

Robert B. Orgel (CA Bar No. 101875)  
 Samuel R. Maizel (CA Bar No. 189301)  
 Jeffrey L. Kandel (CA Bar No. 115832)  
 Pachulski Stang Ziehl & Jones LLP  
 10100 Santa Monica Blvd., 13<sup>th</sup> Floor  
 Los Angeles, CA 90067-4003  
 Telephone: 310/300-2927  
 Facsimile: 310/201-0760  
 Attorneys for Thomas P. Jeremiassen, Trustee

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

In re:  
 Estate Financial, Inc.,

Debtor(s).

CASE NO.:  
 9:08-bk-11457-RR

**NOTICE OF SALE OF ESTATE PROPERTY**

**Bid Deadline:** February 11, 2013

**Time:** 5:00 p.m.

Type of Sale:  Public  Private Last date to file objections: February 11, 2013  
 Description of Property to be Sold: Lot 15, Tract 426, 1854 Whitley Ave, Corcoran, CA 93230 (Loan B128-05)  
 Terms and Conditions of Sale: See Exhibit A  
 Proposed Sale Price: \$50,000

Overbid Procedure (If Any): If anyone wishes to overbid (an "Overbid") in an amount greater than the amount set forth above: (i) the Trustee must be informed of all of the relevant terms of the proposed Overbid and contact information for the overbidder no later than the objection deadline listed above by contacting the contact person listed below; (ii) the proposed overbidder must provide (x) a 3% deposit made payable to "Thomas P. Jeremiassen, Chapter 11 Trustee for Estate Financial, Inc." in immediate good funds and (y) reasonably adequate information as to financial wherewithal and ability to close; and (iii) the over-bidder (or its authorized agent or attorney capable of binding it contractually) must attend any hearing set with respect to such sale. In overbidding, lien holders only may credit bid the undisputed portion of their secured claim, if any.

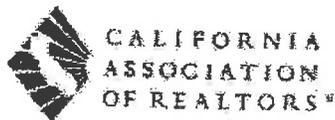
If property is to be sold free and clear of liens or other interests, list date, time and location of hearing: No hearing absent objection per the procedures order governing this case [Docket No. 271].

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

Matt Sorenson, Development Specialists, Inc.  
333 South Grand Avenue, Suite 4070  
Los Angeles, California 90071  
Tel: (213) 617-2717; Fax: (213) 617-2718

Date: January 29, 2013

# EXHIBIT A



**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)

This is a counter offer to the:  California Residential Purchase Agreement,  Counter Offer No., or  Other \_\_\_\_\_ Date December 12, 2012  
 dated November 27, 2012, on property known as 1854 Whitley Ave ("Property").

between Diane E Atwood ("Buyer") and Thomas P Jerebassen, Solely as Chapter 11 Trustee for Estate Financial, Inc. ("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: Initial deposit to be 3% of the purchase price.  
Items E-6 and E-7 to be deleted from contract.

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

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 \_\_\_\_\_, 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 \_\_\_\_\_, who is authorized to receive it, by 5:00 PM  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 12/12/12  
 Per Phone \_\_\_\_\_ Date \_\_\_\_\_

6. ACCEPTANCE: I/WE accept the above Counter Offer (if checked  SUBJECT TO THE ATTACHED COUNTER OFFER) and acknowledge receipt of a copy.  
[Signature] Date 12-15-12 Time 2:00  AM  PM  
 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.)  
 \_\_\_\_\_ Date \_\_\_\_\_ Time \_\_\_\_\_  AM  PM  
 \_\_\_\_\_ 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.

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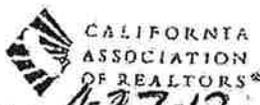
Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



CO REVISED 11/10 (PAGE 1 OF 1)

**COUNTER OFFER (CO PAGE 1 OF 1)**

Agent: Shannon Johnson Phone: (569)583-8852 Fax: (569)583-6809 Prepared using zipForm® software  
 Broker: Realty World Sweeney Anderson 344 Cousins Dr. Hanford, CA 93230



CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

For Use With Single Family Residential Property - Attached or Detached (C.A.R. Form RPA-CA, Revised 11/07)

Date 1-27-12 at Corcoran, California

1. OFFER: A. THIS IS AN OFFER FROM Diane E Atwood (Buyer)

B. THE REAL PROPERTY TO BE ACQUIRED is described as 1654 Whitley Avenue, Corcoran, California (Priority)

C. THE PURCHASE PRICE offered is Fifty thousand dollars Dollars \$ 50,000

D. CLOSE OF ESCROW shall occur on (date) (or 30 Days After Acceptance)

2. FINANCE TERMS: Obtaining the loans below is a contingency of this Agreement unless: (i) within 21 or 21 is checked below, or (ii) otherwise agreed in writing. Buyer shall act diligently and in good faith to obtain the designated loans.

A. INITIAL DEPOSIT: Buyer has given a deposit in the amount of \$ 1000.00 to the agent submitting this offer (or to [ ] by personal check (or [ ] made payable to PBA Escrow Services, which shall be held uncashed until Acceptance and then deposited within 3 business days after Acceptance (or [ ] with Escrow Holder.

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

C. FIRST LOAN IN THE AMOUNT OF: (1) NEW First Deed of Trust in favor of lender, encumbering the Property, securing a note payable at maximum interest of % fixed rate, or % initial adjustable rate with a maximum interest rate of %, balance due in years, amortized over years. Buyer shall pay loan fees/points not to exceed (These terms apply whether the designated loan is conventional, FHA or VA.) (2) FHA [ ] VA: (This following terms only apply to the FHA or VA loan that is checked.) Seller shall pay % discount points. Seller shall pay other fees not allowed to be paid by Buyer. [ ] not to exceed \$ Seller shall pay the cost of lender required Repairs (including those for wood destroying pest) not otherwise provided for in this Agreement, [ ] not to exceed \$ (Actual loan amount may increase if mortgage insurance premiums, funding fees or closing costs are financed.)

