

Overbid procedure (if any): See the Bidding Procedures described in the attached Sale
Motion

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

DATE/TIME: May 28, 2013 at 2:00 pm

LOCATION: United States Bankruptcy Court, Courtroom 1668

255 E. Temple St., Los Angeles, CA 90012

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

Melissa Davis Lowe, Esq.

SHULMAN HODGES & BASTIAN

8105 Irvine Center Drive, Suite 600

Irvine, CA 92618

949-340-3400

949-340-3000 FAX

mlowe@shbllp.com

Date: 4/24/13

1 Leonard M. Shulman – Bar No. 126349
Lynda T. Bui – Bar No. 201002
2 Melissa Davis Lowe – Bar No. 245521
SHULMAN HODGES & BASTIAN LLP
3 8105 Irvine Center Drive, Suite 600
Irvine, California 92618
4 Telephone: (949) 340-3400
Facsimile: (949) 340-3000
5 Email: lshulman@shbllp.com; lbui@shbllp.com; mlowe@shbllp.com
6 Attorneys for David M. Goodrich, Chapter 7 Trustee

7
8 **UNITED STATES BANKRUPTCY COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA, LOS ANGELES DIVISION**
10

11 In re

12 **PASADENA NEIGHBORHOOD**
13 **HOUSING SERVICES,**

14 Debtor.

Case No. 2:11-bk-50790-BR

Chapter 7

**CHAPTER 7 TRUSTEE’S MOTION FOR
ORDER:**

- 15 (1) **APPROVING THE SALE OF REAL
PROPERTY OF THE ESTATE FREE AND
16 CLEAR OF LIENS PURSUANT TO
BANKRUPTCY CODE §§ 363(b)(1) AND (f)
AND SUBJECT TO OVERBIDS, COMBINED
17 WITH NOTICE OF BIDDING
PROCEDURES AND REQUEST FOR
18 APPROVAL OF THE BIDDING
PROCEDURES UTILIZED;**
- 19 (2) **APPROVING PAYMENT OF REAL ESTATE
20 COMMISSION; AND**
- 21 (3) **GRANTING RELATED RELIEF;**

22 **MEMORANDUM OF POINTS AND
AUTHORITIES AND DECLARATIONS IN
23 SUPPORT THEREOF**

24 **[Real Property located at 476 E. Woodbury
Road, Pasadena, CA]**

25 Hearing:

26 Date: May 28, 2013

Time: 2:00 p.m.

27 Place: Courtroom 1668

255 E. Temple St.

28 Los Angeles, CA 90012

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

TABLE OF CONTENTS

I. SUMMARY OF ARGUMENT 2

II. RELEVANT FACTS 3

 A. Background and the Property..... 3

 B. Settlement with the Brotherhood Crusade 4

 C. Liens and Encumbrances Against the Property and Their Proposed
 Treatment Through the Sale..... 5

 D. The Purchase Offer and Summary of the Sale Terms..... 6

 E. Notice of Bidding Procedures 10

III. MEMORANDUM OF POINTS AND AUTHORITIES 11

 A. The Court May Authorize the Sale When There is a Good Faith Purchaser 11

 1. Sound Business Purpose 11

 2. The Sale Serves the Best Interests of the Estate and Creditors..... 12

 3. Accurate and Reasonable Notice 13

 4. The Sale is Made in Good Faith 13

 B. The Proposed Sale Should be Allowed Free and Clear of Liens 14

 C. The Court has the Authority to Waive the Fourteen-Day Stay of Sale 15

 D. The Court has the Authority to Approve the Bidding Procedures 15

 1. The Overbid Procedures are Untainted by Self-Dealing 16

 2. The Overbid Procedures Encourage Bidding and are Fair in
 Amount 16

 3. The Overbid Procedures are Fair, Reasonable and Serve the Best
 Interests of the Estate 16

 E. Request for Payment of Real Estate Commission 17

IV. CONCLUSION..... 18

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

TABLE OF AUTHORITIES

CASES

In re Crown Corporation,
679 F.2d 774 (9th Cir. 1982) 15

In re Crowthers McCall Pattner, Inc.,
114 B.R. 877 (Bankr. S.D.N.Y. 1990)..... 10

In re Lionel Corp.,
722 F.2d 1063 (2d Cir. 1983)..... 10

In re Walter,
83 B.R. 14 (B.A.P. 9th Cir. 1988)..... 11

In re Wilde Horse Enterprises, Inc.,
136 B.R. 830 (Bankr. C.D. Cal. 1991)..... 10, 13

STATUTES

Bankruptcy Code Section 105(a) 14

Bankruptcy Code Section 328 16

Bankruptcy Code Section 363(b)..... 10

Bankruptcy Code Section 363(b)(1) 14

Bankruptcy Code Section 363(f) 13, 16

Bankruptcy Code Section 363(m)..... 13

FRBP Section 2002(c)(1)..... 12

FRBP Section 6004(h) 14

1 The Trustee has received an offer from Lucky INKJ 1688, LLC (“Buyer”) to purchase
2 the Property for \$1,450,000¹ (“Purchase Price”) subject to overbids. The offer by the Buyer is
3 the best offer that the Estate has received thus far for the Property. Through the sale, the Trustee
4 expects to generate proceeds of over \$290,000 for the benefit of the Estate and its creditors after
5 all costs of dissolution are paid and after the Brotherhood Crusade is paid its 51% share of the
6 net proceeds. Further, in the event the purchase price is increased by a successful overbid, the
7 estimated net proceeds will increase and provide a greater distribution to creditors.

8 Therefore, the Trustee believes that good cause exists to grant the Sale Motion so the
9 Trustee does not lose this favorable business opportunity.

10 **II. RELEVANT FACTS**

11 **A. Background and the Property**

12 On September 28, 2011 (“Petition Date”), the Debtor filed a voluntary petition under
13 Chapter 7 of the Bankruptcy Code. David M. Goodrich is the duly appointed, qualified and
14 acting Chapter 7 trustee for the Debtor’s Estate.

15 Debtor is a non-profit organization and is the general partner of the Partnership that owns
16 the Property. Despite the Property being in the name of the Partnership, all checks are made
17 payable to and all bank accounts are in the name of the Debtor. As the general partner and on
18 behalf of the Partnership, the Debtor as Project Manager, under contract with the California
19 Housing Finance Agency (“Agency”), operates the Property.

20 Pursuant to a Stipulation Between The Chapter 7 Trustee and California Housing Finance
21 Agency Re Employment of a Complex Manager and Use of Certain “Cash Collateral” to Pay for
22 “Operation” of a Complex that the Debtor has an Interest In (“Stipulation”) approved by the Court
23 by an Order entered on November 29, 2011 and a Second Stipulation approved by the Court by an
24 Order entered on March 14, 2013, the Trustee is overseeing the operation of the Property by the
25 property manager approved by the Agency, HDSI.

26 ///

27 _____
28 ¹ The total sale price for the Property is \$1,450,000 with a credit of \$50,000 for certain
unexpected repairs that will need to be completed on the Property.

1 According to the Debtor's Bankruptcy Schedule D, the following liens attach to the
2 Property: (1) a first deed of trust held by the Agency in the amount of \$391,000; (2) a second
3 deed of trust held by Pasadena Community Development Commission ("PCDC") in the principal
4 amount of \$230,000; and (3) a third deed of trust held by the City of Pasadena ("City") in the
5 principal amount of \$60,000. A true and correct copy of the Debtor's Schedule D is attached to
6 the Goodrich Declaration as **Exhibit 1**.

7 **B. Settlement with the Brotherhood Crusade**

8 On or about March 21, 2012, the Trustee filed a complaint against the Partnership and
9 Brotherhood Crusade for: (1) Partnership Dissolution and Accounting; (2) Appointment of
10 Receiver and Injunctive Relief; and (3) Declaratory Relief, in the Los Angeles County Superior
11 Court ("State Court"), commencing Case No. GC049197. The Trustee filed a First Amended
12 Complaint in the Receivership Action on May 4, 2012.

13 The Trustee and the Brotherhood Crusade reached a settlement in the Receivership Action
14 and the Trustee then filed a motion in this Court for the settlement to be approved ("Settlement
15 Motion"). The Settlement Motion was granted at a hearing held on March 20, 2013 and an Order
16 approving the settlement was entered on April 2, 2013. A true and correct copy of the Order
17 granting the Settlement Motion is attached to the Goodrich Declaration as **Exhibit 2**. The
18 settlement requires the Trustee to sell the Property and then to dissolve the Partnership and split
19 the net proceeds 51% to the Brotherhood Crusade and 49% to the Estate.

20 The Settlement Motion also sought Court approval for the Trustee to employ Jonathan R.
21 Steele of Rodeo Realty, Inc. as his real estate broker ("Broker") in this case. The Trustee's
22 Broker reviewed the Property and listed the Property for sale at \$1,499,000. The Property has
23 been listed on the MLS and advertised for sale for approximately two (2) months. The Trustee
24 has received and reviewed approximately five (5) offers for the Property. The Trustee believes
25 the offer proposed herein was the best because it is an all cash offer and waives all contingencies.
26 Because of the significant restrictions and limitations on the Property such as it needing to remain
27 as Section 8 senior affordable housing, the Trustee believes this to be a very good offer.

28 ///

C. Liens and Encumbrances Against the Property and Their Proposed Treatment Through the Sale

The following chart sets forth the liens and encumbrances against the Property as detailed in the Preliminary Title Report dated February 7, 2013, a copy of which is attached to the Goodrich Declaration as **Exhibit 3**.

<u>Creditor</u>	<u>Description</u>	<u>Est Amt Owing</u>	<u>Treatment of Lien Through the Sale</u>
Los Angeles County Treasurer and Tax Collector	Real property taxes (estimated)	\$0	All outstanding real property taxes will be paid through escrow on the sale transaction and as such, the sale of the Property can be free and clear of any real property taxes.
California Housing Finance Agency	First priority deed of trust with a face amount of \$460,000. Recorded November 9, 1991 as Recording No. 91-1850932	\$391,000	The preliminary title report (Exhibit 3) indicates the face of the lien is \$460,000 but the Trustee is advised the outstanding amount owed is approximately \$391,000. This lienholder has received timely monthly payments through operation of the Property. The Trustee will pay this lien in full from the proceeds of the sale of the Property and as such, the Property can be sold free and clear of this lien.
Pasadena Community Development Commission	Second priority deed of trust with a face amount of \$230,000 Deed of trust recorded on June 16, 1990 as Recording No. 90-1226169	\$230,000	The preliminary title report on the Property (Exhibit 3), indicates that the face of the lien is \$230,000. The priority, validity and amount of this lien is disputed by the Trustee and is the subject of a bona fide dispute. PCDC asserts that it is owed over \$650,000 but the Trustee has not been provided competent evidence supporting such sum. The Trustee intends to speak to PCDC to obtain its consent to the sale and/or to seek discovery as to the amount of PCDC's lien so that the Property can be sold for a price that is greater than the aggregate amount of liens against the Property. The Trustee believes that by the time of the sale, PCDC will either consent to the sale or that the sale price will be higher than the aggregate amount of liens and as such, the Trustee seeks to sell the Property free and clear of this lien pursuant to Section 363(f)(2) and (f)(3).

<u>Creditor</u>	<u>Description</u>	<u>Est Amt Owing</u>	<u>Treatment of Lien Through the Sale</u>
City of Pasadena	<p>Third priority deed of trust in the face amount of \$60,000.</p> <p>Deed of trust recorded June 16, 1990 as Recording No. 90-1226168</p>	\$60,000	<p>The preliminary title report on the Property (Exhibit 3), indicates that the face of the lien is \$60,000.</p> <p>The priority, validity and amount of this lien is disputed by the Trustee and is the subject of a bona fide dispute. The City asserts that it is owed over \$180,000 but the Trustee has not been provided competent evidence supporting such sum. The Trustee intends to speak to the City to obtain its consent to the sale and/or to seek discovery as to the amount of the City's lien so that the Property can be sold for a price that is greater than the aggregate amount of liens against the Property.</p> <p>The Trustee believes that by the time of the sale, the City will either consent to the sale or that the sale price will be higher than the aggregate amount of liens and as such, the Trustee seeks to sell the Property free and clear of this lien pursuant to Section 363(f)(2) and (f)(3).</p>

All costs of sale including escrow fees and real estate commissions will be paid at closing. In addition, all outstanding real property taxes will be paid through the sale. As discussed above, the Trustee believes the amounts owed to PCDC and the City to be much lower than such entities are demanding. If the Trustee is successful in objecting to the amounts owed to PCDC and the City, the Trustee will net over \$290,000 (after paying the Brotherhood Crusade its 51% interest and paying all costs to dissolve the Partnership). If the Trustee is not successful in objecting to the amounts owed to the PCDC and the City, the Trustee will net only the sum of approximately \$30,000 for the Estate and would likely have to withdraw the Sale Motion or obtain a higher sale price.

D. The Purchase Offer and Summary of the Sale Terms

Through his Broker, the Trustee has received an offer from the Buyer to purchase the Property for \$1,450,000 with a credit of \$50,000 for repairs the Buyer will need to make to the Property. The purchase price includes a deposit of \$100,000. Attached as **Exhibit 4** to the Goodrich Declaration is a true and correct copy of the Residential Income Property Purchase Agreement and Joint Escrow Instructions and related addendum (collectively, the "Agreement").

1 A summary of the Agreement’s terms and highlights are discussed below, but the
2 summary and discussion are not meant to be a complete review of every provision of the
3 Agreement. The Agreement itself is the legally binding document the Trustee seeks approval of
4 and, in the event of any inconsistency between the terms, provisions or effect of the Agreement
5 and the description of it in these pleadings, the Agreement alone shall govern and not these
6 pleadings or the descriptions herein.

7 In summary, the principal terms of the sale of the Property shall be as follows (the
8 Trustee is referred to at times as the “Seller” in the following summary):

9 Buyer:									
10 Purchase Price:	\$1,450,000 subject to the Bidding Procedures set forth below. \$100,000 to be paid as a deposit and the remainder to be paid in cash at closing. There will be a \$50,000 credit for repairs to be made to the Property.								
12 Bankruptcy 13 Court Approval	The sale is subject to notice to creditors, approval by the Bankruptcy Court, and higher and better bids received by Seller through and including the Bankruptcy Court hearing to confirm the sale. Payment of any and all real estate brokers’ commissions is also subject to notice to creditors and approval by the Bankruptcy Court.								
14 Real Estate 15 Agent Commission	Through escrow on the sale of the Property, and subject to Court approval, the Trustee shall pay compensation for real estate agent services to the Buyer’s agent and the Estate’s agent. The agents shall equally split a commission in the amount of \$87,000 (6% of the purchase price) as follows: <table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;"><u>Agent</u></th> <th style="text-align: center;"><u>Commission</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Trustee’s Broker Jonathan R. Steele</td> <td style="text-align: center;">\$43,500</td> </tr> <tr> <td style="text-align: center;">Buyer’s Broker Xiang Xu</td> <td style="text-align: center;">\$43,500</td> </tr> <tr> <td style="text-align: center;">Total Commission</td> <td style="text-align: center;">\$87,000</td> </tr> </tbody> </table>	<u>Agent</u>	<u>Commission</u>	Trustee’s Broker Jonathan R. Steele	\$43,500	Buyer’s Broker Xiang Xu	\$43,500	Total Commission	\$87,000
<u>Agent</u>	<u>Commission</u>								
Trustee’s Broker Jonathan R. Steele	\$43,500								
Buyer’s Broker Xiang Xu	\$43,500								
Total Commission	\$87,000								
20 Title Insurance	Buyer may, not later than the end of the period in this paragraph, or until three days after receipt of the preliminary report and underlying documents, whichever occurs later, give Seller written notice (“Notice of Title Disapproval”) that Buyer disapproves the condition of title with respect to a material matter(s) that interferes with the use of the Property for the purpose for which it is currently used or intended to be used. Such notice must refer to the specific exception(s) in Schedule B of the preliminary report and the specific underlying document(s) which are the basis for Buyer’s disapproval. Within five (5) business days after receipt of such notice, Seller may, in Seller’s sole discretion, either (i) cancel this Addendum and the sale, in which event Buyer’s and Seller’s obligations under this Addendum shall be terminated and Buyer shall receive a full refund of Buyer’s Deposit, or (ii) elect to correct the item(s) that was disapproved by Buyer, in which event the sale shall proceed. Seller may correct such item by any means that will result in the Title Company either removing the disapproved exception(s) from the preliminary report or providing title insurance coverage by endorsement against such exception(s). At the close of the sale, Seller shall convey and Buyer shall accept title to the Property as shown in Schedule B of the preliminary report, subject to any corrections as in this paragraph above, free and clear of all monetary liens, subject to the terms of the within contract. Seller shall pay the costs of a CLTA Standard Owner’s policy of title insurance.								

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

Purchase Without Warranties	Buyer acknowledges and agrees that, to the maximum extent permitted by law, the sale contemplated by this Addendum is made “as-is,” “where-is,” and “with all faults,” except as specifically provided in this Addendum. Seller and Brokers and agents herein have not made, do not make, and specifically negate and disclaim any representations, warranties, promises, covenants, Addendums, or guaranties of any kind or character whatsoever, whether express or implied, oral or written, concerning or respecting (i) value of the Property; (ii) income to be derived from the Property; (iii) suitability of the Property, or lack thereof for any activity or use which Buyer may intend to conduct thereon, including any possibilities or limitations for future development; (iv) habitability, merchantability, marketability, profitability, or fitness for a particular purpose, of the Property, or lack thereof; (v) manner, quality, state of repair, or lack of repair of the Property; (vi) nature, quality, or condition of the Property, or any portion, system, or component thereof, including without limitation, water, soil, and geology; (vii) compliance of the Property or its operation, or lack thereof, with any laws, ordinances, regulations, rules, or orders of any applicable governmental authority or body, including Buyer’s agreement to purchase their own home warranty and comply with any and all government requirements and retrofit, at Buyer’s expense, prior to close of escrow; (viii) manner or quality of engineering, design, construction or materials, if any, incorporated into the Property; (ix) compliance or lack of compliance with any land use, building and safety, or other laws, ordinances, regulations, rules, orders, or other requirements imposed or enforced by any governmental or non-governmental body, including without limitation the Americans with Disabilities Act of 1990; (x) the presence or absence at, on, under, or adjacent to the Property, of materials described as “hazardous substances, hazardous materials, or toxic substances” or by similar terms under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S. Code §§9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S. Code §§1801, et seq.), the Resource Conservation and Recovery Act (42 U.S. Code §§6901, et seq.), the Toxic Substance Control Act (15 U.S. Code §2601, et seq.), the Clean Water Act (33 U.S. Code §1251, et seq.), California Health and Safety Code §25117 or 25316), or other statutes and laws, all as amended and including all regulations issued thereunder; (xi) the content, completeness or accuracy of any Due Diligence materials or Preliminary Report regarding Title to the Property; (xii) the conformity or lack of conformity of the improvements to any plans or specifications for the Property, including any plans and specifications that may have been or may be provided to Buyer; (xiii) the conformity or lack of conformity of the Property to past, current, or future applicable zoning or building requirements; (xiv) any deficiency of any undershoring, drainage, or other aspects, systems, or components of or affecting the Property; (xv) the fact, if applicable, that all or a portion of the Property may be located on or near any natural hazard zone as determined by any governmental agency or body; (xvi) the existence of vested land use, zoning, or building entitlements affecting the Property or any other property; or (xvii) any other matter. Without in any manner limiting the foregoing, Buyer hereby acknowledges and agrees that (i) Seller’s Broker, has provided (and will hereafter provide) to Buyer various materials and information relating to the Property, including, without limitation, information and materials relating to the condition of the Property, and (ii) all such materials and information so provided to Buyer by Seller’s Broker shall, for all purposes of this Addendum, be deemed to have been disclosed to Buyer by the Seller, as well.
-----------------------------------	---

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

Trustee's Liability	The Buyer acknowledges that the Trustee is acting in his official capacity only. No personal liability shall be sought or enforced against the Trustee with regard to the Agreement, including any addendums to the Agreement, the Property, the sale of the Property, or the physical condition of the Property. In the event that the Trustee fails or refuses to complete the transaction for any reason, then the limit of the Trustee's liability is only to return any money paid to the Trustee by the Buyer, without deduction. Prior to and after the closing of escrow, the United States Bankruptcy Court shall have and retain the sole and exclusive jurisdiction over the Property and the Agreement; and all disputes arising before and after closing shall be resolved in said Court. Further, the Trustee has agreed that if a dispute arises, such dispute may initially be resolved through the Mediation Program pending in the United States Bankruptcy Court for the Central District of California.
Hold Harmless	The Buyer understands the terms and conditions of the entire purchase contract and holds the Estate and the realtors, brokers, agents, David M. Goodrich, Trustee, and his attorneys including Shulman Hodges & Bastian LLP, agents and employees, harmless from any liabilities arising from this contact. All parties hereto further agree, jointly and severally, to pay on demand as well as to indemnify and hold Escrow harmless from and against all costs, damages, judgments, attorneys' fees, expenses, obligations and liabilities of any kind or nature which in good faith, Escrow may incur or sustain in connection with or arising out of this Escrow and Escrow is hereby given a lien upon all the rights, titles and interest of each of the undersigned in all escrow papers and other property and monies deposited in this escrow, to protect the rights of escrow and to indemnify and reimburse Escrow under this Addendum. In the event this Escrow is not completed for any reason, Escrow is authorized to deduct and pay its fee, plus costs incurred from any funds on deposit.
Jurisdiction of the Bankruptcy Court	Any and all disputes which involve in any manner the Estate or David M. Goodrich, Trustee, arising from the Agreement and/or its addendums or relating in any manner to the Property, shall be resolved only in the United States Bankruptcy Court, Central District of California.
Sale Subject to Overbidding	The sale of the Property is subject to the Bidding Procedures described below.
Outstanding Real Property Taxes	To be paid by through escrow.
Free and Clear of Liens and Encumbrances	The Property shall be delivered to the Buyer free and clear of all liens and encumbrances. Any liens and interests against the Property that are not paid in full through escrow shall attach to the sale proceeds generated through the sale with the same force, effect, validity, and priority as such liens or interests had with respect to the Property prior to the sale.
Good Faith Finding	The proposed sale has been brought in good faith and has been negotiated on an "arms length" basis. The negotiations with the Buyer have resulted in an offer to sell the Estate's interest in the Property that will have substantial benefit. Accordingly, the sale is in good faith and should be approved. The Trustee shall request such a finding pursuant to Bankruptcy Code Section 363(m) at the hearing on this Sale Motion.
Waiver of Rule 6004(h)	The Trustee requests that the Court waive the fourteen-day stay of the order approving the sale of the Property under Federal Rules of Bankruptcy Procedure 6004(h) such that the sale of the Property can close as soon as possible after entry of the Court order approving the Sale Motion and the Agreement.

