.com, dbg@ecf.inforuptcy.com
- Melanie Scott Green Melanie.green@usdoj.gov
- Dare Law dare.law@usdoj.gov, ron.maroko@usdoj.gov
- United States Trustee (LA) ustpregion16.la.ecf@usdoj.gov
- Kristin A Zilberstein bknotice@mccarthyholthus.com, kzilberstein@mccarthyholthus.com; kzilberstein@ecf.inforuptcy.com

**2. SERVED BY UNITED STATES MAIL:** On **April 8, 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.

*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 **April 8, 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.

**Served via Attorney Service**

Hon. Neil W. Bason  
United States Bankruptcy Court  
Edward R. Roybal Federal Building  
255 E. Temple Street, Ctrm 1545  
Los Angeles, CA 90012

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

April 8, 2016	Stephanie Reichert	/s/ Stephanie Reichert
<i>Date</i>	<i>Type Name</i>	<i>Signature</i>