D. ADDITIONAL FINANCING TERMS: [ ] Seller financing (C.A.R. Form SFA); [ ] secondary financing; (C.A.R. Form PAA, paragraph 4A); [ ] assumed financing (C.A.R. Form PAA, paragraph 4B)

E. BALANCE OF PURCHASE PRICE (not including costs of obtaining loans and other closing costs) in the amount of \$ 49,000 to be deposited with Escrow Holder within sufficient time to close escrow.

F. PURCHASE PRICE (TOTAL): \$ 50,000

G. LOAN APPLICATIONS: Within 7 (or [ ]) Days After Acceptance, Buyer shall provide Seller a letter from lender or mortgage loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for the NEW loan specified in 2C above.

H. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS: Buyer (or Buyer's lender or loan broker pursuant to 2G) shall, within 7 (or [ ]) Days After Acceptance, provide Seller written verification of Buyer's down payment and closing costs.

I. LOAN CONTINGENCY REMOVAL: (i) Within 17 (or [ ]) Days After Acceptance, Buyer shall, as specified in paragraph 34, remove the loan contingency or cancel this Agreement; OR (ii) (if checked) [ ] the loan contingency shall remain in effect until the designated terms are funded.

J. APPRAISAL CONTINGENCY AND REMOVAL: This Agreement is (OR, if checked, [ ] is NOT) contingent upon the Property appraising at or less than the specified purchase price. If there is a loan contingency, at the time the loan contingency is removed (or, if checked, [ ] within 17 (or [ ]) Days After Acceptance), Buyer shall, as specified in paragraph 14B(3), remove the appraisal contingency or cancel this Agreement. If there is no loan contingency, Buyer shall, as specified in paragraph 14B(3), remove the appraisal contingency within 17 (or [ ]) Days After Acceptance.

K. [ ] NO LOAN CONTINGENCY (if checked): Obtaining any loan in paragraphs 2C, 2D or elsewhere in this Agreement 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.

L. [ ] ALL CASH OFFER (if checked): No loan is needed to purchase the Property. Buyer shall, within 7 (or [ ]) Days After Acceptance, provide Seller written verification of sufficient funds to close this transaction.

3. CLOSING AND OCCUPANCY: A. Buyer intends (or [ ] does not intend) to occupy the Property as Buyer's primary residence.

B. Seller-occupied or vacant property. Occupancy shall be delivered to Buyer at 12:00 AM [ ] PM [ ] on the date of Close of Escrow, [ ] on [ ] or [ ] no later than Days After Close of Escrow (C.A.R. Form PAA, paragraph 2.) If transfer of title and occupancy do not occur at the same time, Buyer and Seller are advised to: (i) enter into a written occupancy agreement; and (ii) consult with their insurance and legal advisors.

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Signed by Buyer's Initials [ ] Seller's Initials [ ] Reviewed by [ ] Date [ ]

Property Address: 1854 W. Wattleway Ave Date: 11-27-12

C. Tenant-occupied property: (i) Property shall be vacant at least 6 (or  ) Days Prior to Close Of Escrow, unless otherwise agreed in writing. Note to Seller: if you are unable to deliver Property vacant in accordance with rent control and other applicable Law, you may be in breach of this Agreement.

OR (ii) (if checked)  Tenant to remain in possession. The attached addendum is incorporated into this Agreement (C.A.R. Form PAA, paragraph 3.4).

OR (iii) (if checked)  This Agreement is contingent upon Buyer and Seller entering into a written agreement regarding occupancy of the Property within the time specified in paragraph 14B(1). If no written agreement is reached within this time, either Buyer or Seller may cancel this Agreement in writing.

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 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.

4 ALLOCATION OF COSTS (if checked)  Unless otherwise specified here, this paragraph only determines who is to pay for the report, inspection, test or service mentioned. If not specified here or elsewhere in this Agreement, the determination of who is to pay for any work recommended or justified by any such report, inspection, test or service shall be by the method specified in paragraph 14B(2).

A. WOOD DESTROYING PEST INSPECTION:

(1)  Buyer  Seller shall pay for an inspection and report for wood destroying pests and organisms ("Report") which shall be prepared by \_\_\_\_\_ a registered structural pest control company. The Report shall cover the accessible areas of the main building and attached structures and, if checked,  detached garages and carports,  detached decks,  the following other structures or areas: \_\_\_\_\_

The Report shall not include roof coverings. If Property is a condominium or located in a common interest subdivision, the Report shall include only the separate interest and any exclusive areas being transferred and shall not include common areas, unless otherwise agreed. Water tests of shower pans on upper level units may not be performed without consent of the owners of property below the shower.

OR (2)  (if checked) The attached addendum (C.A.R. Form WPA) regarding wood destroying pest inspection and allocation of cost is incorporated into this Agreement.

B. OTHER INSPECTIONS AND REPORTS:

- (1)  Buyer  Seller shall pay to have septic or private sewage disposal systems inspected.
(2)  Buyer  Seller shall pay to have domestic wells tested for water potability and productivity.
(3)  Buyer  Seller shall pay for a natural hazard zone disclosure report prepared by Any reliable company
(4)  Buyer  Seller shall pay for the following inspection or report: \_\_\_\_\_
(5)  Buyer  Seller shall pay for the following inspection or report: \_\_\_\_\_

C. 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 a written statement 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, easements and reports if required as a condition of closing escrow under any Law.