1 **E. Notice of Bidding Procedures**

2 The Trustee has determined that it would benefit the Estate to permit all interested parties
3 to receive information and bid for the Property instead of selling the Property to the Buyer on an
4 exclusive basis. Accordingly, in order to obtain the highest and best offer for the benefit of the
5 creditors of this Estate, the Trustee also seeks Court approval of the following bidding
6 procedures (“Bidding Procedures”):

7 1. Potential overbidders must bid an initial amount of at least \$10,000 over the
8 Purchase Price of \$1,450,000. Minimum bid increments thereafter shall be \$1,000. All potential
9 overbidders will also receive a credit in the amount of \$50,000 as agreed to between the Buyer
10 and the Trustee. The Trustee shall have sole discretion in determining which overbid is the best
11 for the Estate and will seek approval from the Court of the same.

12 2. Overbids must be in writing and be received by the Trustee and the Trustee’s
13 counsel, Shulman Hodges & Bastian LLP to the attention of Melissa Davis Lowe on or before
14 **4:00 p.m. (California time) three (3) business days prior to the hearing on the Sale Motion.**

15 3. Overbids must be accompanied by certified funds in an amount equal to four
16 percent (4%) of the overbid purchase price.

17 4. The overbidder must also provide evidence of having sufficient specifically
18 committed funds to complete the transaction or a lending commitment for the bid amount and
19 such other documentation relevant to the bidder’s ability to qualify as the purchaser of Property
20 and ability to close the sale and immediately and unconditionally pay the winning bid purchase
21 price at closing.

22 5. The overbidder must seek to acquire the Property on terms and conditions not less
23 favorable to the Estate than the terms and conditions to which the Buyer has agreed to purchase
24 the Property as set forth in the Agreement attached as **Exhibit 4** to the Goodrich Declaration
25 including closing on the sale of the Property in the same time parameters as the Buyer.

26 6. All competing bids must acknowledge that the Property is being sold on an “AS
27 IS” basis without warranties of any kind, expressed or implied, being given by the Seller,
28 concerning the condition of the Property or the quality of the title thereto, or any other matters
relating to the Property. The competing bid buyer must represent and warrant that he/she is
purchasing the Property as a result of their own investigations and are not buying the Property
pursuant to any representation made by any broker, agent, accountant, attorney or employee
acting at the direction, or on the behalf of the Seller. The competing bidder must acknowledge
that he/she has inspected the Property, and upon closing of Escrow governed by the Agreement,
the Buyer forever waives, for himself/herself, their heirs, successors and assigns, all claims
against the Debtor, their attorneys, agents and employees, the Debtor’s Estate, David Goodrich
as Trustee and individually, and his attorneys, agents and employees, arising or which might
otherwise arise in the future concerning the Property.

7. If overbids are received, the final bidding round for the Property shall be held at
the hearing on the Sale Motion in order to allow all potential bidders the opportunity to overbid
and purchase the Property. At the final bidding round, the Trustee or his counsel will, in the
exercise of their business judgment and subject to Court approval, accept the bidder who has
made the highest and best offer to purchase the Property, consistent with the Bidding Procedures
 (“Successful Bidder”).

1 8. At the hearing on the Sale Motion, the Trustee will seek entry of an order, *inter*
2 *alia*, authorizing and approving the sale of the Property to the Successful Bidder. The hearing on
3 the Sale Motion may be adjourned or rescheduled without notice other than by an announcement
4 of the adjourned date at the hearing on the Sale Motion.

5 9. In the event the Successful Bidder fails to close on the sale of the Property within
6 the time parameters approved by the Court, the Trustee shall retain the Successful Bidder's
7 Deposit and will be released from her obligation to sell the Property to the Successful Bidder and
8 the Trustee may then sell the Property to the first back-up bidder approved by the Court at the
9 hearing on the Sale Motion ("First Back-Up Bidder").

10 10. In the event First Back-Up Bidder fails to close on the sale of the Property within
11 the time parameters approved by the Court, the Trustee shall retain the First Back-Up Bidder's
12 Deposit and will be released from her obligation to sell the Property to the First Back-Up Bidder
13 and the Trustee may then sell the Property to the second back-up bidder approved by the Court at
14 the hearing on the Sale Motion ("Second Back-Up Bidder").

15 **III. MEMORANDUM OF POINTS AND AUTHORITIES**

16 **A. The Court May Authorize the Sale When There is a Good Faith Purchaser**

17 The Trustee, after notice and hearing, may sell property of the estate. 11 U.S.C. § 363(b).
18 The standards to establish are that there is a sound business purpose for the sale, that the sale is
19 in the best interests of the estate, i.e., the sale is for a fair and reasonable price, that there is
20 accurate and reasonable notice to creditors and that the sale is made in good faith. *In re Wilde*
21 *Horse Enterprises, Inc.*, 136 B.R. 830, 841 (Bankr. C.D. Cal. 1991); *In re Lionel Corp.*, 722 F.2d
22 1063, 1069 (2d Cir. 1983). Business justification would include the need to close a sale to one of
23 very few serious bidders where an asset has been shopped and a delay could jeopardize the
24 transaction. *See, e.g., In re Crowthers McCall Pattner, Inc.*, 114 B.R. 877, 885 (Bankr. S.D.N.Y.
25 1990) (extreme difficulty finding a buyer justified merger when buyer found). The Trustee's
26 proposed sale of Property meets the foregoing criteria.

27 1. Sound Business Purpose

28 The Ninth Circuit has adopted a flexible, case-by-case test to determine whether the
business purpose for a proposed sale justifies disposition of property of the estate under Section
363(b). *In re Walter*, 83 B.R. 14 (B.A.P. 9th Cir. 1988). Here, the facts surrounding the sale of
the Property support the Trustee's business decision that the proposed sale is in the best interests
of the Estate and its creditors. Through the sale, the Trustee expects to generate net proceeds of
over \$290,000 as follows (amounts are estimated):

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

Sale Price	\$1,450,000
Credit for repairs	(\$50,000)
Less real estate commission and costs of sale (7%)	(\$101,500)
Less estimated real property taxes (estimated)	(\$0)
Less estimated amount owed to the Agency	(\$391,000)
Less estimated amount owed to PCDC	(\$230,000) ²
Less estimated amount owed to the City	(\$60,000) ³
Estimated Cost of Dissolution of Partnership	(\$20,000)
Estimated Net Sale Proceeds	\$597,500
Estate's 49% of the Proceeds	\$292,775

The estimated net proceeds will benefit the Estate by providing funds to pay all creditors. If the Sale Motion is not approved, then there will be a substantial loss to the Estate. In such event, the Estate will not receive any benefit from the Property.

Furthermore, the Trustee believes that the proposed sale, subject to overbids, will be at fair market value because it will ensure the Trustee achieves the best and highest value for the Estate. Therefore, the proposed sale price of the Property is fair and reasonable.

The Trustee respectfully submits that, if this Court applies the good business reason standard suggested by the Second Circuit in *Lionel*, the sale should be approved.

2. The Sale Serves the Best Interests of the Estate and Creditors

The Trustee believes that it would be in the best interest of the Estate and its creditors to sell the Property. The benefits to the Estate, as set forth above, are tremendous due to the funds to be generated from the sale. If the Sale Motion is not approved, the Estate will not receive the sale proceeds and will likely lose the Buyer. The Trustee does not want to lose this beneficial

² The amount owed to PCDC is in dispute. PCDC asserts it is owed much more than the amounts listed herein. In particular, PCDC asserts it is owed approximately \$630,000. The Trustee disputes that PCDC is owed such sum. If the Trustee cannot reach an agreement with PCDC to reduce the amount owed to it, the Trustee will likely have to withdraw the Sale Motion and/or obtain a higher sale price.

³ The amount owed to the City are in dispute. The City asserts it is owed much more than the amount listed herein. In particular, the City asserts it is owed approximately \$180,000. The Trustee disputes that the City is owed such sum. If the Trustee cannot reach an agreement with the City to reduce the amount owed to it, the Trustee will likely have to withdraw the Sale Motion and/or obtain a higher sale price.

1 business opportunity. Thus, the Trustee has made a business decision that it is in the best interest
2 of the creditors of the Estate that this Sale Motion be approved.

3 3. Accurate and Reasonable Notice

4 It is expected that notice of this Sale Motion will satisfy the requirements for accurate
5 and reasonable notice.

6 The notice requirements for sales are set forth in Federal Rules of Bankruptcy Procedure
7 (“FRBP”) 6004 and 2002. The notice must include the time and place of any public sale, the
8 terms and conditions of any private sale, the time fixed for filing on objections and a general
9 description of the property. Fed. R. Bankr. P. 2002(c)(1).

10 In compliance with FRBP 2002 and Bankruptcy Code Section 102(1), the Trustee shall
11 provide notice of the proposed sale of the Property and the Bidding Procedures to creditors and
12 parties in interest. The Notice of Sale Motion will include a summary of the terms and
13 conditions of the proposed sale, the time fixed for filing objections, and a general description of
14 the Property, including the Bidding Procedures. The Trustee submits that the notice
15 requirements will have been satisfied, thereby allowing creditors and parties in interest an
16 opportunity to object to the sale. Hence, no further notice should be necessary.

17 4. The Sale is Made in Good Faith

18 The proposed sale has been brought in good faith and has been negotiated on an “arms
19 length” basis.

20 The court, in *Wilde Horse Enterprises*, set forth the factors in considering whether a
21 transaction is in good faith. The court stated:

22 ‘Good faith’ encompasses fair value, and further speaks to the integrity of the
23 transaction. Typical ‘bad faith’ or misconduct, would include collusion between
24 the seller and buyer, or any attempt to take unfair advantage of other potential
25 purchasers. . . . And, with respect to making such determinations, the court and
26 creditors must be provided with sufficient information to allow them to take a
27 position on the proposed sale.

28 *Id.* at 842 (citations omitted).

29 In the present case, the negotiation of the proposed sale was an arms-length transaction.
30 The Trustee, through his Broker, placed the Property on the market for approximately two (2)

1 months and obtained approximately five (5) offers for the Property. The negotiations with the
2 Buyer resulted in a sale price of \$1,450,000 for the Property that will have substantial benefit to
3 the Estate. This is the highest price obtained thus far and is an all cash offer. As set forth in the
4 Notice of the Sale Motion, the creditors will have been provided with sufficient notice of the
5 sale. Accordingly, the sale is in good faith and should be approved. The Trustee shall request
6 such a finding pursuant to Bankruptcy Code Section 363(m) at the hearing on this Sale Motion.

7 **B. The Proposed Sale Should be Allowed Free and Clear of Liens**

8 Bankruptcy Code Section 363(f) allows a trustee to sell property of the bankruptcy estate
9 “free and clear of any interest in such property of an entity,” if any one of the following five
10 conditions is met:

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

17 11 U.S.C. § 363(f).

18 Section 363(f) is written in the disjunctive and thus only one of the enumerated
19 conditions needs to be satisfied for Court approval to be appropriate.

20 The Trustee is working with PCDC and the City to obtain their consent to the sale. He is
21 optimistic he will be able to reach an agreement with them to accept a reduced payout in full
22 satisfaction of their claims such that the Property will be sold for a value greater than the amount
23 of the reduced amount of the liens. If he is unable to do so, he will likely have to withdraw the
24 Sale Motion or obtain a higher sale price.

25 As such, the Trustee believes that by the time of the hearing on the Motion, the sale of the
26 Property free and clear of all liens, claims, and encumbrances will be proper under Bankruptcy
27 Code Section 363(f)(2) and (3).

28 ///

1 Thus, approval for the sale free and clear of liens and encumbrances in the manner
2 provided herein is appropriate.

3 **C. The Court has the Authority to Waive the Fourteen-Day Stay of Sale**

4 Federal Rule of Bankruptcy Procedure 6004(h) provides that “[a]n order authorizing the
5 use, sale or lease of property other than cash collateral is stayed until the expiration of 14 days
6 after entry of the order, unless the Court orders otherwise.” Fed. Rule Bankr. P. 6004(h).

7 The Trustee desires to close the sale of the Property as soon as practicable after entry of
8 an order approving the sale. Accordingly, the Trustee requests that the Court, in the discretion
9 provided it under Federal Rule of Bankruptcy Procedure 6004(h), waive the fourteen-day stay
10 requirement.

11 **D. The Court has the Authority to Approve the Bidding Procedures**

12 Implementation of the Bidding Procedures is an action outside of the ordinary course of
13 the business. Bankruptcy Code Section 363(b)(1) provides that a trustee “after notice and
14 hearing, may use, sell or lease, other than in the ordinary course of business, property of the
15 estate.” 11 U.S.C. § 363(b)(1). Furthermore, under Bankruptcy Code Section 105(a), “[t]he
16 court may issue any order, process, or judgment that is necessary or appropriate to carry out the
17 provisions of this title.” 11 U.S.C. § 105(a). Thus, pursuant to Bankruptcy Code sections
18 363(b)(1) and 105(a), this Court may authorize the implementation of overbidding procedures.

19 The Ninth Circuit, in a case under the Bankruptcy Act, recognized the power of a
20 bankruptcy court to issue orders determining the terms and conditions for overbids with respect
21 to a sale of estate assets. *In re Crown Corporation*, 679 F.2d 774 (9th Cir. 1982). The *Crown*
22 *Corporation* court entered an order specifying the minimum consideration required for an
23 overbid as well as the particular contractual terms required to be offered by overbidders. *Id.* at
24 777. The *Crown Corporation* decision also approves an order requiring and setting the amount
25 of potential overbidder’s deposits and authorized courts to determine the disposition of such
26 deposits. *Id.* While the discussion is not extensive, the *Crown Corporation* decision recognizes
27 the authority of bankruptcy courts to order the implementation of bidding procedures such as
28 those proposed in the present case.

1 1. The Overbid Procedures are Untainted by Self-Dealing

2 The Bidding Procedures have been proposed in good faith and have been negotiated on
3 an “arms length” basis. Therefore, there is no prospective taint in dealings between Trustee and
4 any potential bidders.

5 2. The Overbid Procedures Encourage Bidding and are Fair in Amount

6 The Bidding Procedures are designed to encourage, not hamper bidding and are
7 reasonable under the circumstances. The Bidding Procedures are intended to provide potential
8 overbidders with adequate information to make an informed decision as to the amount of their
9 bid and the validity of their bid.

10 3. The Overbid Procedures are Fair, Reasonable and Serve the Best Interests of the
11 Estate

12 The proposed Bidding Procedures serve the Estate in several ways. First, the Bidding
13 Procedures themselves are fair, reasonable and productive; they will permit the Trustee to
14 conduct an orderly sale and obtain the best possible price on the best possible terms for the
15 Property.

16 The Bidding Procedures will ensure that all bids will be comparable. The Trustee will
17 determine which bid is the highest and best for the Estate. The comparability requirement of the
18 Bidding Procedures will make it possible to accomplish this task.

19 The Bidding Procedures will help the Trustee to obtain the highest and best possible price
20 for the Property. The Bidding Procedures institute minimum overbid increments which the
21 Trustee believes are reasonable. Thus, the Trustee will be able to obtain substantial benefit for
22 this Estate from the sale of the Property from competing bids.

23 The Bidding Procedures require that potential bidders demonstrate their capacity to
24 complete the transaction. It would be a serious loss to the Estate if it surrendered its opportunity
25 to sell the Property to one buyer in favor of a competing bidder only to discover the successful
26 bidder incapable of consummating the transaction. Thus, requiring bidders to qualify as
27 qualified bidders will protect the Estate from such a loss.

28 ///

1 The most important benefit of the Bidding Procedures to the Estate is that their
2 implementation will enable the consummation of the proposed sale. The proposed sale will be
3 the best way to obtain the maximum and most expedient recovery for creditors of this Estate.
4 Implementation of the Bidding Procedures is an essential component of consummating the sale
5 of the Property and maximizing the value of the Property for the Estate and creditors.

6 The Bidding Procedures proposed by the Trustee are fair and provide for a “level playing
7 field” for all prospective bidders with respect to the Property. The proposed Bidding Procedures
8 establish a reasonable but expeditious timeline for allowing the Trustee to give notice of the
9 proposed sale and qualified bidders to conduct reasonable due diligence and submit competing
10 offers for the Property, thereby potentially generating additional value for the Property.
11 Furthermore, the notice that the Trustee proposes to provide to creditors and parties in interest in
12 connection with the Bidding Procedures and Sale Motion is designed to attract the most interest
13 in the acquisition of the Property and is sufficient under the circumstances of this case. Thus,
14 approval of the Bidding Procedures will serve the best interests of the Estate and its creditors.

15 **E. Request for Payment of Real Estate Commission**

16 Bankruptcy Code Section 327 allows, with court approval, for the trustee to employ
17 professional persons, “that do not hold or represent an interest adverse to the estate, and that are
18 disinterested persons.” 11 U.S.C. § 327(a). The Settlement Motion included a request for
19 approval to employ the Broker, which was granted pursuant to an Order entered on April 2,
20 2013.

21 Bankruptcy Code Section 328 allows employment of a professional person under section
22 327 “on any reasonable terms and conditions of employment, including on a retainer, on an
23 hourly basis, on a fixed or percentage fee basis, or on a contingent fee basis.” 11 U.S.C. §
24 328(a) (emphasis added). Through this Sale Motion, as provided in the Agreement, the Trustee
25 seeks authorization to pay a real estate broker commission in the amount of 6% of the purchase
26 price. Through escrow on the sale of the Property, and subject to Bankruptcy Court approval,
27 the Trustee shall pay a real estate broker’s commission as follows:

28

<u>Agent</u>	<u>Commission</u>
Trustee's Broker Jonathan R. Steele	\$43,500
Buyer's Broker Xiang Xu	\$43,500
Total Commission	\$87,000

IV. CONCLUSION

WHEREFORE, based upon the foregoing, the Trustee respectfully submits that good cause exists for granting the Sale Motion and requests that the Court enter an order as follows:

1. Approving the Bidding Procedures set forth above for the sale of the Property.
2. Authorizing the Trustee to sell the Property to the Buyer (or Successful Bidder) pursuant to the terms and conditions as set forth in the Agreement attached as **Exhibit 4** to the Goodrich Declaration.
3. Authorizing the sale of the Property free and clear of liens with liens not satisfied through the sale to attach to the sale proceeds in the same validity and priority as prior to the closing of the sale.
4. Authorizing the Trustee to sign any and all documents convenient and necessary in pursuit of the sale as set forth above, including but not limited to any and all conveyances contemplated by the Agreement attached as **Exhibit 4** to the Goodrich Declaration.
5. Approving the payment of the real estate commission in the total amount not to exceed 6% of the Purchase Price.
6. Authorizing the Trustee to pay the following from the proceeds of the sale of the Property through escrow:
 - a. all real estate taxes owed to the Los Angeles County Tax Collector, believed to be \$0;
 - b. the lien of the Agency to be paid in full, believed to be approximately \$391,000;
 - c. the lien of PCDC in an amount as agreed to by PCDC, or the principal amount

1 of \$230,000, or an amount to be determined pursuant to further order of the
2 Court;

3 d. the lien of the City of Pasadena in an amount as agreed to by PCDC, or the
4 principal amount of \$60,000, or an amount to be determined pursuant to
5 further order of the Court.

6 7. A determination by the Court that the Buyer is in good faith pursuant to
7 Bankruptcy Code Section 363(m).

8 8. Waiving the fourteen day stay of the order approving the sale of the Property
9 under Federal Rules of Bankruptcy Procedure 6004(h).

10 9. For such other and further relief as the Court deems just and proper under the
11 circumstances of this case.

12 Respectfully submitted,

13 **SHULMAN HODGES & BASTIAN LLP**

14 Dated: April 23, 2013

15 /s/ Melissa Davis Lowe

16 Leonard M. Shulman

17 Lynda T. Bui

18 Melissa Davis Lowe

19 Attorneys for David M. Goodrich, Chapter 7 Trustee of the
20 bankruptcy estate of Pasadena Neighborhood Housing
21 Services, Inc.

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

DECLARATION OF DAVID M. GOODRICH

I, David M. Goodrich, declare:

1. I am the duly appointed, qualified and acting the Chapter 7 trustee (“Trustee”) for the bankruptcy estate of Pasadena Neighborhood Housing Services, Inc. (“Debtor”). I have personal knowledge of the facts set forth herein, and if called and sworn as a witness, I could and would competently testify thereto.

2. I make this Declaration in support of my Motion for Order: (1) Approving the Sale of Real Property of the Estate Free and Clear of Certain Liens Pursuant to Bankruptcy Code § 353(b)(1) and (f) and Subject to Overbids, Combined With Notice of Bidding Procedures and Request for Approval of the Bidding Procedures Utilized; (2) Approving Payment of Real Estate Commission; and (3) Granting Related Relief (“Motion”). All capitalized terms not otherwise defined herein shall have the meaning set forth in the Motion.