D. ESCROW AND TITLE:

- (1)  Buyer  Seller shall pay escrow fee AAA Escrow Services
Escrow holder shall be AAA Escrow Services
(2)  Buyer  Seller shall pay for owner's title insurance policy specified in paragraph 12B.
Owner's title policy to be issued by AAA Escrow Services
(Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)

E. OTHER COSTS:

- (1)  Buyer  Seller shall pay County transfer tax or transfer fee As per custom
(2)  Buyer  Seller shall pay City transfer tax or transfer fee
(3)  Buyer  Seller shall pay HOA transfer fee
(4)  Buyer  Seller shall pay HOA document preparation fees
(5)  Buyer  Seller shall pay the cost, not to exceed \$\_\_\_\_\_, of a title vest in the warranty plan issued by \_\_\_\_\_

- (6)  Buyer  Seller shall pay for Hand rails in staircase
(7)  Buyer  Seller shall pay for Red tile Broken windows

5. STATUTORY DISCLOSURES (INCLUDING LEAD-BASED PAINT HAZARD DISCLOSURES) AND CANCELLATION RIGHTS:
A. (1) Seller shall, within the time specified in paragraph 14A, deliver to Buyer, if required by Law: (i) Federal Lead-Based Paint Disclosure and pamphlet ("Lead Disclosures"), and (ii) disclosures or notices required by sections 1102 et seq. and 1103 et seq. of the California Civil Code ("Statutory Disclosures"). Statutory Disclosures include, but are not limited to, a Real Estate Transfer Disclosure Statement ("TDS"), Natural Hazard Disclosure Statement ("NHDS"), notice or actual knowledge of release of illegal controlled substance, notice of special tax and/or assessments (or, if allowed, substantially equivalent notice regarding the Mello-Roos Community Facilities Act and Improvement Bond Act of 1915) and, if Seller has actual knowledge, an industrial use and military ordinance location disclosure (C.A.R. Form SSD).
(2) Buyer shall, within the time specified in paragraph 14B(1), return Signed Copies of the Statutory and Lead Disclosures to Seller.
(3) 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 of which Buyer is otherwise unaware, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items. However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies disclosed in reports ordered and paid for by Buyer.

Buyer's initials ( ) Seller's initials ( )
Reviewed by \_\_\_\_\_ Date \_\_\_\_\_
CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 2 OF 8)
TEMPLATES

Property Address: 1854 Whitley Ave Corona Date: 11/27-12

- (4) If any disclosure or notice specified in 5A(1), or subsequent or amended disclosure or notice is delivered to Buyer after the date of Acceptance, 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.)
- (5) Note to Buyer and Seller: Waiver of Statutory and Lead Disclosures is prohibited by Law.
- D. NATURAL AND ENVIRONMENTAL HAZARDS: Within the time specified in paragraph 14A, Seller shall, if required by Law (I) deliver to Buyer earthquake notices (and questionnaire) and environmental hazards booklet; (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 items as required by Law and provide any other information required for those zones.
- C. 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/conveyance period. Brokers do not have expertise in this area.)
- E. CONDOMINIUM/PLANNED UNIT DEVELOPMENT DISCLOSURES:
- A. SPLITTER HAS: 7 (or 10) Days After Acceptance to disclose to Buyer whether the Property is a condominium, or is located in a planned unit development or other common interest subdivision (C.A.R. Form SSD).
- B. If the Property is a condominium or is located in a planned unit development or other common interest subdivision, Seller has 3 (or 1) 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 HOAs governing the Property (collectively, "CI Disclosures"). Seller shall finalize and deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 14B(3).
7. CONDITIONS AFFECTING PROPERTY:
- A. Unless otherwise agreed: (i) the Property is sold (a) in its PRESENT physical condition as of the date of Acceptance and (b) subject to Buyer's investigation rights; (ii) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance, and (iii) all debts and personal property not included in the sale shall be removed by Close Of Escrow.
- B. SELLER SHALL, within the time specified in paragraph 14A, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, AND MAKE OTHER DISCLOSURES REQUIRED BY LAW (C.A.R. Form SSD).
- C. NOTE TO BUYER: You are 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 you consider important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.
- D. NOTE TO SELLER: Buyer has the right to inspect the Property and, as specified in paragraph 14B, based upon information discovered in these inspections: (I) cancel this Agreement; or (II) request that you make Repairs or take other action.
8. ITEMS INCLUDED AND EXCLUDED:
- A. NOTE TO BUYER AND SELLER: Items listed as included or excluded in the M.S., flyers or marketing materials are not included in the purchase price or excluded from the sale unless specified in 8B 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/in-ground telephone systems, air conditioners, pool/spa equipment, garage floor coverings, mailboxes, in-ground landscaping, trees/shrubs, water softeners, water purifiers, security systems; and
- (3) The following items: \_\_\_\_\_
- (4) Seller represents that all items included in the purchase price, unless otherwise specified, are owned by Seller.
- (5) All items included shall be transferred free of liens and without Seller warranty.
- C. ITEMS EXCLUDED FROM SALE: \_\_\_\_\_
9. BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:
- A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 14B. Within the time specified in paragraph 14B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to, 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) callify Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form IBA). 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. Buyer shall complete Buyer investigations and, as specified in paragraph 14B, remove the contingency or cancel this Agreement. Buyer shall give Seller, at no cost, complete Copies of all Buyer Investigation reports obtained by Buyer. Seller shall make the Property available for all Buyer Investigations. 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.