3. I have read and I am aware of the contents of the Motion and the accompanying Memorandum of Points and Authorities. The facts stated in the Motion and the Memorandum of Points and Authorities are true to the best of my knowledge.

4. I have reviewed the docket for this case which indicates that on September 28, 2011, the Debtor filed a voluntary petition under Chapter 7 of the Bankruptcy Code.

5. I understand that the Debtor is a non-profit organization and is the general partner of the Partnership that owns the Property. Despite the Property being in the name of the Partnership, all checks are made payable to and all bank accounts are in the name of the Debtor. As the general partner and on behalf of the Partnership, the Debtor as Project Manager, under contract with the California Housing Finance Agency (“Agency”), operates the Property.

6. Pursuant to a Stipulation Between the Chapter 7 Trustee and California Housing Finance Agency re Employment of a Property Manager and Use of Certain “Cash Collateral” to Pay For “Operation” of a Complex That the Debtor has an Interest In (“Stipulation”) approved by the Court by an Order entered on November 29, 2011 and a Second Stipulation approved by the Court by an Order entered on March 14, 2013, I am currently overseeing the operation of the Property by the property manager approved by the Agency, HDSI.

1 7. The Debtor listed in its Bankruptcy Schedule D that the following liens attach to
2 the Property: (1) a first deed of trust held by the Agency in the amount of \$391,000; (2) a second
3 deed of trust held by PCDC in the principal amount of \$230,000; and (3) a third deed of trust held
4 by the City in the principal amount of \$60,000. A true and correct copy of the Debtor's
5 Bankruptcy Schedule D is attached hereto as **Exhibit "1."**

6 8. In order to liquidate the Debtor's interest in the Property, on or about March 21,
7 2012, I filed a complaint against the Partnership and Brotherhood Crusade (collectively, the
8 "Defendants") for: (1) Partnership Dissolution and Accounting; (2) Appointment of Receiver and
9 Injunctive Relief; and (3) Declaratory Relief, in the Los Angeles County Superior Court ("State
10 Court"), commencing Case No. GC049197 ("Receivership Action").

11 9. I have reached a settlement with the Brotherhood Crusade in the Receivership
12 Action which allows me to sell the Property and then to dissolve the Partnership and split the net
13 proceeds 51% to the Brotherhood Crusade and 49% to the Estate. I filed a motion in this Court
14 for the settlement to be approved ("Settlement Motion"). The hearing on the Settlement Motion
15 was held on March 20, 2013 at which time the Court granted the Settlement Motion. An order
16 granting the Settlement Motion was entered on April 2, 2013, a true and correct copy of which is
17 attached hereto as **Exhibit "3."**

18 10. Through my Broker, I have received an offer from Lucky INKJ 1688, LLC
19 ("Buyer") to purchase the Property for \$1,450,000 but with a credit of \$50,000 for certain
20 structural repairs that need to be made on the Property. The purchase price includes a deposit of
21 \$100,000. Attached hereto as **Exhibit "4"** is a true and correct copy of the Residential Income
22 Property Purchase Agreement and Joint Escrow Instructions and Counter Offers and related
23 addendum (collectively, the "Agreement").

24 11. The Estate has received approximately five other offers; however, the Buyer's
25 offer was an all cash offer with no contingencies and as such, I chose it as the stalking horse bid.
26 Through the sale, after payment of all costs to dissolve the Debtor as required by the Settlement
27 Agreement and after paying the Brotherhood Crusade its agreed upon 51% of the proceeds, I
28 expect to generate proceeds of over \$290,000 for the Estate. However, this is subject to me being

1 able to resolve the amounts to be paid to PCDC and the City. PCDC advises that it believes it is
2 owed approximately \$630,000 and the City advises it believes it is owed approximately \$180,000
3 but PCDC and the City have not been able to provide me with competent evidence that those
4 sums are actually due. As such, I am disputing the amounts to be paid to PCDC and the City but
5 am hopeful that I can reach a resolution with them.

6 12. I am seeking to sell the Estate's interest in the Property free and clear of all liens,
7 claims, and encumbrances and subject to the Bidding Procedures described in the Motion. A
8 copy of the preliminary title report for the Property is attached hereto as **Exhibit "3."**

9 13. For the reasons set forth in the Motion and this Declaration, I respectfully request
10 that the Court grant the Motion so that I do not lose this favorable business opportunity to net a
11 substantial amount of money for the Estate.

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

14 Executed on April ____, 2013, at _____, California.

15
16 signature next page

17 _____
18 David M. Goodrich
19
20
21
22
23
24
25
26
27
28

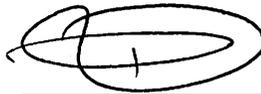
1 owed approximately \$630,000 and the City advises it believes it is owed approximately \$180,000
2 but PCDC and the City have not been able to provide me with competent evidence that those
3 sums are actually due. As such, I am disputing the amounts to be paid to PCDC and the City but
4 am hopeful that I can reach a resolution with them.

5 12. I am seeking to sell the Estate's interest in the Property free and clear of all liens,
6 claims, and encumbrances and subject to the Bidding Procedures described in the Motion. A
7 copy of the preliminary title report for the Property is attached hereto as **Exhibit "3."**

8 13. For the reasons set forth in the Motion and this Declaration, I respectfully request
9 that the Court grant the Motion so that I do not lose this favorable business opportunity to net a
10 substantial amount of money for the Estate.

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

13 Executed on April 10, 2013, at IRVINE, California.

14
15 

16 _____
David M. Goodrich

EXHIBIT 1

B6D (Official Form 6D) (12/07)

In re Pasadena Neighborhood Housing Services, Inc.

Case No. 2:11-bk-50790-BR

Debtor

SCHEDULE D - CREDITORS HOLDING SECURED CLAIMS

State the name, mailing address, including zip code, and last four digits of any account number of all entities holding claims secured by property of the debtor as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. List creditors holding all types of secured interests such as judgment liens, garnishments, statutory liens, mortgages, deeds of trust, and other security interests.

List creditors in alphabetical order to the extent practicable. If a minor child is a creditor, the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m). If all secured creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor", include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H", "W", "J", or "C" in the column labeled "Husband, Wife, Joint, or Community".

If the claim is contingent, place an "X" in the column labeled "Contingent". If the claim is unliquidated, place an "X" in the column labeled "Unliquidated". If the claim is disputed, place an "X" in the column labeled "Disputed". (You may need to place an "X" in more than one of these three columns.)

Total the columns labeled "Amount of Claim Without Deducing Value of Collateral" and "Unsecured Portion, if Any" in the boxes labeled "Total(s)" on the last sheet of the completed schedule. Report the total from the column labeled "Amount of Claim" also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report the total from the column labeled "Unsecured Portion" on the Statistical Summary of Certain Liabilities and Related Data.

Check this box if debtor has no creditors holding secured claims to report on this Schedule D.

CREDITOR'S NAME AND MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	H W J C	DATE CLAIM WAS INCURRED, NATURE OF LIEN, AND DESCRIPTION AND VALUE OF PROPERTY SUBJECT TO LIEN	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM WITHOUT DEDUCTING VALUE OF COLLATERAL	UNSECURED PORTION, IF ANY
Account No. 900025 California Housing Finance Agency Multifamily Accounting 1121 L Street, 3rd Floor Sacramento, CA 95814		June 1, 2005 Deed of Trust Pasadena Neighborhood Housing Services Seniors Project, L.P. ("PNHSSLP") --Partnership between Debtor (as General Partner) and Los Angeles Brotherhood Crusade - Black United				391,000.00	0.00
		Value \$ 800,000.00					
Account No. xx-xxx6168 City of Pasadena c/o Office of the City Attorney City Hall - Room 228 100 North Garfield Avenue Pasadena, CA 91109		June 16, 1990 Third Lien Deed of Trust Pasadena Neighborhood Housing Services Seniors Project, L.P. ("PNHSSLP") --Partnership between Debtor (as General Partner) and Los Angeles Brotherhood Crusade - Black United		X	X	60,000.00	0.00
		Value \$ 800,000.00					
Account No. xxxxxxxx3482 City of Pasadena c/o Office of the City Attorney City Hall - Room 228 100 North Garfield Avenue Pasadena, CA 91109		Funds Held in Trust Wells Fargo Business Checking Account (CDBG PI Account) Account No. XXXXX3482 Wells Fargo Bank, N.A. P.O. Box 6995 Portland, OR 97228-6995				Unknown	Unknown
		Value \$ 10,281.79					
Account No. xxxxxxxx3495 City of Pasadena c/o Office of the City Attorney City Hall - Room 228 100 North Garfield Avenue Pasadena, CA 91109		Funds Held in Trust Wells Fargo Business Checking Account (Home PI Account) Account No. XXXXX3495 Wells Fargo Bank, N.A. P.O. Box 6995 Portland, OR 97228-6995				Unknown	Unknown
		Value \$ 1,622.71					
1 continuation sheets attached						Subtotal 451,000.00	0.00
						(Total of this page)	

B6D (Official Form 6D) (12/07) - Cont.

In re Pasadena Neighborhood Housing Services, Inc.

Case No. 2:11-bk-50790-BR

Debtor

SCHEDULE D - CREDITORS HOLDING SECURED CLAIMS
(Continuation Sheet)

CREDITOR'S NAME AND MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions.)	C R E D I T O R	Husband, Wife, Joint, or Community		C O N T I N G E N T	U N L I Q U I T E D	D I S P U T E D	AMOUNT OF CLAIM WITHOUT DEDUCTING VALUE OF COLLATERAL	UNSECURED PORTION, IF ANY
		H W J C						
Account No. xxxxxxxx xx. xx-xxx6169								
Pasadena Community Dev. Comm. c/o Office of the City Attorney City Hall - Room 228 100 North Garfield Avenue Pasadena, CA 91109				X	X	X		
			June 16, 1990 Second Lien Deed of Trust Pasadena Neighborhood Housing Services Seniors Project, L.P. ("PNHSSLP") --Partnership between Debtor (as General Partner) and Los Angeles Brotherhood Crusade - Black United				230,000.00	0.00
			Value \$ 800,000.00					
Account No.								
			Value \$					
Account No.								
			Value \$					
Account No.								
			Value \$					
Account No.								
			Value \$					
Subtotal (Total of this page)							230,000.00	0.00
Total (Report on Summary of Schedules)							681,000.00	0.00

Sheet 1 of 1 continuation sheets attached to
Schedule of Creditors Holding Secured Claims

EXHIBIT 2

1 Leonard M. Shulman – Bar No. 126349
Lynda T. Bui – Bar No. 201002
2 Melissa Davis Lowe – Bar No. 245521
SHULMAN HODGES & BASTIAN LLP
3 8105 Irvine Center Drive, Suite 600
Irvine, California 92618
4 Telephone: (949) 340-3400
Facsimile: (949) 340-3000
5 Email: lshulman@shbllp.com; lbui@shbllp.com; mlowe@shbllp.com
6 Attorneys for David M. Goodrich, Chapter 7 Trustee



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

10
11 In re
12 **PASADENA NEIGHBORHOOD**
HOUSING SERVICES,
13 Debtor.

Case No. 2:11-bk-50790-BR

Chapter 7

**ORDER GRANTING CHAPTER 7
TRUSTEE'S MOTION AND:**

14 **(1) APPROVING SETTLEMENT AND**
COMPROMISE OF DISPUTES WITH LOS
ANGELES BROTHERHOOD CRUSADE –
BLACK UNITED FUND, INC.;

15 **(2) APPROVING EMPLOYMENT OF REAL**
ESTATE BROKER; AND

16 **(3) GRANTING RELATED RELIEF**

17 Hearing:

18 Date: March 20, 2013

19 Time: 10:00 a.m.

20 Place: Courtroom 1668

21 255 E. Temple St.,

22 Los Angeles, CA 90012

1 The Motion of David M. Goodrich, the Chapter 7 trustee (“Trustee”) for the bankruptcy
2 estate (“Estate”) of Pasadena Neighborhood Housing Services, Inc. (“Debtor”) For an Order: (1)
3 Approving Settlement and Compromise of Disputes Between Los Angeles Brotherhood Crusade
4 – Black United Fund, Inc; (2) Approving Employment of a Real Estate Broker; and (3) Granting
5 Related Relief (“Motion”) came on for regular hearing on March 20, 2013, the Honorable Barry
6 Russell, United States Bankruptcy Judge presiding.

7 The Trustee appeared through his counsel, Shulman Hodges & Bastian LLP, by Melissa
8 Davis Lowe. Other parties appeared as reflected in the Court’s record.

9 Having given due consideration to the Motion, the declarations and other evidence
10 submitted in support of the Motion, the record and proceedings in the Debtor’s bankruptcy case,
11 and for other good cause shown, the Court hereby:

12 ORDERS AS FOLLOWS:

- 13 1. The Motion is granted in its entirety.
- 14 2. The Trustee is authorized to enter into the Settlement Agreement, a copy of which
15 was attached as Exhibit “1” to the Declaration of David M. Goodrich in support of the Motion
16 (“Goodrich Declaration”) and to otherwise take any and all steps necessary to effectuate the
17 terms of such Settlement Agreement.
- 18 3. The Trustee is authorized to execute any and all documents in order to carry out
19 the terms of the settlement and compromise with the Los Angeles Brotherhood Crusade – Black
20 United Fund, Inc., including but not limited to the Settlement Agreement, a copy of which was
21 attached as Exhibit “1” to the Goodrich Declaration in support of the Motion.
- 22 4. The Trustee is authorized to employ Jonathan R. Steele (“Broker”) as his real
23 estate broker to assist the Trustee in the marketing for sale of the twelve (12) unit apartment
24 senior affordable housing project located at 476 E. Woodbury, Pasadena, CA (“Complex”) and is
25 authorized to execute the Commercial, Residential Income Listing Agreement attached as
26 Exhibit “3” to the Declaration of Jonathan R. Steele in support of the Motion.
- 27 5. The Broker is a “disinterested person” as defined by Bankruptcy Code Section
28 101(14), and that he holds no interest adverse to the Debtor or the Estate.

NOTICE OF ENTERED ORDER AND SERVICE LIST

Notice is given by the court that a judgment or order entitled : **ORDER GRANTING CHAPTER 7 TRUSTEE'S MOTION AND: (1) APPROVING SETTLEMENT AND COMPROMISE OF DISPUTES WITH LOS ANGELES BROTHERHOOD CRUSADE – BLACK UNITED FUND, INC.; (2) APPROVING EMPLOYMENT OF REAL ESTATE BROKER; AND (3) GRANTING RELATED RELIEF**

was entered on the date indicated as "Entered" on the first page of this judgment or order and will be served in the manner stated below:

1. SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF) – Pursuant to controlling General Orders and LBRs, the foregoing document was served on the following persons by the court via NEF and hyperlink to the judgment or order. As of March 21, 2013, the following persons are currently on the Electronic Mail Notice List for this bankruptcy case or adversary proceeding to receive NEF transmission at the email addresses stated below.

Attys for CH 7 Trustee, Lynda T Bui lbui@shbllp.com
Attys for CH 7 Trustee, Melissa Davis mdavis@shbllp.com
CH 7 Trustee, David M Goodrich (TR) trustee@goodlawcorp.com, c116@ecfbis.com; aconnell@marshackhays.com; dm@trustesolutions.net; trustee@marshackhays.com;
Interested Party Gregory W Koonce gwkoonce@franklawgroup.com
Counsel for California Housing Finance Agency Paul J Pascuzzi ppascuzzi@ffwplaw.com
Attys for CH 7 Trustee, Leonard M Shulman lshulman@shbllp.com
Interested Party, Darren P Trone tronelaw@msn.com
United States Trustee (LA) ustpreion16.la.ecf@usdoj.gov

Service information continued on attached page

2. SERVED BY THE COURT VIA UNITED STATES MAIL: A copy of this notice and a true copy of this judgment or order was sent by United States mail, first class, postage prepaid, to the following persons and/or entities at the addresses indicated below:

Attys for Debtor

Andre A Khansari, Khansari Law Corporation, APC , 11845 W Olympic Blvd Ste 1000, Los Angeles, CA 90064

Service information continued on attached page

3. TO BE SERVED BY THE LODGING PARTY: Within 72 hours after receipt of a copy of this judgment or order which bears an "Entered" stamp, the party lodging the judgment or order will serve a complete copy bearing an "Entered" stamp by United States mail, overnight mail, facsimile transmission or email and file a proof of service of the entered order on the following persons and/or entities at the addresses, facsimile transmission numbers, and/or email addresses stated below:

Service information continued on attached page

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

EXHIBIT 3

PROGRESSIVE TITLE COMPANY

425 W. BROADWAY SUITE 300
GLENDALE, CA 91204
PHONE: (800) 311-4549
FAX: (818) 291-4481

DATED AS OF FEBRUARY 7, 2013 AT 7:30 A.M.

RODEO REALTY
202 N. CANON DRIVE
BEVERLY HILLS, CA 90210

ATTENTION: JONATHAN STEELE

YOUR NO.:
PROPERTY ADDRESS: 476 EAST WOODBURY
ROAD, PASADENA, CA 91104

ORDER NO.: PR1380478
TITLE OFFICER: TOM LERETTE
EMAIL:
GLENDALEUNIT80@PROGRESSIVETITLE.COM

"PRELIMINARY REPORT"

IN RESPONSE TO THE ABOVE REFERENCED APPLICATION FOR A POLICY OF TITLE INSURANCE, **PROGRESSIVE TITLE COMPANY** 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 OF SAID POLICY OR POLICIES ARE SET FORTH IN EXHIBIT B 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 SET FORTH IN THE POLICY. COPIES OF THE POLICY FORMS SHOULD BE READ. THEY ARE AVAILABLE FROM THE OFFICE THAT ISSUED THIS REPORT.

PLEASE READ THE EXCEPTIONS SHOWN OR REFERRED TO BELOW AND THE EXCEPTIONS AND EXCLUSIONS SET FORTH IN EXHIBIT B 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:

- CALIFORNIA LAND TITLE ASSOCIATION/AMERICAN LAND TITLE ASSOCIATION HOMEOWNERS POLICY
- AMERICAN LAND TITLE ASSOCIATION LOAN POLICY
- CALIFORNIA LAND TITLE ASSOCIATION STANDARD POLICY
- AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL POLICY

SCHEDULE A

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:

PASADENA NEIGHBORHOOD HOUSING SERVICES SENIORS PROJECT, A CALIFORNIA LIMITED PARTNERSHIP, SUBJECT TO ITEM 13 HEREIN

THE LAND REFERRED TO IN THIS REPORT IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

SEE EXHIBIT "A" ATTACHED HERETO

EXHIBIT "A"

PARCEL 1:

THE WEST 65.5 FEET OF THE EAST 196.55 FEET OF LOT 1 OF THE A. R. PIERCE TRACT, IN THE CITY OF PASADENA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 7 PAGE 30 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER SAID COUNTY.

EXCEPT THE NORTHEAST 20 FEET OF SAID LAND.

PARCEL 2:

LOT 1 OF THE A. R PIERCE TRACT, IN THE CITY OF PASADENA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 7 PAGE 30 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE WEST 240.50 FEET OF SAID LOT.

ALSO EXCEPT THE NORTHEAST 20 FEET OF SAID LAND.

PARCEL 3:

THE EAST 75 FEET OF THE WEST 175 FEET, EXCEPT THE SOUTH 50 FEET THEREOF OF LOT 1 OF A. R. PIERCE TRACT, IN THE CITY OF PASADENA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 7 PAGE 30 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE FOLLOWING DESCRIBED TRIANGULAR PARCEL OF LAND.

BEGINNING AT A POINT IN THE NORTHERLY LINE OF SAID LOT 1 WHICH IS THE NORTHWEST CORNER OF THE EAST 75 FEET OF THE WEST 175 FEET OF SAID LOT; THENCE ALONG A LINE WHICH IS 100 FEET MEASURED AT RIGHT ANGLES EAST OF AND PARALLEL WITH THE WEST LINE OF SAID LOT SOUTHERLY TO A POINT WHICH IS 36.5 FEET MEASURED AT RIGHT ANGLES SOUTHWESTERLY FROM THE NORTHERLY LINE OF SAID LOT 1; THENCE NORTHERLY IN A DIRECT LINE TO A POINT IN THE NORTHERLY LINE OF SAID LOT WHICH IS 1.0 FEET MEASURED ALONG SAID NORTHERLY LINE SOUTHEASTERLY FROM ABOVE POINT OF BEGINNING; THENCE SOUTHWESTERLY 1.0 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPT THE NORTHEAST 20 FEET OF SAID LAND.

PARCEL. 4:

THE SOUTH 50 FEET OF THE WEST 175 FEET OF LOT 1 OF THE A. R. PIERCE TRACT, IN THE CITY OF PASADENA, COUNT OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 7 PAGE 30 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE WEST 100 FEET OF SAID LAND.

*****END OF LEGAL DESCRIPTION*****

SCHEDULE B

AT THE DATE HEREOF EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM DESIGNATED ON THE FACE PAGE OF THIS REPORT WOULD BE AS FOLLOWS:

A. GENERAL AND SPECIAL TAXES FOR THE FISCAL YEAR 2013-2014, A LIEN NOT YET DUE OR PAYABLE.

B. GENERAL AND SPECIAL TAXES FOR THE FISCAL YEAR 2012-2013

TOTAL:	\$4,610.36	
FIRST INSTALLMENT:	\$2,305.18	PAID
PENALTY:	\$0.00	
SECOND INSTALLMENT:	\$2,305.18	PAID
PENALTY:	\$0.00	

ASSESSED VALUATION:

LAND VALUE:	\$369,453.00
IMPROVEMENTS:	\$380,121.00
EXEMPTION(AO):	[\$514,272.00]

CODE AREA:	07500
A. P. NO.:	5838-015-028

C. THE LIEN OF SUPPLEMENTAL TAXES ASSESSED PURSUANT TO CHAPTER 3.5 COMMENCING WITH SECTION 75 OF THE CALIFORNIA REVENUE AND TAXATION CODE.

1. WATER RIGHTS, CLAIMS OR TITLE TO WATER, WHETHER OR NOT SHOWN BY THE PUBLIC RECORDS.
2. COVENANTS, CONDITIONS, AND RESTRICTIONS, BUT DELETING ANY COVENANT, CONDITION OR RESTRICTION INDICATING A PREFERENCE, LIMITATION OR DISCRIMINATION BASED ON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS, NATIONAL ORIGIN, SEXUAL ORIENTATION, MARITAL STATUS, ANCESTRY, SOURCE OF INCOME OR DISABILITY, 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.

RECORDED: IN BOOK 3821, PAGE 95 OF DEEDS.

3. AN EASEMENT FOR PUBLIC UTILITIES AND INCIDENTAL PURPOSES.

RECORDED: SEPTEMBER 12, 1958 AS INSTRUMENT NO. 559, IN BOOK D-213, PAGE 257, OF OFFICIAL RECORDS.
AFFECTS: PARCEL 1.

4. AN EASEMENT FOR PURPOSES STATED AND INCIDENTAL RIGHTS.

FOR: INGRESS AND EGRESS
RECORDED: JULY 13, 1978 AS INSTRUMENT NO. 78-759337, OF OFFICIAL RECORDS.

AFFECTS: OVER THE NORTH 12 FEET OF THE WEST 140 FEET MEASURED ALONG THE SOUTHERLY LINE OF SAID LOT.

5. AN EASEMENT FOR PURPOSES STATED AND INCIDENTAL RIGHTS.

FOR: INGRESS, EGRESS, PUBLIC UTILITIES
RECORDED: SEPTEMBER 12, 1958 AS INSTRUMENT NO. 559, IN BOOK D213, PAGE
257, OF OFFICIAL RECORDS.

AFFECTS: THE NORTH 12 FEET OF THE WEST 140 FEET MEASURED ALONG THE
SOUTHERLY LINE OF PARCEL 1.

6. COVENANTS, CONDITIONS, AND RESTRICTIONS, BUT DELETING ANY COVENANT, CONDITION OR
RESTRICTION INDICATING A PREFERENCE, LIMITATION OR DISCRIMINATION BASED ON RACE,
COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS, NATIONAL ORIGIN, SEXUAL ORIENTATION,
MARITAL STATUS, ANCESTRY, SOURCE OF INCOME OR DISABILITY, 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.

RECORDED: OCTOBER 5, 1988 AS INSTRUMENT NO. 88-1604204, OF OFFICIAL
RECORDS.

7. A COVENANT AND AGREEMENT WHEREIN THE OWNERS OF SAID LAND AGREE WITH AND
PROMISE TO A GOVERNMENTAL AGENCY TO PERFORM AS SET FORTH THEREIN

RECORDED: JULY 12, 1990 AS INSTRUMENT NO. 90-1326167, OF OFFICIAL RECORDS.

**8. A DEED OF TRUST TO SECURE AN ORIGINAL INDEBTEDNESS AND ANY OTHER
AMOUNTS OR OBLIGATIONS SECURED THEREBY**

AMOUNT: \$460,000.00
DATED: NOVEMBER 9, 1991
**TRUSTOR: PASADENA NEIGHBORHOOD HOUSING SERVICES SENIORS
PROJECT, LP, A CALIFORNIA LIMITED PARTNERSHIP**
TRUSTEE: GATEWAY TITLE COMPANY
BENEFICIARY: CALIFORNIA HOUSING FINANCE AGENCY
**RECORDED: NOVEMBER 22, 1991 AS INSTRUMENT NO. 91-1850932, OF
OFFICIAL RECORDS.**
LOAN NO.: NONE SHOWN

**A DOCUMENT RECORDED JUNE 14, 2005 AS INSTRUMENT NO. 05 1389181, OF OFFICIAL
RECORDS, PROVIDES THAT THE DEED OF TRUST OR THE OBLIGATION SECURED
THEREBY HAS BEEN MODIFIED.**

**PLEASE NOTE: IF THIS LOAN IS TO BE PAID AS A SHORT PAY, PLEASE CONTACT
THIS OFFICE FOR ADDITIONAL REQUIREMENTS AT LEAST TEN DAYS PRIOR TO
CLOSING.**

9. THE TERMS AND PROVISIONS CONTAINED IN THE DOCUMENT ENTITLED "NOTICE OF
RESTRICTIONS AFFECTING REAL PROPERTY (FOR USE WITH SECTION 8 HOUSING
CHOICE VOUCHER PROGRAM-PROJECT-BASED VOUCHER ASSISTANCE)" RECORDED
APRIL 23, 2001 AS INSTRUMENT NO. 04-0994363, OF OFFICIAL RECORDS.

10. A DEED OF TRUST TO SECURE AN ORIGINAL INDEBTEDNESS AND ANY OTHER AMOUNTS OR OBLIGATIONS SECURED THEREBY

AMOUNT: \$230,000.00
DATED: JUNE 16, 1990
TRUSTOR: PASADENA NEIGHBORHOOD HOUSING SERVICES, INC., A
NONPROFIT CALIFORNIA CORPORATION
TRUSTEE: TICOR TITLE INSURANCE COMPANY, A CALIFORNIA
CORPORATION
BENEFICIARY: PASADENA COMMUNITY DEVELOPMENT COMMISSION, A PUBLIC
BODY, CORPORATE AND POLITIC
RECORDED: JULY 12, 1990 AS INSTRUMENT NO. 90-1226169, OF OFFICIAL
RECORDS.
LOAN NO.: NONE SHOWN

A DOCUMENT RECORDED SEPTEMBER 24, 1991 AS INSTRUMENT NO. 91-1508453, OF OFFICIAL RECORDS, PROVIDES THAT THE DEED OF TRUST OR THE OBLIGATION SECURED THEREBY HAS BEEN MODIFIED.

A DOCUMENT RECORDED NOVEMBER 22, 1991 AS INSTRUMENT NO. 91 1850933, OF OFFICIAL RECORDS, PROVIDES THAT THE LIEN OR CHARGE OF THE DEED OF TRUST WAS SUBORDINATED TO THE LIEN OR CHARGE OF THE DEED OF TRUST RECORDED NOVEMBER 22, 1991 AS INSTRUMENT NO. 91 1850932, OF OFFICIAL RECORDS.

PLEASE NOTE: IF THIS LOAN IS TO BE PAID AS A SHORT PAY, PLEASE CONTACT THIS OFFICE FOR ADDITIONAL REQUIREMENTS AT LEAST TEN DAYS PRIOR TO CLOSING.

11. A DEED OF TRUST TO SECURE AN ORIGINAL INDEBTEDNESS AND ANY OTHER AMOUNTS OR OBLIGATIONS SECURED THEREBY

AMOUNT: \$60,000.00
DATED: JUNE 16, 1990
TRUSTOR: PASADENA NEIGHBORHOOD HOUSING SERVICES, INC., A
NONPROFIT CALIFORNIA CORPORATION
TRUSTEE: TICOR TITLE INSURANCE COMPANY, A CALIFORNIA
CORPORATION
BENEFICIARY: THE CITY OF PASADENA A MUNICIPAL CORPORATION
RECORDED: JULY 12, 1990 AS INSTRUMENT NO. 90-1226168, OF OFFICIAL
RECORDS.
LOAN NO.: NONE SHOWN

A DOCUMENT RECORDED SEPTEMBER 24, 1991 AS INSTRUMENT NO. 91 1508454, OF OFFICIAL RECORDS, PROVIDES THAT THE DEED OF TRUST OR THE OBLIGATION SECURED THEREBY HAS BEEN MODIFIED.

A DOCUMENT RECORDED NOVEMBER 22, 1991 AS INSTRUMENT NO. 91 1850934, OF OFFICIAL RECORDS, PROVIDES THAT THE LIEN OR CHARGE OF THE DEED OF TRUST WAS SUBORDINATED TO THE LIEN OR CHARGE OF THE DEED OF TRUST RECORDED NOVEMBER 22, 1991 AS INSTRUMENT NO. 91 1850932, OF OFFICIAL RECORDS.

PLEASE NOTE: IF THIS LOAN IS TO BE PAID AS A SHORT PAY, PLEASE CONTACT THIS OFFICE FOR ADDITIONAL REQUIREMENTS AT LEAST TEN DAYS PRIOR TO CLOSING.

12. COVENANTS, CONDITIONS, AND RESTRICTIONS, BUT DELETING ANY COVENANT, CONDITION OR RESTRICTION INDICATING A PREFERENCE, LIMITATION OR DISCRIMINATION BASED ON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS, NATIONAL ORIGIN, SEXUAL ORIENTATION, MARITAL STATUS, ANCESTRY, SOURCE OF INCOME OR DISABILITY, 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.

RECORDED: APRIL 23, 2004 AS INSTRUMENT NO. 04 0994363, OF OFFICIAL RECORDS.

13. **THE EFFECT OF BANKRUPTCY PROCEEDINGS FILED BY PASADENA NEIGHBORHOOD HOUSING SERVICES, INC., GENERAL PARTNER OF THE VESTEE HEREIN, CASE NO.11-50790, U.S. BANKRUPTCY COURT, CENTRAL DISTRICT OF CALIFORNIA, AS DISCLOSED BY THE DOCUMENT RECORDED NOVEMBER 9, 2011 AS INSTRUMENT NO. 20111520342, OFFICIAL RECORDS.**

REQUIREMENTS:

14. PRIOR TO THE ISSUANCE OF ANY POLICY OF TITLE INSURANCE, THE COMPANY WILL REQUIRE:

A. WITH RESPECT TO PASADENA NEIGHBORHOOD HOUSING SERVICES SENIORS PROJECT, A CALIFORNIA LIMITED PARTNERSHIP:

A. THAT A CERTIFIED COPY OF THE CERTIFICATE OF LIMITED PARTNERSHIP (FORM LP-1) AND ANY AMENDMENTS THERETO (FORM LP-2) BE RECORDED IN THE PUBLIC RECORDS;

B. A FULL COPY OF THE PARTNERSHIP AGREEMENT AND ANY AMENDMENTS;

C. OTHER REQUIREMENTS WHICH THE COMPANY MAY IMPOSE FOLLOWING ITS REVIEW OF THE MATERIAL REQUIRED HEREIN AND OTHER INFORMATION WHICH THE COMPANY MAY REQUIRE.

*****END OF SCHEDULE B*****

NOTES:

WE DEPOSIT FUNDS RECEIVED ON YOUR BEHALF IN STATE OR FEDERALLY-CHARTERED BANKS THAT ARE INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION ("FDIC"). THE ACCOUNT IS CURRENTLY HELD AT COMERICA BANK.

FDIC DEPOSIT INSURANCE COVERAGE APPLIES TO A MAXIMUM AMOUNT OF \$250,000 PER DEPOSITOR FOR DEPOSITS HELD IN THE SAME LEGAL OWNERSHIP CATEGORY AT EACH BANK. FOR EXAMPLE, FUNDS HELD ON YOUR BEHALF IN AN ACCOUNT MAINTAINED BY US WILL BE COMBINED WITH ANY INDIVIDUAL ACCOUNTS HELD DIRECTLY BY YOU AT THE SAME BANK. YOU ARE RESPONSIBLE FOR MONITORING THE TOTAL AMOUNT OF DEPOSITS THAT ARE OWNED DIRECTLY OR INDIRECTLY BY YOU IN ANY ONE BANK.

IF YOU HAVE QUESTIONS ABOUT FDIC DEPOSIT INSURANCE, CONTACT YOUR FINANCIAL OR LEGAL ADVISORS OR GO TO [HTTP://WWW.FDIC.GOV/DEPOSIT/DEPOSITS/INDEX.HTML](http://www.fdic.gov/deposit/deposits/index.html). WE DO NOT GUARANTEE THE SOLVENCY OF ANY BANK INTO WHICH FUNDS ARE DEPOSITED AND WE ASSUME NO LIABILITY FOR ANY LOSS YOU INCUR DUE TO THE FAILURE, INSOLVENCY OR SUSPENSION OF OPERATIONS OF ANY BANK OR THE \$250,000 FDIC DEPOSIT INSURANCE LIMIT.

UNLESS OTHERWISE AGREED IN WRITING, EACH OF THE PRINCIPALS AGREES, UNDERSTANDS AND ACKNOWLEDGES THAT: THE ESCROW ACCOUNT IS NON-INTEREST-BEARING; NO FINANCIAL OR OTHER BENEFITS WILL BE EARNED BY OR PROVIDED TO ANY OF THE PRINCIPALS WITH RESPECT TO SUCH FUNDS' AND PROGRESSIVE TITLE COMPANY AND ITS AFFILIATES MAY INSTEAD RECEIVE DIRECT AND INDIRECT FINANCIAL AND OTHER BENEFITS FROM THE DEPOSITORY WITH RESPECT TO SUCH FUNDS THESE BENEFITS SHALL BE TREATED AS ADDITIONAL COMPENSATION TO PROGRESSIVE TITLE COMPANY FOR ITS SERVICES AS AN ESCROW HOLDER IN THIS TRANSACTION.

NOTE: THIS COMPANY REQUIRES CURRENT BENEFICIARY DEMANDS PRIOR TO CLOSING. NO PAYOFFS WILL BE MADE USING "VERBAL" FIGURES

NOTE: EFFECTIVE JANUARY 1, 1990, ASSEMBLY BILL 512, ENACTED AS CHAPTER 598, WILL ADD SECTION 12413.1 TO THE CALIFORNIA INSURANCE CODE DEALING WITH THE "GOOD FUNDS" ISSUE. FUNDS DEPOSITED BY:

- CASH AND BY ELECTRONIC TRANSFER (WIRED FUNDS) WILL BE AVAILABLE FOR SAME DAY DISBURSEMENTS.
- CASHIER'S CHECKS, CERTIFIED CHECKS AND TELLER'S CHECKS WILL BE AVAILABLE FOR NEXT DAY DISBURSEMENTS.
- ALL OTHER TYPES OF CHECKS WILL NOT BE AVAILABLE FOR DISBURSEMENT UNTIL THE DAY PROVIDED IN REGULATION CC ADOPTED BY THE FEDERAL RESERVE BOARD OF GOVERNORS.
- A DRAFT WILL NOT BE AVAILABLE FOR DISBURSEMENT UNTIL THE DRAFT HAS BEEN SUBMITTED FOR COLLECTION AND PAYMENT RECEIVED BY OUR BANK.

PLEASE NOTE: THIS COMPANY WILL MAKE DISBURSEMENTS ONLY IN THE SAME MANNER AS WHICH FUNDS ARE RECEIVED. SHOULD THIS COMPANY BE REQUESTED TO MAKE ANY DISBURSEMENTS BY ELECTRONIC TRANSFER (WIRED FUNDS), THIS COMPANY WILL REQUIRE FUNDS TO BE DEPOSITED TO OUR ACCOUNT BY ELECTRONIC TRANSFER.

WIRE TRANSFER INSTRUCTIONS

**PROGRESSIVE TITLE COMPANY
PR1380478**

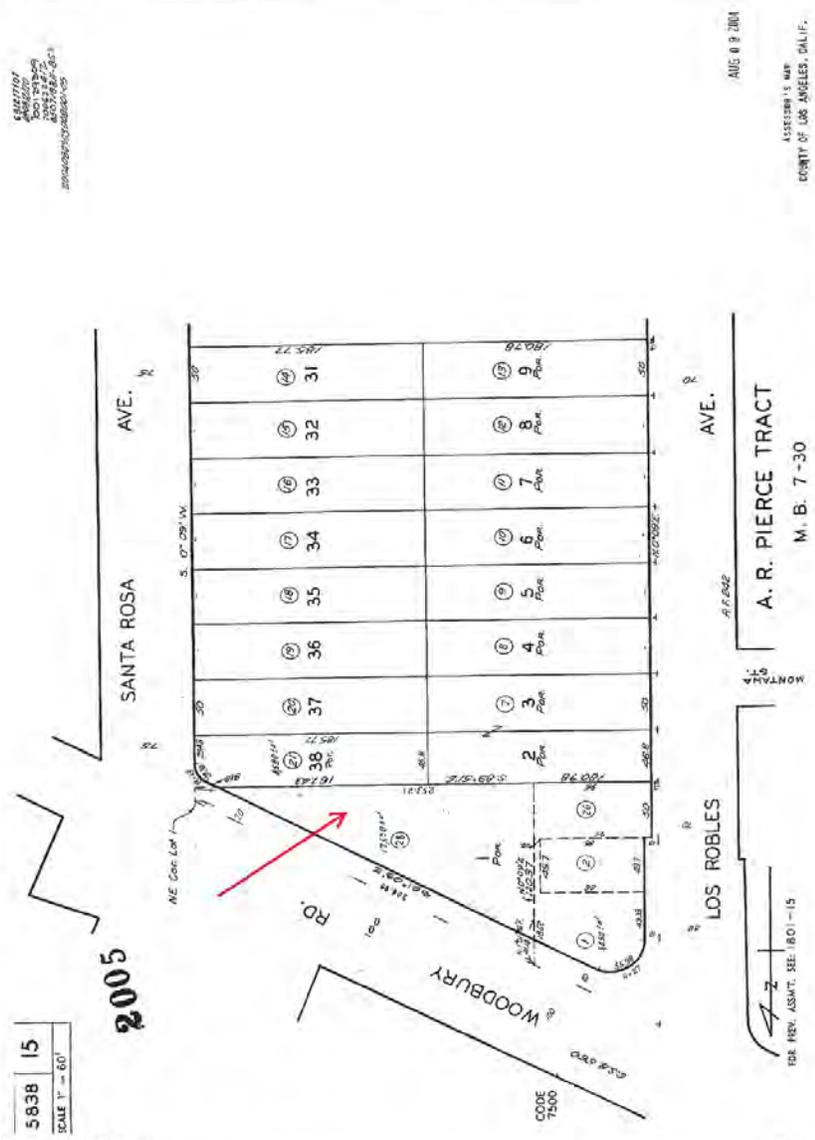
**COMERICA BANK
2321 ROSECRANS AVENUE,# 5000
EL SEGUNDO,CA 90245**

**ABA # 121137522
CREDIT: PROGRESSIVE TITLE COMPANY – (PR1380478, TOM LERETTE)
ACCOUNT # 1892380336**

SHOULD YOUR WIRE INSTRUCTION BE INCOMPLETE OR INCORRECT, IT WILL BE RETURNED
WITHOUT NOTICE.

IF YOU HAVE ANY QUESTIONS IN THIS REGARD PLEASE CONTACT YOUR TITLE OFFICER
IMMEDIATELY.

Title Officer: 80 Order: PR1182314 Comment:



Document: 5838.15

Printed on 10/28/2011 1:56:55 PM Provided by Data Trace System

Page 1 of 1

This plat is for your aid in locating your land with reference to streets and other parcels. While this plat is believed to be correct, the company assumes no liability for any loss occurring by reason of reliance thereon.

PROGRESSIVE TITLE COMPANY

PRIVACY POLICY

We are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information – particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and companies involved in real estate services, such as home warranty companies.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to help ensure that your information will be handled responsibly and in accordance with this Privacy Policy. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

PROGRESSIVE TITLE COMPANY

Available Discounts

PROGRESSIVE TITLE COMPANY is pleased to inform you that upon proper qualification, there are premium discounts available upon the purchase of title insurance covering improved property with a one to four family residential dwelling.

Such discounts could apply to:

- Property located within an area proclaimed a state or federal disaster area
- Property purchased from a foreclosing beneficiary or successful bidder at a foreclosure sale
- Property being refinanced

Please talk with your title officer to determine your qualification for any of these discounts.

EXHIBIT B

LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (By Policy Type)

**1. CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY – 1990
SCHEDULE B**

EXCEPTIONS FROM COVERAGE

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 notice 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, which are 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.

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 and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (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 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 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.
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 or interest insured by their 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.

**2. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992
WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE**

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 and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (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 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.
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) 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 insured under this policy;
(c) resulting in no loss or damage to the insured claimant;
(d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or the extent insurance is afforded herein as to assessments for street improvements under construction or completed at 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.
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 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 statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
(i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
(ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
(iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
(a) to timely record the instrument of transfer; or
(b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

**3. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association Policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy, the exclusions set forth in paragraph 6 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

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.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are 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. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

- (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 (this paragraph does not limit the coverage provided under Covered Risks 8, 16, 18, 19, 20, 21, 22, 23, 24, 25 and 26); or
 - (e) resulting in loss or damage which 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 the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with 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, except as provided in Covered Risk 27, or any consumer credit protection or truth in lending law.
6. Real property taxes or assessments of any governmental authority which become a lien on the Land subsequent to Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 7, 8(e) and 26.
7. Any claim of invalidity, unenforceability or lack 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. This exclusion does not limit the coverage provided in Covered Risk 8.
8. Lack of priority of the lien of the Insured Mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting the title, the existence of which are Known to the Insured at:
- (a) The time of the advance; or
 - (b) The time a modification is made to the terms of the Insured Mortgage which changes the rate of interest charged, if the rate of interest is greater as a result of the modification than it would have been before the modification. This exclusion does not limit the coverage provided in Covered Risk 8.
9. The failure of the residential structure, or any portion thereof to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at Date of Policy.

9. 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 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 law.
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.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).

10. 2006 ALTA LOAN POLICY (06-17-06)

WITH REGIONAL EXCEPTIONS

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 8 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

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:

Part One:

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.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by 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. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

11. 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.

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.