Buyer's Initials: [Signature] Date: 11/27/12  
 Seller's Initials: [Signature] Date: 11/27/12  
 Reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_

Property Address: 1854 W. Valley Ave. Anaheim Date: 11/27/12

- 10. 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.
- 11. BUYER INDEMNITY AND SELLER PROTECTION FOR ENTRY UPON PROPERTY: Buyer shall: (i) keep the Property free and clear of liens; (ii) Repair all damage arising from Buyer Investigations; and (iii) Indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-responsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination of this Agreement.
- 12. TITLE AND VESTING:
  - A. Within the time specified in paragraph 14, Buyer shall be provided a current preliminary (title) report, which is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the preliminary report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 14B.
  - 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 14A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.
  - D. At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.
  - E. Buyer shall receive a CLIFALTA Homeowner's Policy of Title Insurance. A title company, at Buyer's request, can provide information about the availability, desirability, coverage, 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.
- 13. SALE OF BUYER'S PROPERTY:
  - A. This Agreement is NOT contingent upon the sale of any property owned by Buyer.

~~13. SALE OF BUYER'S PROPERTY: This Agreement is NOT contingent upon the sale of any property owned by Buyer.~~

- 14. TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS: The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph must be in writing (C.A.R. Form CR).
  - 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, 5A and B, 6A, 7B and 12.
  - B. (i) 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 matters affecting the Property (including lead-based paint and lead-based paint hazards as well as other information modified in paragraph 5 and insurability of Buyer and the Property); and
    - (ii) return to Seller Signed Copies of Statutory and Lead Disclosures delivered by Seller in accordance with paragraph 5A.
  - (2) Within the time specified in 14B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to Buyer's requests.
  - (3) By the end of the time specified in 14B(1) (or 21 for loan contingency or 21 for appraisal contingency), Buyer shall, in writing, remove the applicable contingency (C.A.R. Form CR) or cancel this Agreement. However, if (i) government-mandated inspection reports required as a condition of closing; or (ii) Common Interest Disclosures pursuant to paragraph 6B are not made within the time specified in 14A, then Buyer has 5 (or  \_\_\_\_\_) Days After receipt of any such items, or the time specified in 14B(1), whichever is later, to remove the applicable contingency or cancel this Agreement in writing.
- C. CONTINUATION OF CONTINGENCY OR CONTRACTUAL OBLIGATION; SELLER RIGHT TO CANCEL:
  - (1) Seller right to Cancel: Buyer Contingencies: Seller, after first giving Buyer a Notice to Buyer to Perform (as specified below), may cancel this Agreement in writing and authorize return of Buyer's deposit if, by the time specified in this Agreement, Buyer does not remove in writing the applicable contingency or cancel this Agreement. Once all contingencies have been removed, failure of either Buyer or Seller to close escrow on time may be a breach of this Agreement.
  - (2) Continuation of Contingency: Even after the expiration of the time specified in 14B, Buyer retains the right to make requests to Seller remove in writing the applicable contingency or cancel this Agreement until Seller cancels pursuant to 14C(1). Once Seller receives Buyer's written removal of all contingencies, Seller may not cancel this Agreement pursuant to 14C(1).
  - (3) Seller right to Cancel: Buyer Contract Obligations: Seller, after first giving Buyer a Notice to Buyer to Perform (as specified below), may cancel this Agreement in writing and authorize return of Buyer's deposit for any of the following reasons: (i) if Buyer fails to deposit funds as required by 2A or 2B; (ii) if the funds deposited pursuant to 2A or 2B are not good when deposited; (iii) if Buyer fails to provide a loan as required by 2C; (iv) if Buyer fails to provide verification as required by 2H or 2L; (v) if Seller reasonably disapproves of the verification provided by 2H or 2L; (vi) if Buyer fails to return Statutory and Lead Disclosures as required by paragraph 5A(2); or (vii) if Buyer fails to sign or initial a separate liquidated damage form for an increased deposit as required by paragraph 16. Seller is not required to give Buyer a Notice to Perform regarding Close of Escrow.
  - (4) Notice To Buyer To Perform: The Notice to Buyer to Perform (C.A.R. Form NBP) shall: (i) be in writing; (ii) be signed by Seller; and (iii) give Buyer at least 24 (or  \_\_\_\_\_) hours (or until the time specified in the applicable paragraph, whichever occurs first) to take the applicable action. A Notice to Buyer to Perform may not be given 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 a 14C(3) obligation.

Property Address: 854 Whitley Ave Covina Date 11/27/12

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 conclusively be deemed to have: (i) completed all Buyer investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Reports or corrections pertaining to that contingency or cancellation right, or for inability to obtain financing.

E. 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 to the party entitled to the funds. 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 party 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).

16. 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 7A (ii) Repairs have been completed as agreed, and (iii) Seller has complied with Seller's other obligations under the Agreement.

18. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

17. DISPUTE RESOLUTION:

A. MEDIATION: Buyer and Seller agree to mediate any dispute or claim arising between them out of the Agreement, or any resulting lawsuit, but not resorting to litigation or court action. Paragraphs 17B(2) and (3) below apply to mediation whether or not the Arbitration provision is invoked. 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 commences an action without first attempting to resolve the matter through mediation, or 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.

B. ARBITRATION OF DISPUTES: (1) 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, including and subject to paragraphs 17B(2) and (3) below. 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, who shall render an award in accordance with substantive California Law. The parties shall have the right to discovery in accordance with California Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part III of the California Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Interpretation of this agreement to arbitrate shall be governed by the Federal Arbitration Act.

(2) EXCLUSIONS FROM MEDIATION AND ARBITRATION: The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in California Civil Code §2986; (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 of this mediation and arbitration provisions.

(3) BROKERS: Buyer and Seller agree to mediate and arbitrate disputes or claims involving either or both Brokers, consistent with 17A and B, provided either or both Brokers shall have agreed to such mediation or arbitration prior to, or within a reasonable time after, the dispute or claim is presented to Brokers. Any election by either or both Brokers to participate in mediation or arbitration shall not result in Brokers being deemed parties to the Agreement.

"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 \_\_\_\_\_ Seller's Initials \_\_\_\_\_

Buyer's Initials \_\_\_\_\_  
Seller's Initials \_\_\_\_\_  
Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



Property Address: 1854 Whitley Ave Carson Date: 11/27/12

18. PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS: Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, HOA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are now a lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental tax bill 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. TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.
19. WITHHOLDING TAXES: Seller and Buyer agree to execute any instrument, affidavit, statement or instruction reasonably necessary to comply with federal (P.R.P.T.A) and California withholding Law, if required (C.A.R. Forms AS and AS).
20. MULTIPLE LISTING SERVICE ("MLS"): Brokers are authorized to report to the MLS a pending sale and, upon Close Of Escrow, the terms of this transaction to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS.
21. EQUAL HOUSING OPPORTUNITY: The Property is sold in compliance with federal, state and local anti-discrimination Laws.
22. 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 other, prevailing Buyer or Seller, ~~notwithstanding~~ notwithstanding ~~any~~ may.
23. SELECTION OF SERVICE PROVIDERS: If Brokers refer Buyer or Seller to persons, vendors, or service or product providers ("Providers"); Brokers do not guarantee the performance of any Providers. Buyer and Seller may select ANY Providers of their own choosing.
24. 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.
25. OTHER TERMS AND CONDITIONS, including attached supplements:  
 A.  Buyer's Inspection Advisory (C.A.R. Form BIA)  
 B.  Purchase Agreement Addendum (C.A.R. Form PAA paragraph numbers: \_\_\_\_\_)  
 C.  Statewide Buyer and Seller Advisory (C.A.R. Form SBSA)  
 D.  Seller shall provide Buyer with a completed Seller Property Questionnaire (C.A.R. Form SPQ) within the time specified in paragraph 14A.  
 E. See addendum to California Residential Purchase Agreement attached hereto  
A & A Escrow Services Instructions
26. DEFINITIONS: As used in this Agreement:  
 A. "Acceptance" means the time the offer or final counter offer is accepted in writing by a party and is delivered to and personally received by the other party or that party's authorized agent in accordance with the terms of this offer or a final counter offer.  
 B. "Agreement" means the terms and conditions of this accepted California Residential Purchase Agreement and any accepted counter offers and addenda.  
 C. "C.A.R. Form" means the specific form referenced or another comparable form agreed to by the parties.  
 D. "Close Of Escrow" means the date the grant deed, or other evidence of transfer of title, is recorded. If the scheduled close of escrow falls on a Saturday, Sunday or legal holiday, then close of escrow shall be the next business day after the scheduled close of escrow date.  
 E. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.  
 F. "Days" means calendar days, unless otherwise required by Law.  
 G. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59PM on the final day.  
 H. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.  
 I. "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.  
 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. "Notice to Buyer to Perform" means a document (C.A.R. Form NBP), which shall be in writing and Signed by Seller and shall give Buyer at least 24 hours (or as otherwise specified in paragraph 14C(4)) to remove a contingency or perform as applicable.  
 L. "Repairs" means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.  
 M. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.  
 N. Singular and Plural terms each include the other, when appropriate.

Buyer's Initials: [Signature]  
 Seller's Initials: [Signature]  
 Prepared by: \_\_\_\_\_ Date: \_\_\_\_\_



Property Address: 1854 Whittley Corcoran Date: 11/27/12

27. AGENCY:

- A. DISCLOSURE: Buyer and Seller each acknowledge prior receipt of C.A.R. Form AD "Disclosure Regarding Real Estate Agency Relationships."
- B. 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-broker 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.
- C. CONFIRMATION: The following agency relationships are hereby confirmed for this transaction:  
 Listing Agent: Realty World and Andrews (Collective) Beverly (Firm Name) is the agent of (check one):  the Seller exclusively; or  both the Buyer and Seller.  
 Selling Agent: Cal Ten Realty (Firm Name) (if not same as 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.

28. JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:

- A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: 1, 2, 4, 12, 13B, 14E, 18, 19, 24, 25B and 25E, 26, 28, 29, 32A, 33 and paragraph (c) of the section titled Real Estate Brokers on page 8. If a Copy of the separate compensation agreement(s) provided for in paragraph 29 or 32A, or paragraph D of the section titled Real Estate Brokers on page 8 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s); and pay-out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions 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.
- B. A Copy of this Agreement shall be delivered to Escrow Holder within 3 business days after Acceptance (or  ). Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement.
- C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraphs 29, 32A and paragraph D of the section titled Real Estate Brokers on page 8. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraphs 29 and 32A, respectively, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. 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 Buyer and 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.

29. BROKER COMPENSATION FROM BUYER: If applicable, upon Close Of Escrow, Buyer agrees to pay compensation to broker as specified in a separate written agreement between Buyer and Broker.