12. 2006 ALTA OWNER'S POLICY (06-17-06)

WITH REGIONAL EXCEPTIONS

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 8 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

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:

Part One:

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.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by 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. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

EXHIBIT 4



RESIDENTIAL INCOME PROPERTY PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

(C.A.R. Form RIPA, Revised 4/11)

Date: March 19, 2013

1. OFFER:
 - A. THIS IS AN OFFER FROM Lucky INKJ 1688 LLC ("Buyer").
 Individual(s), A Corporation, A Partnership, An LLC, An LLP, Other
 - B. THE REAL PROPERTY TO BE ACQUIRED is described as 476 E. Woodbury Road E, Assessor's Parcel No. _____, situated in Pasadena 91104, County of Los Angeles, California, ("Property").
 - C. THE PURCHASE PRICE offered is One Million, Four Hundred Fifty Thousand (Dollars \$ 1,450,000.00).
 - D. CLOSE OF ESCROW shall occur on _____ (date) (or 30 Days After Acceptance).
2. AGENCY:
 - A. POTENTIALLY COMPETING BUYERS AND SELLERS: Buyer and Seller each acknowledge receipt of a disclosure of the possibility of multiple representation by the Broker representing that principal. This disclosure may be part of a listing agreement, buyer representational agreement or separate document (C.A.R. Form DA). Buyer understands that Broker representing Buyer may also represent other potential buyers, who may consider, make offers on or ultimately acquire the Property. Seller understands that Broker representing Seller may also represent other sellers with competing properties of interest to this Buyer.
 - B. CONFIRMATION: The following agency relationships are hereby confirmed for this transaction:
 Listing Agent Rodeo Realty (Print Firm Name) is the agent of (check one):
 the Seller exclusively; or both the Buyer and Seller.
 Selling Agent Ants Realty inc (Print Firm Name) (if not the same as the Listing Agent) is the agent of (check one): the Buyer exclusively; or the Seller exclusively; or both the Buyer and Seller. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.
 - C. DISCLOSURE: If the Property contains 1-4 residential dwelling units, Buyer and Seller each acknowledge prior receipt of C.A.R. Form AD "Disclosure Regarding Real Estate Agency Relationships."
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 \$ 100,000.00
 (1) Buyer shall deliver deposit directly to Escrow Holder by personal check, electronic funds transfer, Other _____ within 3 business days after acceptance (or Other _____);
 OR (2) (If checked) 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 (or into Broker's trust account) within 3 business days after Acceptance (or Other _____).
 - B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of \$ _____ within _____ Days After Acceptance, or _____ If a liquidated damages clause is incorporated into this Agreement, Buyer and Seller shall sign a separate liquidated damages clause (C.A.R. Form RID) for any increased deposit at the time it is deposited.
 - C. LOAN(S):
 - (1) FIRST LOAN in the amount of \$ _____ This loan will be conventional financing or, if checked, FHA, VA, Seller (C.A.R. Form SFA), assumed (C.A.R. Form PAA), subject to financing, Other _____. This loan shall be at a fixed rate not to exceed _____ % or, an adjustable rate loan with initial rate not to exceed _____ % Regardless of the type of loan, Buyer shall pay points not to exceed _____ % of the loan amount.
 - (2) SECOND LOAN in the amount of \$ _____ This loan will be conventional financing or, if checked, Seller (C.A.R. Form SFA), assumed (C.A.R. Form PAA), subject to financing, Other _____. This loan shall be at a fixed rate not to exceed _____ % or, an adjustable rate loan with initial rate not to exceed _____ % Regardless of the type of loan, Buyer shall pay points not to exceed _____ % of the loan amount.
 - (3) FHA/VA: For any FHA or VA loan specified above, 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 repair. Seller has no obligation to pay for repairs or satisfy lender requirements unless otherwise agreed in writing.
 - D. ADDITIONAL FINANCING TERMS: _____
 - E. BALANCE OF PURCHASE PRICE OR DOWN PAYMENT in the amount of \$ 1,350,000.00 to be deposited with Escrow Holder within sufficient time to close escrow.
 - F. PURCHASE PRICE (TOTAL): \$ 1,450,000.00
 - G. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS: Buyer (or Buyer's lender or loan broker pursuant to 3H(1)) shall, within 7 (or _____) Days After Acceptance, Deliver to Seller written verification of Buyer's down payment and closing costs. (If checked, verification attached.)

Buyer's Initials (ly) (_____)

Seller's Initials (_____) (_____)

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 © 1998-2011, CALIFORNIA ASSOCIATION OF REALTORS®, INC. ALL RIGHTS RESERVED.

RIPA REVISED 4/11 (PAGE 1 OF 10)

Reviewed by _____ Date _____



RESIDENTIAL INCOME PROPERTY PURCHASE AGREEMENT (RIPA PAGE 1 OF 10)

Agent: Xiang Xu	Phone: 626-831-7568	Fax: 909-396-9829	Prepared using zipForm® software
Broker: ANTS Realty Inc 22632 Golden Springs Dr., #180 Diamond Bar		CA 91765	

476 E. Woodbury Road E

Property Address: Pasadena 91104

Date: March 19, 2013

H. LOAN TERMS:

(1) LOAN APPLICATIONS: Within 7 (or []) Days After Acceptance, Buyer shall Deliver to Seller a letter from 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 3C above. (If checked, [] letter attached.)

(2) LOAN CONTINGENCY: Buyer shall act diligently and in good faith to obtain the designated loan(s). Obtaining the loan(s) specified above is a contingency of this Agreement unless otherwise agreed in writing. Buyer's contractual obligations to obtain and provide deposit, balance of down payment and closing costs are not contingencies of this Agreement.

(3) LOAN CONTINGENCY REMOVAL:

(i) Within 17 (or []) Days After Acceptance, Buyer shall, as specified in paragraph 18, in writing remove the loan contingency or cancel this Agreement;

OR (ii) (If checked) [] the loan contingency shall remain in effect until the designated loans are funded.

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

(5) ASSUMED OR SUBJECT TO FINANCING: Seller represents that Seller is not delinquent on any payments due on any loans. If Property is acquired subject to an existing loan, Buyer and Seller are advised to consult with legal counsel regarding the ability of an existing lender to call the loan due, and the consequences thereof.

I. APPRAISAL CONTINGENCY AND REMOVAL: This Agreement is (or, if checked, [] is NOT) contingent upon a written appraisal of the Property by a licensed or certified appraiser at no less than the specified purchase price. If there is a loan contingency, Buyer's removal of the loan contingency shall be deemed removal of this appraisal contingency (or, [] if checked, Buyer shall, as specified in paragraph 18B(3), in writing remove the appraisal contingency or cancel this Agreement within 17 (or []) Days After Acceptance). If there is no loan contingency, Buyer shall, as specified in paragraph 18B(3), in writing remove the appraisal contingency or cancel this Agreement within 17 (or []) Days After Acceptance.

J. [X] ALL CASH OFFER (If checked): Buyer shall, within 7 (or []) Days After Acceptance, Deliver to Seller written verification of sufficient funds to close this transaction. (If checked, [X] verification attached.)

K. BUYER STATED FINANCING: Seller has relied on Buyer's representation of the type of financing specified (including but not limited to, as applicable, amount of down payment, contingent or non contingent loan, or all cash). If Buyer seeks alternate financing, (i) Seller has no obligation to cooperate with Buyer's efforts to obtain such financing, and (ii) Buyer shall also pursue the financing method specified in this Agreement. Buyer's failure to secure alternate financing does not excuse Buyer from the obligation to purchase the Property and close escrow as specified in this Agreement.

4. ALLOCATION OF COSTS (If checked): Unless otherwise specified in writing, this paragraph only determines who is to pay for the inspection, test or service ("Report") mentioned; it does not determine who is to pay for any work recommended or identified in the Report.

A. INSPECTIONS AND REPORTS:

(1) [] Buyer [] Seller shall pay for an inspection and report for wood destroying pests and organisms ("Wood Pest Report") prepared by [] a registered structural pest control company.

(2) [] Buyer [] Seller shall pay to have septic or private sewage disposal systems inspected []

(3) [] Buyer [] Seller shall pay to have domestic wells tested for water potability and productivity []

(4) [] Buyer [X] Seller shall pay for a natural hazard zone disclosure report prepared by []

(5) [] Buyer [] Seller shall pay for the following inspection or report []

(6) [] Buyer [] Seller shall pay for the following inspection or report []

B. GOVERNMENT REQUIREMENTS AND RETROFIT:

(1) [] Buyer [] Seller shall pay for smoke detector installation and/or water heater bracing, if required by Law. Prior to Close Of Escrow, Seller shall provide Buyer written statements of compliance in accordance with state and local Law, unless exempt.

(2) [] Buyer [] Seller shall pay the cost of compliance with any other minimum mandatory government retrofit standards, inspections and reports if required as a condition of closing escrow under any Law. []

(3) [] Buyer [] Seller shall pay for installation of approved fire extinguisher(s), sprinkler(s), and hose(s), if required by Law, which shall be installed prior to Close Of Escrow. Prior to Close Of Escrow, Seller shall provide Buyer a written statement of compliance, if required by Law.

(4) [] Buyer [] Seller shall pay for installation of drain cover and anti-entrapment device or system for any pool or spa meeting the minimum requirements permitted by the U.S. Consumer Products and Safety Commission.

C. ESCROW AND TITLE:

(1) [X] Buyer [X] Seller shall pay escrow fee buyer and seller pay for his own portion Escrow Holder shall be []

(2) [] Buyer [X] Seller shall pay for owner's title insurance policy specified in paragraph 17 [] 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 [X] Seller shall pay County transfer tax or fee []

(2) [] Buyer [X] Seller shall pay City transfer tax or fee []

(3) [] Buyer [] Seller shall pay Homeowner's Association ("HOA") transfer fee []

(4) [] Buyer [] Seller shall pay HOA document preparation fees []

(5) [] Buyer [] Seller shall pay the cost, not to exceed \$ [] of a one-year home warranty plan, issued by [] with the following optional coverages:

[X] Air Conditioner [] Pool/Spa [] Code and Permit upgrade [] 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.

(6) [] Buyer [] Seller shall pay for []

(7) [] Buyer [] Seller shall pay for []

Buyer's Initials ([]) ([])

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

Copyright © 1998-2011, CALIFORNIA ASSOCIATION OF REALTORS®, INC. RIPA REVISED 4/11 (PAGE 2 OF 10)

Reviewed by [] Date []



RESIDENTIAL INCOME PROPERTY PURCHASE AGREEMENT (RIPA PAGE 2 OF 10)

el monte mobil

476 E. Woodbury Road E

Property Address: Pasadena 91104

Date: March 19, 2013

5. CLOSING AND POSSESSION:

- A. Buyer intends (or does not intend) to occupy any unit in the Property as Buyer's primary residence.
- B. Seller-occupied or vacant property: Possession shall be delivered to Buyer at 5 PM or (_____ AM PM) on the date of Close Of Escrow; on _____; or no later than _____ Days After Close Of Escrow. If transfer of title and possession do not occur at the same time, Buyer and Seller are advised to: (i) enter into a written occupancy agreement (C.A.R. Form PAA, paragraph 2); and (ii) consult with their insurance and legal advisors.
- C. Tenant occupied units: Possession and occupancy, subject to the rights of tenants under existing leases, shall be delivered to Buyer on Close Of Escrow.
- D. At Close Of Escrow, (i) Seller assigns to Buyer any assignable warranty rights for items included in the sale, and (ii) Seller shall Deliver to Buyer available Copies of warranties. Brokers cannot and will not determine the assignability of any warranties.
- E. At Close Of Escrow, unless otherwise agreed in writing, Seller shall provide keys and/or means to operate all locks, mailboxes, security systems, alarms 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.

6. SECURITY DEPOSITS: Security deposits, if any, to the extent they have not been applied by Seller in accordance with any rental agreement and current Law, shall be transferred to Buyer on Close Of Escrow. Seller shall notify each tenant, in compliance with the California Civil Code.

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

A. LEAD-BASED PAINT HAZARD DISCLOSURES:

- (1) Seller shall, within the time specified in paragraph 18, deliver to Buyer, if required by Law, Federal Lead-Based Paint Disclosures and pamphlet ("Lead Disclosures"). If the Lead Disclosures are 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. (Lead Disclosures sent by mail must be sent certified mail or better.)
- (2) Buyer shall, within the time specified in paragraph 18, return a Signed Copy of the Lead Disclosure to Seller.

B. NATURAL AND ENVIRONMENTAL HAZARDS: Within the time specified in paragraph 18, Seller shall, if required by Law: (i) deliver to Buyer earthquake guides (and questionnaire) and environmental hazards booklet; and (ii) even if exempt from the obligation to provide a NHD, 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; 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 18A, to avoid required withholding, Seller shall Deliver to Buyer or qualified substitute, an affidavit sufficient to comply with federal (FIRPTA) and California withholding Law. (C.A.R. Form AS or QS).

D. MEGAN'S LAW DATABASE DISCLOSURE: Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Seller nor Brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's inspection contingency period. Brokers do not have expertise in this area.)

8. RESIDENTIAL 1 - 4 PROPERTIES: STATUTORY DISCLOSURES (INCLUDING LEAD-BASED PAINT HAZARD DISCLOSURES) AND CANCELLATION RIGHTS:

- A. (1) Seller shall, within the time specified in paragraph 18A, deliver to Buyer, if required by Law: (i) Federal Lead-Based Paint Disclosures (C.A.R. Form FLD) and pamphlet ("Lead Disclosures"); and (ii) 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 of 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 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 SSD).
- (2) Buyer shall, within the time specified in paragraph 18B(1), return Signed Copies of the Statutory and Lead Disclosures to Seller.
- (3) If any disclosure or notice specified in 8A(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.

9. SELLER DOCUMENTATION AND ADDITIONAL DISCLOSURE: Within the time specified in paragraph 18, Seller shall disclose, make available or Deliver, as applicable, to Buyer the following information.

- A. RENTAL/SERVICE AGREEMENTS: Seller shall make available to Buyer for inspection and review: (i) all current leases, rental agreements, service contracts, and other agreements pertaining to the operation of the Property; (ii) a rental statement including names of tenants, rental rates, period of rental, date of last rent increase, security deposits, rental concessions, rebates or other benefits, if any, and a list of delinquent rents and their duration. Seller represents that no tenant is entitled to any rebate, concession, or other benefit, except as set forth in these documents. Seller represents that the documents to be furnished are those maintained in the ordinary and normal course of business.
- B. INCOME AND EXPENSE STATEMENTS: Seller shall make available to Buyer the books and records for the Property, including a statement of income and expense for the 12 months preceding Acceptance. Seller represents that the books and records are those maintained in the ordinary and normal course of business, and used by Seller in the computation of federal and state income tax returns.
- C. TENANT ESTOPPEL CERTIFICATES: (If checked) Seller shall Deliver to Buyer tenant estoppel certificates (C.A.R. Form TEC) completed by Seller or Seller's agent, and signed by tenants, acknowledging: (i) that tenants' rental or lease agreements are unmodified and in full force and effect (or if modified, stating all such modifications); (ii) that no lessor defaults exist; and (iii) stating the amount of any prepaid rent or security deposit.
- D. SURVEY, PLANS, AND ENGINEERING DOCUMENTS: Seller shall, at no cost to Buyer, Deliver to Buyer Copies of surveys, plans, specifications, and engineering documents, if any, prepared on Seller's behalf or in Seller's possession.
- E. PERMITS: If in Seller's possession, Seller shall Deliver to Buyer Copies of all permits and approvals concerning the Property, obtained from any governmental entity, including, but not limited to, certificates of occupancy, conditional use permits, development plans, and licenses and permits pertaining to the operation of the Property.

Buyer's Initials (W) (_____)
Copyright © 1998-2011, CALIFORNIA ASSOCIATION OF REALTORS®, INC.
RIPA REVISED 4/11 (PAGE 3 OF 10)

Seller's Initials (_____) (_____)

Reviewed by _____ Date _____



el monte mobil

RESIDENTIAL INCOME PROPERTY PURCHASE AGREEMENT (RIPA PAGE 3 OF 10)

476 E. Woodbury Road E

Property Address: Pasadena 91104.

Date: March 19, 2013

- F. **STRUCTURAL MODIFICATIONS:** Seller shall disclose to Buyer in writing any known structural additions or alterations to, or the installation, alteration, repair or replacement of, significant components of the structure(s) upon the Property.
- G. **SELLER REPRESENTATION:** Seller represents that Seller has no actual knowledge: (i) of any current pending lawsuit(s), investigation(s), inquiry(ies), action(s), or other proceeding(s) affecting the Property or the right to use and occupy it; (ii) of any unsatisfied mechanic's or materialman lien(s) affecting the Property; and (iii) that any tenant of the Property is the subject of a bankruptcy. If Seller receives any such notice prior to Close Of Escrow, Seller shall immediately notify Buyer.
- H. **GOVERNMENTAL COMPLIANCE:**
 - (1) Seller shall disclose to Buyer any improvements, additions, alterations, or repairs to the Property made by Seller, or known to Seller to have been made, without required governmental permits, final inspections, and approvals.
 - (2) Seller shall disclose to Buyer if Seller has actual knowledge of any notice of violations of Law filed or issued against the Property.
- 10. **SUBSEQUENT DISCLOSURES:** In the event Seller, 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 Deliver 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.
- 11. **CHANGES DURING ESCROW:**
 - A. Prior to Close Of Escrow, Seller may engage in the following acts, ("Proposed Changes"), subject to Buyer's rights in paragraph 18B: (i) rent or lease any vacant unit or other part of the premises; (ii) alter, modify or extend any existing rental or lease agreement; (iii) enter into, alter, modify or extend any service contract(s); or (iv) change the status of the condition of the Property.
 - B. At least 7 (or _____) Days Prior to any Proposed Changes, Seller shall Deliver written notice to Buyer of such Proposed Changes.
- 12. **CONDOMINIUM/PLANNED UNIT DEVELOPMENT DISCLOSURES:**
 - A. **SELLER HAS:** 7 (or _____) Days After Acceptance to disclose to Buyer whether the Property is a condominium, or is located in a planned development or other common interest subdivision (C.A.R. Form SPQ or SSD).
 - B. If 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 HOA): (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 HOA's governing the Property (collectively, "CI Disclosures"). 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 18B(3).
- 13. **ITEMS INCLUDED AND EXCLUDED:**
 - 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 13B or C.
 - B. **ITEMS INCLUDED IN SALE:**
 - (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 systems, built-in appliances, window and door screens, awnings, shutters, window coverings, attached floor coverings, television antennas, satellite dishes, private integrated telephone systems, air coolers/conditioners, pool/spa equipment, garage door openers/remote controls, mailbox, in-ground landscaping, trees/shrubs, water softeners, water purifiers, security systems/alarms;
 - (3) A complete inventory of all personal property of Seller currently used in the operation of the Property and included in the purchase price shall be delivered to Buyer within the time specified in paragraph 18.
 - (4) Seller represents that all items included in the purchase price, unless otherwise specified, are owned by Seller.
 - (5) Seller shall deliver title to the personal property by Bill of Sale, free of all liens and encumbrances, and without warranty of condition.
 - (6) As additional security for any note in favor of Seller for any part of the purchase price, Buyer shall execute a UCC-1 Financing Statement to be filed with the Secretary of State, covering the personal property included in the purchase, replacement thereof, and insurance proceeds.
 - C. **ITEMS EXCLUDED FROM SALE:** _____
- 14. **CONDITION OF PROPERTY:** Unless otherwise agreed: (i) the Property is sold (a) in its PRESENT physical ("as-is") 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 of the date of Acceptance; and (iii) all debris and personal property not included in the sale shall be removed by Seller by Close Of Escrow.
 - A. Seller warrants that the Property is legally approved as 12 units.
 - B. Seller shall, within the time specified in paragraph 18, 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.
 - C. Buyer has the right to inspect the Property and, as specified in paragraph 18, based upon information discovered in those inspections: (i) cancel this Agreement; or (ii) request that Seller make Repairs or take other action.
 - D. Buyer is strongly advised to conduct investigations of the entire Property in order to determine its present condition since 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.
- 15. **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 18B. Within the time specified in paragraph 18B(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, the right to: (i) inspect for lead-based paint and other lead-based paint hazards; (ii) inspect for wood destroying pests and organisms; (iii) review the registered sex offender database; (iv) confirm the insurability of Buyer and the Property; and (v) satisfy Buyer as to any matter specified in the

Buyer's Initials (W) (_____)

Seller's Initials (_____) (_____)

Copyright © 1998-2011, CALIFORNIA ASSOCIATION OF REALTORS®, INC.
RIPA REVISED 4/11 (PAGE 4 OF 10)

Reviewed by _____ Date _____



RESIDENTIAL INCOME PROPERTY PURCHASE AGREEMENT (RIPA PAGE 4 OF 10)

el monte mobil

476 E. Woodbury Road E

Property Address: Pasadena 91104

Date: March 19, 2013

attached Buyer's Inspection Advisory (C.A.R. Form BIA). Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer Investigations; or (ii) 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 18B, complete Buyer Investigations and either remove the contingency or cancel this Agreement, and (ii) give Seller, at no cost, complete Copies of all 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 of Buyer's Investigations. 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 or cancellation of this Agreement and Close Of Escrow.