30. TERMS AND CONDITIONS OF OFFER:

This is an offer to purchase the Property on the above terms and conditions. All paragraphs with spaces for initials by Buyer and Seller are incorporated in this Agreement only if initialed by all parties. If at least one but not all parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. Buyer has read and acknowledges receipt of a Copy of the offer and agrees to the active confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be signed in two or more counterparts, all of which shall constitute one and the same writing.

Buyer's initials: \_\_\_\_\_  
 Seller's initials: \_\_\_\_\_  
 Reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_

Property Address: 1854 Whitley Ave Concord Date: 11/27/12

31. 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 6:00 PM on the third day after this offer is signed by Buyer for a checked  by \_\_\_\_\_ (date) at \_\_\_\_\_  AM  PM.

Date \_\_\_\_\_  
 BUYER OS Co Date \_\_\_\_\_  
Diane E Atwood BUYER \_\_\_\_\_  
 (Print name) \_\_\_\_\_  
PO Box 423 Kingsburg (Print name) \_\_\_\_\_  
 (Address) \_\_\_\_\_

32. BROKER COMPENSATION FROM SELLER:

- A. upon Close Of Escrow, Seller agrees to pay compensation to Broker as specified in a separate written agreement between Seller and Broker.
- B. If escrow does not close, compensation is payable as specified in that separate written agreement.

33. 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, DATED \_\_\_\_\_

Date 11/11/12 Date \_\_\_\_\_  
 SELLER \_\_\_\_\_ SELLER \_\_\_\_\_  
Thomas E. Jeremiasen, solely as Chapter 11 SELLER \_\_\_\_\_  
Trustee for Estate Financial, Inc (Print name) \_\_\_\_\_  
 (Address) \_\_\_\_\_

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.

**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 27.  
 C. If specified in paragraph 2A, Agent who submitted the offer by 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.

Real Estate Broker (Selling Firm) All Star Realty BRE Lic: 01057619  
 By Joseph Bertoni BRE Lic. # 01085342 Date 11/27/12  
 Address 1854 Whitley Ave City Concord State CA Zip 93212  
 Telephone 925-510-5100 E-mail \_\_\_\_\_

Real Estate Broker (Listing Firm) Redwood Valley Superior Brokerage/Maddwell Frank License # 01085342  
 By Sharon Johnson License # \_\_\_\_\_ 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 number \_\_\_\_\_ and \_\_\_\_\_ and agrees to act as Escrow Holder subject to paragraph 28 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.

Escrow Holder is advised that the date of Confirmation of Acceptance of the Agreement as between Buyer and Seller is \_\_\_\_\_

Escrow Holder A & A Escrow Services, Inc Escrow # \_\_\_\_\_  
 By \_\_\_\_\_ Date \_\_\_\_\_  
 Address \_\_\_\_\_  
 Phone/Fax/E-mail \_\_\_\_\_

Escrow Holder is licensed by the California Department of  Corporations,  Insurance,  Real Estate. License # \_\_\_\_\_

( / ) REJECTION OF OFFER: No counter offer is being made. This offer was reviewed and rejected by Seller on \_\_\_\_\_ (Seller's Initials) \_\_\_\_\_ (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 provided for use by the real estate industry. It is not intended to bind 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.

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Reviewed By \_\_\_\_\_ Date \_\_\_\_\_

RPA-CA REVISED 11/07 (PAGE 8 OF 8) CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 6 OF 8) TEMPLATES.ca

**EXISTING SUBDIVISION INTEREST DISCLOSURE STATEMENT**

THIS EXISTING SUBDIVISION INTEREST DISCLOSURE STATEMENT ("DISCLOSURE STATEMENT") CONCERNS THE REAL PROPERTY SITUATED IN THE CITY OF Corcoran, COUNTY OF Kings, STATE OF CALIFORNIA, DESCRIBED AS 1854 Whittier Ave CALIFORNIA (THE "EXISTING SUBDIVISION INTEREST"). THIS STATEMENT IS A DISCLOSURE OF THE CONDITION OF THE EXISTING SUBDIVISION INTEREST AS OF 12-4, 2012, WITHIN THE SELLER'S ACTUAL KNOWLEDGE. IT IS NOT A REPRESENTATION OR WARRANTY OF ANY KIND BY THE SELLER NOR ANY AGENT(S) REPRESENTING ANY PRINCIPAL(S) IN THIS TRANSACTION, AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THE BUYER(S) MAY WISH TO OBTAIN.

1. **Coordination with Other Disclosure Forms and Existing Reports:** All parties acknowledge that the real property being purchased is a lot, condominium unit or other interest in the Existing Subdivision Interest (the "Property") and the Seller hereby discloses to the Buyer in this transaction that the following inspection reports, if any, regarding the Property were completed and are or have been in the possession of the Seller:

Description/Type	Vendor (if)	Date of Report
A. <u>N/A</u>		
B.		
C.		
D.		
E.		
F.		
G.		
H.		

Buyer may request another copy of any of the reports listed above in writing within 5 days after receipt of this Disclosure Statement.

The following disclosures and other disclosures required by law, applicable to the condition of the Property, have or will be made in connection with this real estate transfer, and shall satisfy the disclosure obligations on this form, where the subject matter is the same.

- Inspection reports completed pursuant to the contract of sale or receipt for deposit.  
 Additional inspection reports or disclosures:

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

The disclosures and reports identified in this Section are collectively called the "Existing Disclosures."

2. **Seller's Information:** The Seller discloses the following information with the knowledge that this is not a representation or warranty. Seller hereby authorizes any agent(s) representing any principal(s) in this transaction to provide a copy of this statement to any person or entity in connection with any actual or anticipated sale of the Property.