16. SELLER DISCLOSURES; ADDENDA; ADVISORIES; OTHER TERMS:

- A. **Seller Disclosures (if checked):** Seller shall, within the time specified in paragraph 18A, complete and Deliver to Buyer a:
 - Seller Property Questionnaire (C.A.R. Form SPQ) OR Supplemental Contractual and Statutory Disclosure (C.A.R. Form SSD)
- B. **Addenda (if checked):**
 - Addendum # _____ (C.A.R. Form ADM)
 - Wood Destroying Pest Inspection and Allocation of Cost Addendum (C.A.R. Form WPA)
 - Purchase Agreement Addendum (C.A.R. Form PAA) Septic, Well and Property Monument Addendum (C.A.R. Form SWPI)
 - Short Sale Addendum (C.A.R. Form SSA) Other _____
 - Seller Intent to Exchange Supplement (C.A.R. Form SES) Buyer Intent to Exchange Supplement (C.A.R. Form BES)
- C. **Advisories (if checked):**
 - Buyer's Inspection Advisory (C.A.R. Form BIA)
 - Probate Advisory (C.A.R. Form PAK) Statewide Buyer and Seller Advisory (C.A.R. Form SBSA)
 - Trust Advisory (C.A.R. Form TA) REO Advisory (C.A.R. Form REO)
- D. **Other Terms:** _____

17. TITLE AND VESTING:

- A. Within the time specified in paragraph 18, Buyer shall be provided a current preliminary title report, which shall include a search of the General Index, Seller shall within 7 Days After Acceptance, give Escrow Holder a completed Statement of Information. 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 18B.
- 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: (i) monetary liens of record 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 18A, 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.
- E. Buyer shall receive a standard coverage owner's CLTA policy of title insurance. An ALTA policy or the addition of endorsements may provide greater coverage for Buyer. A title company, at Buyer's request, can provide information about availability, desirability, coverage, survey requirements and cost of various title insurance coverages and endorsements. If Buyer desires title coverage other than that required by this paragraph, Buyer shall instruct Escrow Holder in writing and pay any increase in cost.

18. TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS: The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph by either buyer or seller must be exercised in good faith and in writing (C.A.R. Form CR or CC).

- A. **SELLER HAS: 7 (or _____) Days After Acceptance** to deliver to Buyer all reports, disclosures and Information for which Seller is responsible under paragraphs 4, 7A, B and C, 8A, 9, 12A, 13B(3), 14B, 16A and B, and 17. Buyer may give Seller a Notice to Seller to perform (C.A.R. Form NSP) if Seller has not Delivered the Items within the time specified.
- B. (1) **BUYER HAS: 17 (or _____) Days After Acceptance**, unless otherwise agreed in writing, to:
 - (i) complete all Buyer Investigations; approve all disclosures, reports and other applicable information, which Buyer receives from Seller; and approve all other matters affecting the Property; and
 - (ii) Deliver to Seller Signed Copies of Statutory and Lead Disclosures Delivered by Seller in accordance with paragraphs 7A or 8A.
- (2) Within the time specified in 18B(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 Buyer's requests.
- (3) Within the time specified in 18B(1) (or as otherwise specified in this Agreement), Buyer shall Deliver to Seller either (i) a removal of the applicable contingency (C.A.R. Form CR), or (ii) a cancellation (C.A.R. Form CC) of this Agreement based upon a remaining contingency or Seller's failure to Deliver the specified Items. However, if any report, disclosure or information for which Seller is responsible is not Delivered within the time specified in 18A, then Buyer has 5 (or _____) Days After Delivery of any such Items, or the time specified in 18B(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 18B(1) and before Seller cancels this Agreement, if at all, pursuant to 18C, Buyer retains the right to either (i) in writing remove remaining contingencies, or (ii) cancel this Agreement based upon a remaining contingency. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to 18C(1).

Buyer's Initials (m/) (_____)

Seller's Initials (_____) (_____)

Copyright © 1998-2011, CALIFORNIA ASSOCIATION OF REALTORS®, INC.
RIPA REVISED 4/11 (PAGE 5 OF 10)

Reviewed by _____ Date _____



RESIDENTIAL INCOME PROPERTY PURCHASE AGREEMENT (RIPA PAGE 5 OF 10)

el monte mobil

476 E. Woodbury Road E

Property Address: Pasadena 91104

Date: March 19, 2013

C. SELLER RIGHT TO CANCEL:

- (1) **Seller right to Cancel; Buyer Contingencies:** If, within the time specified in this Agreement, Buyer does not in writing 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 return of Buyer's deposit.
- (2) **Seller right to Cancel; Buyer Contract Obligations:** Seller, after first Delivering to Buyer a NBP may cancel this Agreement for any of the following reasons: (i) if Buyer fails to deposit funds as required by 3A or 3B; (ii) if the funds deposited pursuant to 3A or 3B are not good when deposited; (iii) if Buyer fails to Deliver a notice of FHA or VA costs or terms as required by 3C(3) (C.A.R. Form FVA); (iv) if Buyer fails to Deliver a letter as required by 3H; (v) if Buyer fails to Deliver verification as required by 3G or 3J; (vi) if Seller reasonably disapproves of the verification provided by 3G or 3J; (vii) if Buyer fails to return Statutory and Lead Disclosures as required by paragraphs 7A(2) or 8A(2); or (viii) if Buyer fails to sign or initial a separate liquidated damages form for an increased deposit as required by paragraphs 3B and 34. In such event, Seller shall authorize return of Buyer's deposit.
- (3) **Notice To Buyer To Perform:** The NBP shall: (i) be in writing; (ii) be signed by Seller; and (iii) give Buyer 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 may not be Delivered any earlier than 2 Days Prior to the expiration of the applicable time for Buyer to remove a contingency or cancel this Agreement or meet an obligation specified in 18C(2).

D. **EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES:** If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in a separate written agreement between Buyer and Seller, Buyer shall with regard to that contingency or cancellation right conclusively be deemed to have: (i) completed all Buyer Investigations, and review of reports and other applicable information and disclosures (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections or for inability to obtain financing.

E. **CLOSE OF ESCROW:** Before Seller or Buyer may cancel this Agreement for failure of the other party to close escrow pursuant to this Agreement, Seller or Buyer must first Deliver to the other a demand to close escrow (C.A.R. Form DCE).

F. **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, Buyer and Seller 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. **Release of funds will require mutual Signed release instructions from Buyer and Seller, judicial decision or arbitration award. A Buyer or Seller may be subject to a civil penalty of up to \$1,000 for refusal to sign such instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).**

19. **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 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 receipts and statements to Buyer prior to final verification of condition.

20. **ENVIRONMENTAL HAZARD CONSULTATION:** Buyer and Seller acknowledge: (i) Federal, state, and local legislation impose liability upon existing and former owners and users of real property, in applicable situations, for certain legislatively defined, environmentally hazardous substances; (ii) Broker(s) has/have made no representation concerning the applicability of any such Law to this transaction or to Buyer or to Seller, except as otherwise indicated in this Agreement; (iii) Broker(s) has/have made no representation concerning the existence, testing, discovery, location and evaluation of/for, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property; and (iv) Buyer and Seller are each advised to consult with technical and legal experts concerning the existence, testing, discovery, location and evaluation of/for, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property.

21. **AMERICANS WITH DISABILITIES ACT:** The Americans With Disabilities Act ("ADA") prohibits discrimination against individuals with disabilities. The ADA affects almost all commercial facilities and public accommodations. Residential properties are not typically covered by the ADA, but may be governed by its provisions if used for certain purposes. The ADA can require, among other things, that buildings be made readily accessible to the disabled. Different requirements apply to new construction, alterations to existing buildings, and removal of barriers in existing buildings. Compliance with the ADA may require significant costs. Monetary and injunctive remedies may be incurred if the Property is not in compliance. A real estate broker does not have the technical expertise to determine whether a building is in compliance with ADA requirements, or to advise a principal on those requirements. Buyer and Seller are advised to contact an attorney, contractor, architect, engineer or other qualified professional of Buyer or Seller's own choosing to determine to what degree, if any, the ADA impacts that principal or this transaction.

22. **FINAL VERIFICATION OF CONDITION:** Buyer shall have the right to make a final inspection 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 14; (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).

23. **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 a current 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 a current lien but not yet due. The 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. Forms SPT or SBSA for further information). **BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.**

Buyer's Initials (*W*) (_____)

Seller's Initials (_____) (_____)

Copyright © 1998-2011, CALIFORNIA ASSOCIATION OF REALTORS®, INC.

RIPA REVISED 4/11 (PAGE 6 OF 10)

Reviewed by _____ Date _____



RESIDENTIAL INCOME PROPERTY PURCHASE AGREEMENT (RIPA PAGE 6 OF 10)

el monte mobil

476 E. Woodbury Road E

Property Address: Pasadena 91104

Date: March 19, 2013

- 24. **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.
- 25. **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.
- 26. **EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
- 27. **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 35A.
- 28. **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. "C.A.R. Form" means the specific form referenced or another comparable form agreed to by the parties.
 - C. "Close Of Escrow" means the date the grant deed, or other evidence of transfer of title, is recorded.
 - D. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
 - E. "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.
 - F. "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.
 - G. "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.
 - H. "Deliver", "Delivered" or "Delivery", regardless of the method used (i.e. messenger, mail, email, fax, other), means and shall be effective upon (i) personal receipt by Buyer or Seller or the individual Real Estate Licensee for that principal as specified in paragraph D of the section titled Real Estate Brokers on page 10; OR (ii) if checked, per the attached addendum (C.A.R. Form RDN).
 - I. "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.
 - J. "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.
 - K. "Repairs" means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
 - L. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.
- 29. **ASSIGNMENT:** Buyer shall not assign all or any part of Buyer's interests in this Agreement without first having obtained the written consent of Seller. Such consent shall not be unreasonably withheld, unless otherwise agreed in writing. Any total or partial assignment shall not relieve Buyer of Buyer's obligations pursuant to this Agreement.
- 30. **SUCCESSORS AND ASSIGNS:** This Agreement shall be binding upon, and inure to the benefit of, Buyer and Seller and their respective successors and assigns, except as otherwise provided herein.
- 31. **COPIES:** Seller and Buyer each represent that Copies of all reports, documents, certificates, approvals and other documents that are furnished to the other are true, correct and unaltered Copies of the original documents, if the originals are in the possession of the furnishing party.
- 32. **BROKERS:**
 - A. **BROKER COMPENSATION:** Seller or Buyer, or both, as applicable, agrees 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. **BROKERAGE:** Neither Buyer nor Seller has utilized the services of, or for any other reason owes compensation to, a licensed real estate broker (individual or corporate), agent, finder, or other entity, other than as specified in this Agreement, in connection with any act relating to the Property, including, but not limited to, inquiries, introductions, consultations and negotiations leading to this Agreement. Buyer and Seller each agree to indemnify and hold the other, the Brokers specified herein and their agents, harmless from and against any costs, expenses or liability for compensation claimed inconsistent with the warranty and representation in this paragraph.
- 33. **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 relating counter offers and addenda, and any additional mutual instructions to close the escrow: 1, 3, 4, 6, 7C, 16B and D, 17, 18F, 23, 28, 32A, 33, 37, 40, 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 32A, 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 of Buyer's or Seller's funds, or both, as applicable, the respective Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not specifically referenced above, 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 directly from Escrow Holder and will execute such provisions upon Escrow Holder's request. 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.

Buyer's Initials () ()

Seller's Initials () ()

Copyright © 1998-2011, CALIFORNIA ASSOCIATION OF REALTORS®, INC.
RIPA REVISED 4/11 (PAGE 7 OF 10)

Reviewed by Date



RESIDENTIAL INCOME PROPERTY PURCHASE AGREEMENT (RIPA PAGE 7 OF 10)

el monte mobil

476 E. Woodbury Road E

Property Address: Pasadena 91104

Date: March 19, 2013

- B. A Copy of this Agreement shall be delivered to Escrow Holder within 3 business days after Acceptance (or _____). Escrow Holder shall provide Seller's Statement of Information to Title company when the preliminary report is ordered. 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 the Agreement.
 - C. Brokers are a party to the Escrow for the sole purpose of compensation pursuant to paragraph 32A and paragraph D of the section titled Real Estate Brokers on page 10. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraph 32A, respectively, and irrevocably instructs 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. Escrow Holder shall immediately notify Brokers: (i) if Buyer's Initial or any additional deposit is not made pursuant to this Agreement or is not good at time of deposit with Escrow Holder; or (ii) if either Buyer or Seller instruct Escrow Holder to cancel escrow.
 - D. 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 2 business days after mutual execution of the amendment.
34. 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. Release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award. AT THE TIME OF THE INCREASED DEPOSIT, BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION FOR ANY INCREASED DEPOSIT (C.A.R. FORM RID).

Buyer's Initials <u>W</u> / _____	Seller's Initials _____ / _____
-----------------------------------	---------------------------------

35. DISPUTE RESOLUTION:

A. MEDIATION: Buyer and Seller 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. Buyer and Seller 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 35C.

B. ARBITRATION OF DISPUTES:

Buyer and Seller 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. Buyer and Seller 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 35C.

"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 <u>W</u> / _____	Seller's Initials _____ / _____
-----------------------------------	---------------------------------

C. ADDITIONAL MEDIATION AND ARBITRATION TERMS:

- (1) EXCLUSIONS: The following matters shall be 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; (iii) the filing or enforcement of a mechanic's lien; and (iv) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court. 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, shall not constitute a waiver or violation of the mediation and arbitration provisions.
- (2) 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 the Agreement.

Buyer's Initials (W) (_____)

Seller's Initials (_____) (_____)

Copyright © 1998-2011, CALIFORNIA ASSOCIATION OF REALTORS®, INC.
RIPA REVISED 4/11 (PAGE 8 OF 10)

Reviewed by _____ Date _____



RESIDENTIAL INCOME PROPERTY PURCHASE AGREEMENT (RIPA PAGE 8 OF 10)

el monte mobil

476 E. Woodbury Road E

Property Address: Pasadena 91104

Date: March 19, 2013

36. 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 such paragraph(s), 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. 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.

37. 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. **Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.**

38. AUTHORITY: Any person or persons signing this Agreement represent(s) that such person has full power and authority to bind that person's principal, and that the designated Buyer and Seller has full authority to enter into and perform this Agreement. Entering into this Agreement, and the completion of the obligations pursuant to this contract, does not violate any Articles of Incorporation, Articles of Organization, Bylaws, Operating Agreement, Partnership Agreement or other document governing the activity of either Buyer or Seller.

39. EXPIRATION OF OFFER: This offer shall be deemed revoked and the deposit shall be returned, 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, if checked by _____ AM PM) on (date), _____.

Buyer has read and acknowledges receipt of a Copy of the offer and agrees to the above confirmation of agency relationships.

Date March 19, 2013

BUYER [Signature] KIN YAM YA

By _____

Print name Lucky INKJ 1688, LLC

Title [Signature]

Address _____

Date _____

BUYER _____

By _____

Print name _____

Title _____

Address _____

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

40. 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, agrees to sell the Property on the above terms and conditions, and agrees to the above confirmation of agency relationships. Seller has read and acknowledges receipt of a Copy of this Agreement, and authorizes Broker to deliver a Signed Copy to Buyer.

(if checked) **SUBJECT TO ATTACHED COUNTER OFFER (C.A.R. FORM CO), DATED** _____

Date _____

SELLER _____

By _____

Print name _____

Title _____

Address _____

Date _____

SELLER _____

By _____

Print name _____

Title _____

Address _____

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

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

Buyer's Initials (Y) (_____)

Copyright © 1998-2011, CALIFORNIA ASSOCIATION OF REALTORS®, INC.

RIPA REVISED 4/11 (PAGE 9 OF 10)

Seller's Initials (_____) (_____)

Reviewed by _____ Date _____



RESIDENTIAL INCOME PROPERTY PURCHASE AGREEMENT (RIPA PAGE 9 OF 10)

el monte mobil

476 E. Woodbury Road E

Property Address: Pasadena 91104,

Date: March 19, 2013

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 above.
- C. If specified in paragraph 3A(2), Agent who submitted 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: (i) 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; or (ii) (If checked) the amount specified in a separate written agreement (C.A.R. Form CBC) between Listing Broker and Cooperating Broker. 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) Ants Realty Inc DRE Lic. # 01885514
 By Xiang Xu DRE Lic. # 01898424 Date 03/19/2013
 Address 22632 Golden Springs Dr City Diamond Bar State ca Zip 91765
 Telephone (626) 831-7568 Fax (909) 396-9829 E-mail kyvu122855@yahoo.com

Real Estate Broker (Listing Firm) Rodeo Realty DRE Lic. # _____
 By Jonathan R. Steele DRE Lic. # 01847464 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(s) numbered _____ Seller's Statement of Information and Other _____, and agrees to act as Escrow Holder subject to paragraph 33 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions, if any.

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 is licensed by the California Department of Corporations, Insurance, Real Estate. License # _____

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

THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY 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 available for use by the entire real estate industry. 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.

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

RIPA REVISED 4/11 (PAGE 10 OF 10)

Reviewed by _____ Date _____



RESIDENTIAL INCOME PROPERTY PURCHASE AGREEMENT (RIPA PAGE 10 OF 10)

el monte mobil



CALIFORNIA ASSOCIATION OF REALTORS®

BUYER'S INSPECTION ADVISORY

(C.A.R. Form BIA-A, Revised 10/02)

Property Address: 476 E. Woodbury Road E, Pasadena 91104, ("Property").

A. IMPORTANCE OF PROPERTY INVESTIGATION: The physical condition of the land and improvements being purchased is not guaranteed by either Seller or Brokers. For this reason, you should conduct thorough investigations of the Property personally and with professionals who should provide written reports of their investigations. 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.

B. BUYER RIGHTS AND DUTIES: 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. The purchase agreement gives you the right to investigate the Property. If you exercise this right, and you should, you must do so in accordance with the terms of that agreement. This is the best way for you to protect yourself. It is extremely important for you to read all written reports provided by professionals and to discuss the results of inspections with the professional who conducted the inspection. You have the right to request that Seller make repairs, corrections or take other action based upon items discovered in your investigations or disclosed by Seller. If Seller is unwilling or unable to satisfy your requests, or you do not want to purchase the Property in its disclosed and discovered condition, you have the right to cancel the agreement if you act within specific time periods. If you do not cancel the agreement in a timely and proper manner, you may be in breach of contract.

C. SELLER RIGHTS AND DUTIES: Seller is required to disclose to you material facts known to him/her that affect the value or desirability of the Property. However, Seller may not be aware of some Property defects or conditions. Seller does not have an obligation to inspect the Property for your benefit nor is Seller obligated to repair, correct or otherwise cure known defects that are disclosed to you or previously unknown defects that are discovered by you or your inspectors during escrow. The purchase agreement obligates Seller to make the Property available to you for investigations.

D. BROKER OBLIGATIONS: Brokers do not have expertise in all areas and therefore cannot advise you on many items, such as soil stability, geologic or environmental conditions, hazardous or illegal controlled substances, structural conditions of the foundation or other improvements, or the condition of the roof, plumbing, heating, air conditioning, electrical, sewer, septic, waste disposal, or other system. The only way to accurately determine the condition of the Property is through an inspection by an appropriate professional selected by you. If Broker gives you referrals to such professionals, Broker does not guarantee their performance. You may select any professional of your choosing. In sales involving residential dwellings with no more than four units, Brokers have a duty to make a diligent visual inspection of the accessible areas of the Property and to disclose the results of that inspection. However, as some Property defects or conditions may not be discoverable from a visual inspection, it is possible Brokers are not aware of them. If you have entered into a written agreement with a Broker, the specific terms of that agreement will determine the nature and extent of that Broker's duty to you. YOU ARE STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY. IF YOU DO NOT DO SO, YOU ARE ACTING AGAINST THE ADVICE OF BROKERS.

E. YOU ARE ADVISED TO CONDUCT INVESTIGATIONS OF THE ENTIRE PROPERTY, INCLUDING, BUT NOT LIMITED TO THE FOLLOWING:

- 1. GENERAL CONDITION OF THE PROPERTY, ITS SYSTEMS AND COMPONENTS: Foundation, roof, plumbing, heating, air conditioning, electrical, mechanical, security, pool/spa, other structural and non-structural systems and components and fixtures, built-in appliances, any personal property included in the sale, and energy efficiency of the Property. (Structural engineers are best suited to determine possible design or construction defects, and whether improvements are structurally sound.)
2. 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 natural or constructed barriers or markers do not necessarily identify true Property boundaries. (Professionals such as appraisers, architects, surveyors and civil engineers are best suited to determine square footage, dimensions and boundaries of the Property.)
3. WOOD DESTROYING PESTS: Presence of, or conditions likely to lead to the presence of wood destroying pests and organisms and other infestation or infection. Inspection reports covering these items can be separated into two sections: Section 1 identifies areas where infestation or infection is evident. Section 2 identifies areas where there are conditions likely to lead to infestation or infection. A registered structural pest control company is best suited to perform these inspections.
4. SOIL STABILITY: Existence of fill or compacted soil, expansive or contracting soil, susceptibility to slippage, settling or movement, and the adequacy of drainage. (Geotechnical engineers are best suited to determine such conditions, causes and remedies.)

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 © 1991-2004, CALIFORNIA ASSOCIATION OF REALTORS®, INC. ALL RIGHTS RESERVED.

BIA-A REVISED 10/02 (PAGE 1 OF 2)

Buyer's Initials (W) ()

Seller's Initials () ()

Reviewed by _____ Date _____



BUYER'S INSPECTION ADVISORY (BIA-A PAGE 1 OF 2)

Agent: Xiang Xu Phone: 626-831-7568 Fax: 909-396-9829 Prepared using zipForm® software
Broker: ANTS Realty Inc 22632 Golden Springs Dr., #180 Diamond Bar CA 91765

Property Address: 476 E. Woodbury Road E, Pasadena 91104,

Date: March 19, 2013

5. **ROOF:** Present condition, age, leaks, and remaining useful life. (Roofing contractors are best suited to determine these conditions.)
6. **POOL/SPA:** Cracks, leaks or operational problems. (Pool contractors are best suited to determine these conditions.)
7. **WASTE DISPOSAL:** Type, size, adequacy, capacity and condition of sewer and septic systems and components, connection to sewer, and applicable fees.
8. **WATER AND UTILITIES; WELL SYSTEMS AND COMPONENTS:** Water and utility availability, use restrictions and costs. Water quality, adequacy, condition, and performance of well systems and components.
9. **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). (For more information on these items, you may consult an appropriate professional or read the booklets "Environmental Hazards: A Guide for Homeowners, Buyers, Landlords and Tenants," "Protect Your Family From Lead in Your Home" or both.)
10. **EARTHQUAKES AND FLOODING:** Susceptibility of the Property to earthquake/seismic hazards and propensity of the Property to flood. (A Geologist or Geotechnical Engineer is best suited to provide information on these conditions.)
11. **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. (An insurance agent is best suited to provide information on these conditions.)
12. **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. (Such information is available from appropriate governmental agencies and private information providers. Brokers are not qualified to review or interpret any such information.)
13. **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. (Government agencies can provide information about these restrictions and other requirements.)
14. **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. Compliance requirements differ from city to city and county to county. Unless specifically agreed, the Property may not be in compliance with these requirements. (Local government agencies can provide information about these restrictions and other requirements.)
15. **NEIGHBORHOOD, AREA, SUBDIVISION CONDITIONS; PERSONAL FACTORS:** Neighborhood or area conditions, including schools, proximity and adequacy of law enforcement, crime statistics, the proximity of registered felons or offenders, fire protection, other government services, availability, adequacy and cost of any speed-wired, wireless internet connections or other telecommunications or other technology services and installations, proximity to 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.

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 providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (x) 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.

By signing below, Buyer and Seller each acknowledge that they have read, understand, accept and have received a Copy of this Advisory. Buyer is encouraged to read it carefully.

Buyer Signature [Signature] Date 03/19/2013
 Lucky INKJ 1688 LLC

Buyer Signature _____ Date _____

Seller Signature _____ Date _____
 seller

Seller Signature _____ Date _____

THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY 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 available for use by the entire real estate industry. 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 _____



BIA-A REVISED 10/02 (PAGE 2 OF 2)

BUYER'S INSPECTION ADVISORY (BIA-A PAGE 2 OF 2)

el monte mobil



CALIFORNIA ASSOCIATION OF REALTORS®

ADDENDUM (C.A.R. Form ADM, Revised 4/12)

No. 1

The following terms and conditions are hereby incorporated in and made a part of the: [] Residential Purchase Agreement, [] Manufactured Home Purchase Agreement, [] Business Purchase Agreement, [] Residential Lease or Month-to-Month Rental Agreement, [] Vacant Land Purchase Agreement, [X] Residential Income Property Purchase Agreement, [] Commercial Property Purchase Agreement, [] Other

dated 476 E Woodbury Road E, Pasadena, Ca 91104, on property known as 476 E. Woodbury Road E

in which Lucky INKJ 1688 LLC is referred to as ("Buyer/Tenant") and seller is referred to as ("Seller/Landlord")

- 1. Buyer is A California License Real Estate Broker
2. Buyer is related to agent

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this document.

Date 3-19-2013 Date

Buyer/Tenant Lucky INKJ 1688 LLC Seller/Landlord seller

Buyer/Tenant Seller/Landlord

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© 1986-2012, CALIFORNIA ASSOCIATION OF REALTORS®, INC. ALL RIGHTS RESERVED.

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

ADM REVISED 4/12 (PAGE 1 OF 1)

Reviewed by Date



ADDENDUM (ADM PAGE 1 OF 1)

Agent: Xiang Xu Phone: 626-831-7568 Fax: 909-396-9829 Prepared using zipForm® software
Broker: ANTS Realty Inc 22632 Golden Springs Dr., #180 Diamond Bar, CA 91765



**DISCLOSURE REGARDING
REAL ESTATE AGENCY RELATIONSHIP**

(Selling Firm to Buyer)
(As required by the Civil Code)
(C.A.R. Form AD, Revised 11/12)

(if checked) This form is being provided in connection with a transaction for a leaseholder interest in a dwelling exceeding one year as per Civil Code section 2079.13(j) and (l).

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. 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.

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. An agent acting only for a Buyer has the following affirmative obligations:

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. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

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. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction. **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).**

Buyer Seller Landlord Tenant _____ Date 03/19/2013
LUCKY INKJ 1688, LLC

Buyer Seller Landlord Tenant _____ Date _____

Agent _____ ANTS REALTY INC DRE Lic. # 01885514
Real Estate Broker (Firm)

By _____ DRE Lic. # 01898424 Date 03/19/2013
(Salesperson or Broker-Associate) XIANG XU

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:

Seller/Landlord <u>seller</u>	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 11/12 (PAGE 1 OF 2)

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

Agent: <u>XIANG XU</u>	Phon _____	Fax: 909-396-9829	Prepared using zipForm® software
Broker: ANTS Realty Inc 22632 Golden Springs Dr., #180 Diamond Bar		CA 91765	

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) "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. (e) "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. (f) "Listing agent" means a person who has obtained a listing of real property to act as an agent for compensation. (g) "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. (h) "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. (i) "Offer to purchase" means a written contract executed by a buyer acting through a selling agent which becomes the contract for the sale of the real property upon acceptance by the seller. (j) "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property which constitutes or is improved with one to four dwelling units, any leasehold in this type of property exceeding one year's duration, and mobile homes, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code. (k) "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. (l) "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. (m) "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. (n) "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. (o) "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.

Buyer's Initials (W) (_____)

Seller's Initials (_____) (_____)

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

AD REVISED 11/12 (PAGE 2 OF 2)

Reviewed by _____ Date _____



122 N Vevino D

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



CALIFORNIA ASSOCIATION OF REALTORS®

COUNTER OFFER No. 1

For use by Seller or Buyer. May be used for Multiple Counter Offer. (C.A.R. Form CO, Revised 11/10)

Date March 25, 2013

This is a counter offer to the: California Residential Purchase Agreement, Counter Offer No., or Other ("Offer"), dated March 19, 2013, on property known as 476 E Woodbury Road ("Property"), between Lucky INKJ 1688, LLC ("Buyer") and David M. Goodrich Ch 7 Trustee ("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.
 - 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: This Counter Offer and attached Addendum supersedes any and all prior agreements from the Seller.

D. The following attached addenda are incorporated into this Counter Offer: Addendum No. _____ Addendum to Counter Offer

2. RIGHT TO ACCEPT OTHER OFFERS: If this is a Seller Counter Offer, (i) Seller has the right to continue to offer the Property for sale or for another transaction, and to accept any other offer at any time prior to Acceptance, as described in paragraph 3 and (ii) Seller's acceptance of another offer prior to Buyer's Acceptance of this Counter Offer, shall revoke this Counter Offer.
3. EXPIRATION: This Counter Offer shall be deemed revoked and the deposits, if any, shall be returned unless this Counter Offer is signed by the Buyer or Seller to whom it is sent and a Copy of the signed Counter Offer is personally received by the person making this Counter Offer or by Jonathan Steele, who is authorized to receive it, by 5:00 PM on the third Day After the later date specified in paragraph 5 or, (if checked) by AM PM. This Counter Offer may be executed in counterparts.

4. (if checked:) MULTIPLE COUNTER OFFER: Seller is making a Counter Offer(s) to another prospective buyer(s) on terms that may or may not be the same as in this Counter Offer. Acceptance of this Counter Offer by Buyer shall not be binding unless and until it is subsequently re-Signed by Seller in paragraph 7 below and a Copy of the Counter Offer Signed in paragraph 7 is personally received by Buyer or by Xiang Xu, who is authorized to receive it, by 5:00 PM on the third Day After the later date specified in paragraph 5 or, (if checked) by AM PM. Prior to the completion of all of these events, Buyer and Seller shall have no duties or obligations for the purchase or sale of the Property. NOTE TO SELLER: Sign and date in paragraph 5 to make this Counter Offer.

5. OFFER: BUYER OR SELLER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY. Date 3/22/13
David M. Goodrich Ch 7 Trustee Date _____

6. ACCEPTANCE: I/WE accept the above Counter Offer (if checked SUBJECT TO THE ATTACHED COUNTER OFFER) and acknowledge receipt of a Copy. Date 3/28/2013 Time 5:00 AM PM
Lucky INKJ 1688, LLC [Signature] Date _____ Time _____ AM PM

7. MULTIPLE COUNTER OFFER SIGNATURE LINE: By signing below, Seller accepts this Multiple Counter Offer. NOTE TO SELLER: Do NOT sign in this box until after Buyer signs in paragraph 6. (Paragraph 7 applies only if paragraph 4 is checked.)
[Signature] Date 3/29/2013 Time _____ AM PM
DAVID M. GOODRICH CH 7 TRUSTEE Date _____ Time _____ AM PM

8. _____ / _____ (Initials) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by the maker of the Counter Offer, or that person's authorized agent as specified in paragraph 3 (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent as specified in paragraph 4) on (date) _____ at _____ AM PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by the the maker of the Counter Offer, or that person's authorized agent (or, if this is a Multiple Counter Offer, the 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 Acceptance has occurred.

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 © 1989-2012, CALIFORNIA ASSOCIATION OF REALTORS®, INC. ALL RIGHTS RESERVED. THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY 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 available for use by the entire real estate industry. 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

CO REVISED 11/10 (PAGE 1 OF 1) COUNTER OFFER (CO PAGE 1 OF 1)
 Agent: Jonathan R Steele Phone: 310.472.6504 Fax: 310.724.7131 Prepared using zlpForm® software
 Broker: Rodeo Realty, Inc. 202 North Canon Drive Beverly Hills, CA 90210

ADDENDUM TO COUNTER OFFER

This Addendum to Counter-Offer ("Addendum") is intended to set forth the terms and conditions of a contract for the purchase by and sale to Lucky INKJ 1688 LLC ("Buyer") from David M. Goodrich Chapter 7 Trustee, solely in his capacity as Chapter 7 Trustee ("Seller" or "Trustee"), of the real property commonly known as 476 Woodbury Rd., Pasadena, CA 91104 ("Property"). When executed below, this Addendum together with Counter-Offer # 1 to the California Residential Purchase Agreement and Joint Escrow Instructions dated March 19, 2013 will constitute conclusive evidence and the exclusive terms and conditions of the contract for such purchase and sale ("Sale") of the Property.

PURCHASE PRICE; DEPOSIT; ESCROW. The purchase price for the Property shall be One Million Four Hundred Fifty Thousand Dollars (\$1,450,000.00) ("Purchase Price") subject to overbids. Buyer shall make an initial deposit of One Hundred Thousand Dollars (\$100,000.00) ("Initial Deposit") in the form of cashier's check or wire transfer made payable and delivered to A & A Escrow Services ("Escrow Holder") within three (3) business days of acceptance of this Counter-Offer by Buyer, Seller's execution of the Affirmation Addendum in the form attached hereto as Exhibit "A", and Buyer's receipt of a copy of the fully executed Counter-Offer and the Affirmation Addendum.

Buyer shall deliver to the Trustee, within three (3) days of mutual execution of this Addendum upon this Counter Offer, proof of committed funds available to Buyer sufficient to enable Buyer to consummate the acquisition contemplated herein, which proof shall be in the form of a letter of credit; loan commitment or other form acceptable to the Trustee in the Trustee's sole discretion. In the event that either (i) Buyer fails timely to provide any such proof, or (ii) the Trustee determines, in the Trustee's sole discretion, that any proof of funds provided to Trustee by Buyer is unacceptable, the Trustee shall have the right, at the Trustee's option, to provide written notice to Buyer that this Counter-Offer is terminated. In the event that the Trustee exercises such termination right, this Counter-Offer shall terminate effective as of the date of Trustee's written notice to Buyer, whereupon the Initial Deposit (if theretofore deposited with the Escrow Holder) shall be returned to Buyer and Buyer and Trustee shall each be relieved of any further obligation hereunder.

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

1. **BUYER'S DUE DILIGENCE AND CANCELLATION RIGHT.** Buyer shall have ten (10) calendar days from the date of the first inspection hereof to perform, complete, and satisfy all contingencies, inspections, investigations, tests and reviews of reports, and to complete all due diligence which the Buyer desires for this purchase of the Property, including, but not limited to and performing and completing any geological, soil, structural, environmental, or other tests, inspections, and investigations desired by Buyer. Buyer may, not later than the end of that period, give Seller written notice of Buyer's election to withdraw from this Addendum because of Buyer's inability to complete or

dissatisfaction with the results of any of those matters ("Notice of Cancellation"), in which event Buyer's and Seller's obligations under this Addendum shall be terminated and Buyer shall receive a full refund of Buyer's deposit. If Buyer fails to give such Notice of Cancellation as within such period, all such contingencies shall be automatically removed as set forth in Paragraph 3 and Buyer's obligation to proceed shall be non-contingent except as provided herein for, (i) Buyer's review of a Preliminary Title Report and underlying documents respecting the title to the Property (as set forth in Paragraph 2), and (ii) Bankruptcy Court approval of this Addendum and the Sale (including as set forth in Paragraph 6.

2. **TITLE; TITLE INSURANCE.** Within three (3) business days after acceptance of the Counter Offer, Progressive Title Company will be instructed to provide a preliminary report of the condition of title to the Property, including copies of underlying documents referred to in Schedule B thereof, for Buyer's review. Buyer may, not later than the end of the period in this paragraph, or until three (3) days after receipt of the preliminary report and underlying documents, whichever occurs later, in which to give Seller written notice ("Notice of Title Disapproval") that Buyer disapproves the condition of title with respect to a material matter(s) that interfere with the use of the Property for the purpose for which it is currently used or intended to be used. Such notice must refer to the specific exception(s) in Schedule B of the preliminary report and the specific underlying document(s), which are the basis for Buyer's disapproval. Within five (5) business days after receipt of such notice, Seller may, in Seller's sole discretion, either (i) cancel this Addendum and the sale, in which event Buyer's and Seller's obligations under this Addendum shall be terminated and Buyer shall receive a full refund of Buyer's deposit, or (ii) elect to correct the item(s) that were disapproved by Buyer, in which event the sale shall proceed. Seller may correct such item by any means that will result in the Title Company either removing the disapproved exception(s) from the preliminary report or providing title insurance coverage by endorsement against such exception(s). At the close of the sale, Seller shall convey and Buyer shall accept title to the Property as shown in Schedule B of the preliminary report, subject to any corrections as in this paragraph above, free and clear of all monetary liens, subject to the terms of the within contract. Seller shall pay the costs of a CLTA Standard Owner's policy of title insurance.

3. **REMOVAL OF CONTINGENCIES; COURT CONFIRMATION; CLOSING; DELIVERY OF POSSESSION.** If Buyer does not give Seller written Notice of Cancellation as and when provided in Paragraph 1, or Notice of Title Disapproval as and when provided in Paragraph 2, Buyer's silence shall be deemed acceptance and Buyer shall be deemed to have satisfied and removed all of Buyer's contingencies and to proceed with the Sale. Seller shall then file a motion with the Bankruptcy Court to confirm this sale. Upon such removal of contingencies, Buyer shall be unconditionally obligated to proceed with the sale, subject only to Bankruptcy Court confirmation as set forth below. If the Bankruptcy Court confirms the sale to Buyer, the closing shall take place as soon as practicable after entry of the order approving the sale, but no later than the first business day after fourteen (14) calendar days following the entry of such order. The closing shall occur on the date the deed transferring the Property to Buyer is recorded with the County Recorder where the Property is located. Occupancy shall be delivered to Buyer upon Escrow Holder's confirmation of recording.

4. **BANKRUPTCY SALE.** Buyer acknowledges that Seller is a Trustee appointed to administer the above referenced bankruptcy estate, and is a party to this Addendum solely in that capacity. Seller and Brokers and agents have not and will not determine the condition or fitness for use of the Property for any particular purpose. The sale shall be "as is," "where is," "with all faults," and with no warranty by or recourse whatsoever to Seller or Brokers or agents herein. Transfer of the Property shall be by Quit Claim Deed. All parties acknowledge that Seller is a party to this Addendum solely in the capacity as Trustee of the above referenced bankruptcy estate and that in the event of any default in the performance of any of Seller's obligations under the Offer (as modified hereby)

Page 2 of 9

245416X

*

or in the event that any other claim is asserted against the Seller, Trustee or the estate in connection with this transaction, the Trustee shall in no event have any personal liability whatsoever (whether in his individual capacity or otherwise), it being expressly understood and agreed that Buyer's sole recourse, if any, in such event shall be to the assets of such estate.

5. **TAXES; PRORATIONS; COSTS OF SALE.** All real property taxes and assessments for the current tax year shown in the current County Tax Bill shall be prorated between Seller and Buyer and charged as of the closing date to the applicable accounts of Seller and Buyer. The sale shall be free and clear of any homeowner's association assessments and all real property taxes (other than those prorated as provided above) enforceable against the Property through the closing date of the sale. Escrow fees shall be split between Buyer and Seller in the manner customary in the County where the Property is located. Seller shall pay any real property transfer tax. Seller shall pay the cost of a Natural Hazard Disclosure Report, from a vendor selected by Seller, to be furnished to Buyer through escrow. Buyer shall pay and have sole responsibility for compliance with any requirements imposed on the Property or this sale by any governmental agency(ies), including compliance with any applicable governmental retrofit requirements. Buyer shall pay the cost of recording the deed. Buyer and Seller shall each pay their own expenses of every other type except as specifically provided in this Addendum. Seller shall not be responsible to pay any one-year home warranty plan.

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

7. **BROKERS.** Subject to Bankruptcy Court approval, Seller will pay a real estate agent's commission aggregating six (6%) percent of the purchase price of the Property to be split equally by the real estate Brokers. The Brokers are confirmed as follows: Rodeo Realty, Inc. representing the Seller exclusively, Ants Realty Inc., representing the Buyers exclusively. All such Brokers and agents are collectively referred to herein as the "Brokers." No commission or compensation shall be due or payable to Brokers in connection with this Addendum or sale except from the cash proceeds of an actual Sale of the Property that closes to Buyer. Buyer hereby represents and warrants that, other than the Brokers, Buyer has not dealt with any broker, finder or other person entitled to any fee, commission or other compensation in connection with the Sale and Buyer shall indemnify, defend and protect and hold Seller and the related bankruptcy estate harmless of, from and against any claims, demands, actions, causes of action, losses, liabilities and costs and expenses (including, without limitation, all court costs and reasonable attorneys' fees) as Seller may suffer or incur in the event that any claims for any such fees, commissions or other compensation of any kind are hereafter asserted.

8. **MATERIAL CHANGE OF CONDITION.** In the event of any material change in the condition of the Property after the date of acceptance of this Counter-Offer, if Buyer demands repair of any resulting actual damage to the Property, Seller may, at Seller's sole option: (a) elect to terminate this Addendum, in which event Buyer's and Seller's obligations to buy or sell shall terminate and the full Deposit shall be refunded to Buyer; or (b) make required repairs at the bankruptcy estate's expense; or (c) assign any insurance proceeds for the damage to the Property to Buyer as of the close of the sale; or (d) credit the cost of such repairs to Buyer through escrow, it being agreed that in the event that Seller

elects and complies with subpart 8(b), (c) or (d), Buyer's obligation to proceed with the Sale shall be unaffected by any such material change in the condition of the Property.

9. REMEDY FOR BUYER'S OR SELLER'S FAILURE TO CLOSE. Buyer's sole remedy in the event that the sale fails to close as a result of Seller's inability or failure to close for any reason, including but not limited to the reason of failure to obtain approval of the sale by the Bankruptcy Court, shall be the mutual release of Buyer's and Seller's obligations to buy or sell and a full refund of the Deposit (plus any increased thereof by Buyer). In the event Buyer fails to close the sale for any reason other than Seller's default, after Buyer's contingencies have been removed as under Paragraphs 2 and 3, Buyer's Deposit (plus any increase, thereof by Buyer) shall be paid over to Seller and retained by Seller as liquidated damages without further legal action. If the Property is a dwelling with no more than four units, one of which Buyer intends to occupy, then the amount retained shall be no more than three percent of the Purchase Price. This provision shall apply equally to the Deposit (and any increase, thereof by Buyer).

 [Buyer's Initials]

10. BANKRUPTCY COURT JURISDICTION. The U.S. Bankruptcy Court for the Central District of California shall have sole and exclusive jurisdiction to interpret and enforce the terms of this Addendum and Buyer hereby consents and submits to such exclusive jurisdiction. This Addendum shall be interpreted and enforced pursuant to the laws of the United States of America including the Bankruptcy Code, Title 11, United States Code.

11. "AS-IS," "WHERE-IS" CONDITION; NO WARRANTIES. Buyer acknowledges and agrees that, to the maximum extent permitted by law, the sale contemplated by this Addendum is made "as-is," "where-is," and "with all faults," except as specifically provided in this Addendum. Seller and Brokers and agents herein have not made, do not make, and specifically negate and disclaim any representations, warranties, promises, covenants, Addendums, or guaranties of any kind or character whatsoever, whether express or implied, oral or written, concerning or respecting (i) value of the Property; (ii) income to be derived from the Property; (iii) suitability of the Property, or lack thereof for any activity or use which Buyer may intend to conduct thereon, including any possibilities or limitations for future development; (iv) habitability, merchantability, marketability, profitability, or fitness for a particular purpose, of the Property, or lack thereof; (v) manner, quality, state of repair, or lack of repair of the Property; (vi) nature, quality, or condition of the Property, or any portion, system, or component thereof, including without limitation, water, soil, and geology; (vii) compliance of the Property or its operation, or lack thereof, with any laws, ordinances, regulations, rules, or orders of any applicable governmental authority or body, including Buyer's agreement to purchase their own home warranty and comply with any and all government requirements and retrofit, at Buyer's expense, prior to close of escrow; (viii) manner or quality of engineering, design, construction or materials, if any, incorporated into the Property; (ix) compliance or lack of compliance with any land use, building and safety, or other laws, ordinances, regulations, rules, orders, or other requirements imposed or enforced by any governmental or non-governmental body, including without limitation the Americans with Disabilities Act of 1990; (x) the presence or absence at, on, under, or adjacent to the Property, of materials described as "hazardous substances, hazardous materials, or toxic substances" or by similar terms under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S. Code §§9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S. Code §§1801, et seq.), the Resource Conservation and Recovery Act (42 U.S. Code §§6901, et seq.), the Toxic

Substance Control Act (15 U.S. Code §2601, et seq.), the Clean Water Act (33 U.S. Code §1251, et seq.), California Health and Safety Code §25117 or 25316), or other statutes and laws, all as amended and including all regulations issued thereunder; (xi) the content, completeness or accuracy of any Due Diligence materials or Preliminary Report regarding Title to the Property; (xii) the conformity or lack of conformity of the improvements to any plans or specifications for the Property, including any plans and specifications that may have been or may be provided to Buyer; (xiii) the conformity or lack of conformity of the Property to past, current, or future applicable zoning or building requirements; (xiv) any deficiency of any undershoring, drainage, or other aspects, systems, or components of or affecting the Property; (xv) the fact, if applicable, that all or a portion of the Property may be located on or near any natural hazard zone as determined by any governmental agency or body; (xvi) the existence of vested land use, zoning, or building entitlements affecting the Property or any other property; or (xvii) any other matter. Without in any manner limiting the foregoing, Buyer hereby acknowledges and agrees that (i) Seller's Broker,* has provided (and will hereafter provide) to Buyer various materials and information relating to the Property, including, without limitation, information and materials relating to the condition of the Property, and (ii) all such materials and information so provided to Buyer by Seller's Broker shall, for all purposes of this Addendum, be deemed to have been disclosed to Buyer by the Seller, as well.