The information disclosed in this Disclosure Statement is limited to information which Seller actually knows, based on reasonable efforts to obtain such information. The phrases "Seller's knowledge" and "Seller's awareness," when used herein, are limited accordingly.

THE FOLLOWING ARE DISCLOSURES MADE BY THE SELLER AND ARE NOT THE DISCLOSURES OF THE AGENT(S), IF ANY. THIS INFORMATION IS A DISCLOSURE AND IS NOT PART OF ANY CONTRACT BETWEEN BUYER AND SELLER.

Seller or Seller's tenant  is  is not occupying the Property.

[Signature]  
 Buyer's Initials    Buyer's Initials

[Signature]  
 Seller's Initials

A. The Property has the items checked below (read across):

- |   |   |  |
|---|---|--|
| <input checked="" type="checkbox"/> Range   | <input type="checkbox"/> Oven                                       | <input checked="" type="checkbox"/> Microwave                                  |
| <input checked="" type="checkbox"/> Dishwasher  | <input type="checkbox"/> Trash Compactor                            | <input checked="" type="checkbox"/> Garbage Disposal                           |
| <input checked="" type="checkbox"/> Washer/Dryer Hookups  | <input checked="" type="checkbox"/> Rain Gutters                    | <input type="checkbox"/> Burglar Alarms  |
| <input checked="" type="checkbox"/> Smoke Detector(s)   | <input type="checkbox"/> Fire Alarm                                 | <input type="checkbox"/> TV Antenna  |
| <input type="checkbox"/> Satellite Dish   | <input type="checkbox"/> Intercom                                   | <input checked="" type="checkbox"/> Central Heating                            |
| <input checked="" type="checkbox"/> Central Air Conditioning  | <input type="checkbox"/> Evaporator Cooler(s)                       | <input type="checkbox"/> Wall/Window Air Conditioning                          |
| <input checked="" type="checkbox"/> Sprinklers  | <input checked="" type="checkbox"/> Public Sewer System             | <input type="checkbox"/> Septic Tank   |
| <input type="checkbox"/> Sump Pump  | <input type="checkbox"/> Water Softener                             | <input checked="" type="checkbox"/> Patio/Decking                              |
| <input type="checkbox"/> Built-in Barbecue  | <input type="checkbox"/> Gazebo                                     | <input type="checkbox"/> Sauna   |
| <input type="checkbox"/> Security Gate(s)   | <input type="checkbox"/> Window Security Bars                       | <input checked="" type="checkbox"/> Window Screens                             |
| <input checked="" type="checkbox"/> Garage <input checked="" type="checkbox"/> Attached <input type="checkbox"/> Unattached <input type="checkbox"/> Automatic Garage Door Opener |   | <input type="checkbox"/> Garage Door Opener Remote Controls                    |
| <input type="checkbox"/> Quick-release Mechanism on Bedroom Windows*  |   | <input type="checkbox"/> Carport   |
| <input checked="" type="checkbox"/> Gas Water Heater  | <input checked="" type="checkbox"/> Gas Supplied by Utility Company | <input type="checkbox"/> Gas Supply: Bottled                                   |
| <input checked="" type="checkbox"/> Water Supplied by City  | <input type="checkbox"/> Water Supplied by Well                     | <input checked="" type="checkbox"/> Water Heater Anchored, Braced or Strapped* |
| <input type="checkbox"/> Private Utility or Other   |   |  |
- 
- |   |  |                                     |                                       |  |
|---|--|-------------------------------------|---------------------------------------|--|
| <input type="checkbox"/> Hot Tub:         | <input type="checkbox"/> Locking Safety Cover*               | <input type="checkbox"/> Gas Heater | <input type="checkbox"/> Solar Heater | <input type="checkbox"/> Electric Heater |
| <input checked="" type="checkbox"/> Pool: | <input checked="" type="checkbox"/> Child-resistant Barrier* | <input type="checkbox"/> Gas Heater | <input type="checkbox"/> Solar Heater | <input type="checkbox"/> Electric Heater |
| <input type="checkbox"/> Spa:             | <input type="checkbox"/> Locking Safety Cover*               | <input type="checkbox"/> Gas Heater | <input type="checkbox"/> Solar Heater | <input type="checkbox"/> Electric Heater |

4 (number of fans) Exhaust Fan(s) located in 1 in ea. BR. & 1 Above stove (micro/hood combi)  
 220 Volt Wiring located in Garage  
 1 (number of fireplaces) Fireplace(s) located in Living Room  
 Fireplace(s) are equipped with a gas starter  
 Roof Type Comp Approximate age of Roof: \_\_\_\_\_

To Seller's actual knowledge, are any of the above not in operating condition? (check appropriate box)  Yes  No  
 If yes, then describe: \_\_\_\_\_

\*The garage door opener or child-resistant pool barrier may not be in compliance with the safety standards relating to automatic reversing devices as set forth in Chapter 12.5 (commencing with Section 19890) of Part 3 of Division 13 of the Health and Safety Code or with the pool safety standards of Article 2.5 (commencing with Section 115920) of Chapter 5 of Part 10 of Division 104 of the Health and Safety Code. The water heater may not be anchored, braced or strapped in accordance with Section 19211 of the Health and Safety Code. Window security bars may not have quick-release mechanisms in compliance with the 1995 edition of the California Building Standards Code.