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

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

Page 5 of 9

245416X

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

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

B. Buyer may at his sole discretion select and employ, at Buyer's expense, a licensed engineer(s), architect(s), contractor(s), geologist(s), pest control licensee(s), environmental consultant(s), or other qualified professional(s) to make inspection(s) and investigations of the Property, including, but not limited to, (i) its general structure, plumbing, heating, air conditioning (if any), electrical system, built-in appliances, cesspool/sewer/septic system, well, roof, soils, foundation, mechanical systems, pool, spa, related equipment and filters, sprinklers, and those other matters affecting the desirability of the Property (all if and only to the extent any such structures, systems, and components are presently a part of the Property); (ii) any actual or potential wood destroying pests or other conditions damaging to the Property or any portion thereof; (iii) environmental hazards, substances, products, or conditions, including without limitation, asbestos, formaldehyde, lead, lead-based paint, contaminated soil or water, fuel, chemical storage tanks, hazardous waste, electromagnetic fields, and radon gas, any of which may constitute a health risk; (iv) the presence or absence of any required governmental permits, inspections, applications, approvals, and certificates of occupancy, and compliance or lack of compliance with building codes and laws applicable to the Property; (v) plans and specifications for the Property; (vi) all applicable zoning, municipal, county, state, and federal, including those affecting the past, current, or any future use of the Property; (vii) deed restrictions and other matters of public record which may govern, restrict, condition, or prohibit the use, alteration, or development of the Property; and (viii) generally, without limitation, any and all other items and matters of whatsoever nature, character, or description, which Buyer deems material to Buyer's interests, in, on, or affecting the Property; and to approve or disapprove said inspection within the period and in the manner set forth in Paragraph 1

C. In the event Buyer is dissatisfied with the results of such inspection(s), Buyer may give written Notice of Cancellation to Seller strictly as and within the time provided in Paragraph 1. Buyer's failure to give such notice as and within the period specified therein shall conclusively be deemed Buyer's satisfaction and removal of such contingency and Buyer's election to proceed with the Sale.

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

16. WRITTEN AFFIRMATION OF SELLER REQUIRED. Buyer understands that Seller

Page 6 of 9

245416X

may continue to receive and respond to other offers on the Property and may be making several Counter-Offer concurrently containing the same or different terms. This Counter-Offer shall not be binding until accepted by Buyer and executed by Buyer and Seller on the signature page below; and then approved by Seller, in Seller's sole discretion, in the form of the Seller's Affirmation of Addendum attached hereto as Exhibit "A" which, if so executed by Seller, will constitute Seller's Addendum that Seller will sell the Property to Buyer, subject to Bankruptcy Court approval, the rights of any overbidding parties, and the terms and conditions of this Addendum. Buyer further acknowledges that it would be imprudent and unrealistic to rely upon the expectation of entering into a binding Addendum regarding the subject matter of this Counter-Offer prior to receipt of Seller's Affirmation of Addendum, and further represents to Seller that any efforts to complete due diligence, to negotiate or to perform any of the obligations provided herein shall not be considered as evidence of binding intent without Seller's Affirmation of Addendum, and understands that BUYER'S ACCEPTANCE HEREOF SHALL HAVE NO FORCE OR EFFECT PRIOR TO BUYER'S RECEIPT OF SUCH AFFIRMATION OF ADDENDUM SIGNED BY SELLER.

17. ATTORNEYS' FEES. In the event that either party hereto brings an action or other proceeding to enforce or interpret the terms and provisions of this Addendum, the prevailing party in that action or proceeding shall be entitled to have and recover from the non-prevailing party all such fees, costs and expenses (including, without limitation, all court costs and reasonable attorneys' fees) as the prevailing party may suffer or incur in the pursuit or defense of such action or proceeding.

18. There shall be no loan contingency whatsoever.

19. TRUSTEE'S LIABILITY. The Buyer acknowledges that the Trustee is acting in his official capacity only. No personal liability shall be sought or enforced against the Trustee with regard to the Addendum, including the Addendum, the assets, the sale of the Property, or the physical condition of the Property. In the event that the Trustee fails or refuses to complete the transaction for any reason, then the limit of the Trustee's liability is only to return any money paid to the Trustee by the Buyer, without deduction. Prior to and after the closing of escrow, the United States Bankruptcy Court shall have and retain the sole and exclusive jurisdiction over the Property and the Addendum; and all disputes arising before and after closing shall be resolved in said Court. Further, the Trustee and the Buyer have agreed that if a dispute arises, such dispute may initially be resolved through the Mediation Program pending in the United States Bankruptcy Court for the Central District of California.

20. HOLD HARMLESS. The Buyer understands the terms and conditions of the entire purchase contract and holds the Estate and the realtors, brokers, agents, David M. Goodrich Chapter 7 Trustee, and his attorneys including Schulman, Hodges & Bastian LLC, its agents and employees, harmless from any liabilities arising from this contract.

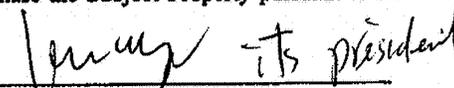
All parties hereto further agree, jointly and severally, to pay on demand as well as to indemnify and hold Escrow harmless from and against all costs, damages, judgments, attorneys' fees, expenses, obligations and liabilities of any kind or nature which in good faith, Escrow may incur or sustain in connection with or arising out of this Escrow and Escrow is hereby given a lien upon all the rights, titles and interest of each of the undersigned in all escrow papers and other property and monies deposited in this escrow, to protect the rights of escrow and to indemnify and reimburse Escrow under this Addendum. In the event this Escrow is not completed for any reason, Escrow is authorized to deduct and pay its fee, plus costs incurred

from any funds on deposit.

21. EXPIRATION OF COUNTER-OFFER. This Counter-Offer shall expire if not accepted by Buyer by delivering a copy hereof, fully signed and initialed by Buyer, to Seller on or before close of business on March 28, 2013. Such acceptance shall nevertheless be subject to Paragraph 16. *

I, the Buyer herein, have reviewed the foregoing Addendum and understand the terms and conditions set forth herein, and further agree to purchase the Subject Property pursuant to said terms and conditions.

Dated: 3/28/2013


Lucky INKJ 1688 LLC, Buyer

I, Seller, agree to sell the Subject Property pursuant to the terms and conditions set forth herein.

Dated: 3/28/13

By: 
David M. Goodrich Chapter 7 Trustee in his sole capacity as Bankruptcy Trustee for the Estate of Pasadena Neighborhood Housing Services, Inc., and not in his individual capacity.

SO AGREED.

Dated: 2013-03-28 08:54 GMT

Jonathan R. Steele 
Jonathan R. Steele, Trustee's Agent

Dated: 3/28/2013

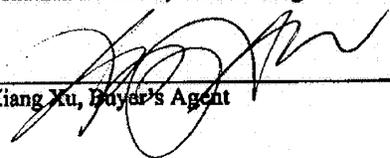

Xiang Xu, Buyer's Agent

EXHIBIT "A"

SELLER'S AFFIRMATION OF ADDENDUM

Seller hereby acknowledges Buyer's acceptance of the foregoing Counter-Offer and affirmatively agrees to sell the Property to Buyer on the terms and conditions of the foregoing Addendum, but subject to Bankruptcy Court approval, rights of any overbidders and subject to the approval of all lender(s) and/or governmental tax agenc(ies) secured by the property. Seller shall revoke any other outstanding Counter-Offers made to other prospective buyers or make the same subject and subordinate to this Addendum.

"SELLER"

Dated: 3/27/13

By:  _____

David M. Goodrich Chapter 7 Trustee, solely in his capacity as Chapter 7 Trustee for the Estate of Pasadena Neighborhood Housing Services, Inc.



CONTINGENCY REMOVAL No. 1
(C.A.R. Form Revised CR, 04/10)

In accordance with the terms and conditions of the: California Residential Purchase Agreement (C.A.R. Form RPA-CA), or Residential Income Property Purchase Agreement (C.A.R. Form RIPA), or Commercial Property Purchase Agreement (C.A.R. Form CPA), or Vacant Land Purchase Agreement (C.A.R. Form VLPA) or Other _____ ("Agreement"), dated March 19, 2013, on property known as 476 E. Woodbury Road E, Pasadena 91104, ("Property"), between Lucky INKJ 1688 LLC ("Buyer") and seller ("Seller").

A. **BUYER REMOVAL OF BUYER CONTINGENCIES:** Buyer removes those contingencies specified below. With respect to any contingency and cancellation right that Buyer removes, unless otherwise specified in a separate written agreement between Buyer and Seller (such as C.A.R. Form RR), as applicable, Buyer shall conclusively be deemed to have: (i) completed all Buyer Investigations and review of reports and other applicable information and disclosures; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and, expense, if any, for Repairs, corrections, or for the inability to obtain financing.

1. **ONLY** the following individually checked Buyer contingencies are removed:
- A. Loan (Paragraph 3H) (NOTE: Removing the loan contingency also removes the appraisal contingency unless the appraisal contingency is separately selected in the Agreement.)
 - B. Appraisal (Paragraph 3I)
 - C. Reports/Disclosures (Paragraphs 4 and 6)
 - D. Condominium/Planned Development (HOA or OA) Disclosures (Paragraph 7B)
 - E. Buyer's Investigation, including Insurability (Paragraph 10)
 - F. Title: Preliminary Report (Paragraph 12)
 - G. Sale of Buyer's Property (Paragraph 13)
 - H.
 - I.
 - J.

OR 2. **ALL** Buyer contingencies are removed, EXCEPT: Loan Contingency (Paragraph 3H); Appraisal Contingency (Paragraph 3I); (NOTE: Unless separately selected in the Agreement, the appraisal contingency is removed when the loan contingency is removed); Contingency for the Sale of Buyer's Property (C.A.R. Form COP) (Paragraph 13); Condominium/Planned Development (HOA) Disclosures (Paragraph 7B); Other request for repair No 1 must be signed by seller

3. **BUYER HEREBY REMOVES ANY AND ALL BUYER CONTINGENCIES.**

NOTE: Paragraph numbers refer to the California Residential Purchase Agreement (C.A.R. Form RPA-CA). Applicable paragraph numbers for each contingency or contractual action in other C.A.R. contracts are found in Contract Paragraph Matrix (C.A.R. Form CPM). Once all contingencies are removed, whether or not Buyer has satisfied him/herself regarding all contingencies or received any information relating to those contingencies, Buyer may not be entitled to a return of Buyer's deposit if Buyer does not close escrow. This could happen even if, for example, Buyer does not approve of some aspect of the Property or lender does not approve Buyer's loan.

Buyer Lucky INKJ 1688 LLC [Signature] 04/17/2013
Date

Buyer _____ Date _____

B. **SELLER REMOVAL OF SELLER CONTINGENCIES:** Seller hereby removes the following Seller contingencies: Contingency for Seller's purchase of replacement property (C.A.R. Form COP); Other _____

Seller seller - David M. Guorich, Charter 7 Trustee [Signature] 4/17/13
Date

Seller _____ Date _____

([Signature]) (Initials) **CONFIRMATION OF RECEIPT:** A copy of this signed Contingency Removal was personally received by Buyer Seller or authorized agent on _____ (date), at _____ AM/ PM.

The copyright laws of the United States (Title 17 U.S. Code) forbid the unauthorized reproduction of this form by any means, including facsimile or computerized formats. Copyright ©2003-2010, CALIFORNIA ASSOCIATION OF REALTORS®, Inc. All Rights Reserved. THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY 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 available for use by the entire real estate industry. 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 _____

CR REVISED 04/10 (PAGE 1 OF 1) **CONTINGENCY REMOVAL (CR PAGE 1 OF 1)**

Agent: Xiang Xu Phone: 626-831-7688 Fax: 909-396-9829 Prepared using zipForm® software
Broker: ANTS Realty Inc 22632 Golden Springs Dr., #180 Diamond Bar, CA 91765



CALIFORNIA ASSOCIATION OF REALTORS®

REQUEST FOR REPAIR No. 1
(Or Other Corrective Action)
 (C.A.R. Form RR, Revised 4/09)

In accordance with the terms and conditions of the: California Residential Purchase Agreement or Other Residential income property purchase agreement ("Agreement"), dated March 19, 2013, on property known as 476 E. Woodbury Road E. Pasadena 91104, ("Property"), between Lucky INKJ 1688 LLC ("Buyer"), and seller ("Seller").

1. BUYER REQUEST:

A. (i) Buyer requests that Seller, prior to final verification of condition, repair or take the other specified action for each item listed below, or if checked, on the attached list dated _____:

(ii) Buyer requests that Seller credit Buyer \$ 50,000.00 at Close of Escrow.

B. A copy of the following inspection or other report is attached.

_____ _____
 Buyer Lucky INKJ 1688 LLC Date 04/17/2013
 Buyer _____ Date _____

2. SELLER RESPONSE TO BUYER REQUEST:

A. If Buyer agrees to (i) remove in writing the contingency(ies) identified on the attached Contingency Removal form (C.A.R. Form CR No. _____), and (ii) release Seller and Brokers from any loss, liability, expense, claim or cause of action regarding the disclosed condition of the Property (Release), (Check all that apply).

(i) Seller agrees to all of Buyer's requests in 1A above.
 (ii) Seller agrees to all of Buyer's requests in 1A above, except:

(iii) Seller agrees, at Close of Escrow, to credit Buyer \$ _____

OR B. Seller does not agree to any of Buyer's requests.

OR C. Other:

Seller David M. Goodrich, Chapter 7 Trustee Date 4/7/13
 Seller _____ Date _____

3. BUYER REPLY TO SELLER RESPONSE:

A. Buyer accepts Seller's response, withdraws all requests for items and credits that Seller has not agreed to, and both removes the contingency(ies) identified on the attached C.A.R. Form CR and agrees to the Release identified in 2A above.
 B. Buyer withdraws the request in 1A above, and makes a new request as specified in the attached Request for Repair No. _____

Buyer Lucky INKJ 1688 LLC Date _____
 Buyer _____ Date _____

The copyright laws of the United States (TITLE 17 U.S. Code) forbid the unauthorized reproduction of this form by any means, including facsimile or computerized formats. Copyright © 2001-2009, CALIFORNIA ASSOCIATION OF REALTORS®
 THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY 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 available for use by the entire real estate industry. 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 _____



RR REVISED 4/09 (PAGE 1 OF 1)

REQUEST FOR REPAIR (RR PAGE 1 OF 1)

Agent: Xiang Xu Phone: 626-831-7668 Fax: 908-386-9829 Prepared using zipForm® software
 Broker: ANTS Realty Inc 22632 Golden Springs Dr., #180 Diamond Bar, CA 91765



Report Date: 4/5/2013
 Report Number: 4808-357
 Subject Property: 476 E WOODBURY RD
 APN: 5838-015-028
 Page Number: 1 (Signature Page)

NATURAL HAZARD DISCLOSURE STATEMENT

APN: 5838-015-028 ADDRESS: 476 E WOODBURY RD PASADENA, CA 91104-1135

The transferor and his or her agent(s) or a third-party consultant disclose the following information with the knowledge that even though this is not a warranty, prospective transferees may rely on this information in deciding whether and on what terms to purchase the subject property. Transferor hereby authorizes any agent(s) representing any principal(s) in this action to provide a copy of this statement to any person or entity in connection with any actual or anticipated sale of the property.

The following are representations made by the transferor and his or her agent(s) based on their knowledge and maps drawn by the state and federal governments. This information is a disclosure and is not intended to be part of any contract between the transferee and transferor.

THIS REAL PROPERTY LIES WITHIN THE FOLLOWING HAZARDOUS AREA(S):

A SPECIAL FLOOD HAZARD AREA (Any type Zone "A" or "V") designated by the Federal Emergency Management Agency.
 Yes No Information is not available from local jurisdiction

AN AREA OF POTENTIAL FLOODING shown on a dam failure inundation map pursuant to Section 8589.5 of the Government Code.
 Yes No Information is not available from local jurisdiction

A VERY HIGH FIRE HAZARD SEVERITY ZONE pursuant to Section 51178 or 51179 of the Government Code. The owner of this property is subject to the maintenance requirements of Section 51182 of the Government Code.
 Yes No

A WILDLAND AREA THAT MAY CONTAIN SUBSTANTIAL FOREST FIRE RISKS AND HAZARDS pursuant to Section 4125 of the Public Resources Code. The owner of this property is subject to the maintenance requirements of Section 4291 of the Public Resources Code. Additionally, it is not the state's responsibility to provide fire protection services to any building or structure located within the wildlands unless the Department of Forestry and Fire Protection has entered into a cooperative agreement with a local agency for those purposes pursuant to Section 4142 of the Public Resources Code.
 Yes No

AN EARTHQUAKE FAULT ZONE pursuant to Section 2622 of the Public Resources Code.
 Yes No

A SEISMIC HAZARD ZONE pursuant to Section 2696 of the Public Resources Code.
 Yes (Landslide Zone) No Map is not yet released by state
 Yes (Liquefaction Zone) No Map is not yet released by state

THESE HAZARDS MAY LIMIT YOUR ABILITY TO DEVELOP THE REAL PROPERTY TO OBTAIN INSURANCE, OR TO RECEIVE ASSISTANCE AFTER A DISASTER. THE MAPS ON WHICH THESE DISCLOSURES ARE BASED ESTIMATE WHERE NATURAL HAZARDS EXIST. THEY ARE NOT DEFINITIVE INDICATORS OF WHETHER OR NOT A PROPERTY WILL BE AFFECTED BY A NATURAL DISASTER. TRANSFEEE(S) AND TRANSFEROR(S) MAY WISH TO OBTAIN PROFESSIONAL ADVICE REGARDING THOSE HAZARDS AND OTHER HAZARDS THAT MAY AFFECT THE PROPERTY.

Signature of Seller(s) [Signature] Date 4/7/13 Signature of Seller(s) _____ Date _____
 Signature of Agent(s) _____ Date _____ Signature of Agent(s) _____ Date _____

Check only one of the following:

Transferor(s) (Seller(s)) and their agent(s) represent that the information herein is true and correct to the best of their knowledge as of the date signed by the transferor(s) and agent(s).

Transferor(s) (Seller(s)) and their agent(s) acknowledge that they have exercised good faith in the selection of a third-party report provider as required in Civil Code Section 1103.7, and that the representations made in this Natural Hazard Disclosure Statement are based upon information provided by the independent third-party disclosure provider as a substituted disclosure pursuant to Civil Code Section 1103.4. Neither transferor(s) nor their agent(s) (1) has independently verified the information contained in this statement and report or (2) is personally aware of any errors or inaccuracies in the information contained on the statement.

Transferee (Buyer) represents that he or she has read and understands this document. Pursuant to Civil Code Section 1103.8, the representations made in this Natural Hazard Disclosure Statement do not constitute all of the transferor's or agent's disclosure obligations in this transaction.

This statement was prepared by the following provider: **Third-Party Disclosure Provider(s) MyNHD, Inc. Date 4/5/2013**

There are other statutory disclosures, determinations and legal information in the Report. Refer to Report for these additional disclosures, determinations and legal information. With their signature below, Transferee(s) also acknowledge(s) they have received, read, and understand this document and the additional disclosures, determinations and legal information provided in this Report, in the tax disclosures (Mello-Roos and Special Assessments), in the Environmental Report (if ordered), in the C.L.U.E. Report (if ordered), and in the required notices and booklets/information regarding Environmental Hazards, Earthquake Safety, HERS, Lead-Based Paint and Mold.

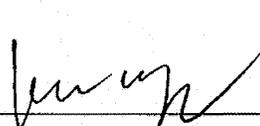
Signature of Buyer(s) _____ Date _____ Signature of Buyer(s) _____ Date _____

To Whom It May Concern,

The property located at 476 E. Woodbury Road, Pasadena, CA is subject to certain restrictions, including but not limited to, it being required to be Section 8 senior / low income housing. David M. Goodrich, the Chapter 7 trustee of the bankruptcy estate of Pasadena Neighborhood Housing Services and his attorneys, brokers, agents, and representatives, have no opinion and make no guarantee as to whether these restrictions can be lifted or removed in the future.

AGREED AND ACCEPTED:

Date: 3-20-2013

By:  President
Lucky Ink 1688 LLC

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
8105 Irvine Center Drive, Suite 600, Irvine CA 92618

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 *(date)* 4/24/13, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On *(date)* 4/24/13, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on *(date)* 4/24/13, 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.

PERSONAL DELIVERY: Honorable Barry Russell, USBC/Central, 255 E. Temple St.,
Crtrm 1668, Los Angeles CA 90012

Service information continued on attached page

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

4/24/13
Date

Laurie Verstegen
Printed Name

/s/Laurie Verstegen
Signature