            
Buyer's Initials

Buyer's Initials

            
Seller's Initials

B. To Seller's actual knowledge, there are significant defects/malfunctions in the following checked items:

- Interior Walls
- Exterior Walls
- Windows
- Slab(s)
- Walls/Fences
- Other Structural Components (describe): \_\_\_\_\_
- Ceilings
- Insulation
- Doors
- Driveways
- Electrical Systems
- Floors
- Roof(s)
- Foundation
- Sidewalks
- Plumbing/Sewer/Septic

Explanation of checked items in 2B: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

C. Does Seller have actual knowledge of the following:

1.  Substances, materials or products which may be an environmental hazard, such as, but not limited to, asbestos, formaldehyde, radon gas, lead-based paint, mold, fuel or chemical storage tanks, and contaminated soil or water on the subject Property.
2.  Features of the property shared in common with adjoining landowners, such as walls, fences and driveways, whose use or responsibility for maintenance may have an effect on the subject property.
3.  Any encroachments, easements or similar matters that may affect the Buyer's interest in the subject property.
4.  Room additions, structural modifications, or other alterations or repairs made without necessary permits.
5.  Room additions, structural modifications, or other alterations or repairs not in compliance with building codes.
6.  Fill (compacted or otherwise) on the property or any portion thereof.
7.  Any settling from any cause, slippage, sliding, or other soil problems.
8.  Flooding, drainage or grading problems.
9.  Major damage to the property or any of the structures from fire, earthquake, floods or landslide.
10.  Any zoning violations, nonconforming uses, violations of "setback" requirements.
11.  Neighborhood noise problems or other nuisances.
12.  CC&Rs or other deed restrictions or obligations.
13.  Homeowners Association which has any authority over the subject property.
14.  Any "common area" (facilities such as pools, tennis courts, walkways, or other areas co-owned in undivided interest with others).
15.  Any notices of abatement or citations against the property.
16.  Any lawsuits by or against the Seller threatening to or affecting this real property, including any lawsuits alleging defect or deficiency in its real property or "common areas" (facilities such as pools, tennis courts, walkways, or other areas co-owned in undivided interest with others).

Explanation of checked items in 2C that are NOT included in the preliminary title report: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

            
Buyer's Initials    Buyer's Initials

            
Seller's Initials

The information herein is true and correct to the Seller's actual knowledge, as of the date signed by the Seller or Seller's representative.

SELLER:

    *TA*    

By: Thomas Jeronissen

Name: \_\_\_\_\_

Title: Chapter 11 Trustee for Estate Financial, Inc.

Date: 12/18/12

BUYER MAY WISH TO OBTAIN PROFESSIONAL ADVICE AND/OR INSPECTIONS OF THE PROPERTY AND TO PROVIDE FOR APPROPRIATE PROVISIONS IN A CONTRACT BETWEEN BUYER AND SELLER WITH RESPECT TO ANY ADVICE, INSPECTION AND/OR DEFECTS.

RECEIPT ACKNOWLEDGED BY BUYER:

BUYER:

Signature:     *DEA*    

Print Name: Diane E Atwood

Date: 12-8-12

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

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

    *DEA*    

Buyer's Initials

Buyer's Initials

Page 4 of 4

    *TA*      
Seller's Initials

ADDENDUM  
TO  
CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT  
AND  
JOINT ESCROW INSTRUCTIONS

This Addendum to California Residential Purchase Agreement and Joint Escrow Instructions (the "Addendum") is attached to and forms a part of and is intended to supplement, modify and amend that certain California Residential Purchase Agreement and Joint Escrow Instructions dated 11/27/12, 2012 (the "Standard Agreement"), between Dore F. Hill, LLC (the "Buyer"), as buyer, and Thomas P. Jeremiassen, solely in his capacity as Chapter 11 Seller for Estate Financial, Inc. (in such capacity, Mr. Jeremiassen is referred to herein as the "Seller"), in Case No. 9:08-bk-11457-RR pending in the United States Bankruptcy Court for the Central District of California - Northern Division (the "Bankruptcy Court"), as seller of the Property. Capitalized terms used, but not specifically defined, in this Addendum are intended to have the meanings given to such terms in the Standard Agreement.

1. **PROOF OF BUYER'S ABILITY TO CLOSE.** Buyer shall deliver to Seller within three (3) business days of mutual execution of the Standard Agreement and this Addendum (collectively, the "Agreement"), proof of committed funds available to Buyer sufficient to enable Buyer to consummate the transaction contemplated herein, which proof shall be in the form of a letter of credit, loan commitment or other form acceptable to the Seller in the Seller's sole discretion. In the event that either (i) Buyer fails timely to provide any such proof, or (ii) the Seller determines, in the Seller's sole discretion, that any proof of funds provided to Seller by Buyer is unacceptable, the Seller shall have the right, at the Seller's option, to provide written notice to Buyer that the Agreement, and the transaction contemplated therein (the "Transaction") are terminated. In the event that the Seller exercises such termination right, the Agreement shall terminate effective as of the date of Seller's written notice to Buyer, whereupon all buyers Deposit(s) (if theretofore deposited with the Escrow Holder) shall be returned to Buyer and Buyer and Seller shall each be relieved of any further obligation hereunder.

2. **ASSIGNMENT SUBJECT TO SELLER CONSENT.** Buyer shall not assign the Agreement to another person or entity ("Assignee") without Seller's prior written approval (which approval Seller may grant or withhold in its sole discretion); provided that if Seller so consents and Buyer makes any such assignment, Assignee becomes liable hereunder.

3. **FREE AND CLEAR ORDER.** Notwithstanding anything to the contrary in the Standard Agreement or this Addendum, to the extent that Seller agrees or is required to remove certain exceptions to or encumbrances on the title of the Property, Seller shall be deemed to have satisfied such obligation or undertaking as to any exception or encumbrance with respect to which the sale order issued by the Bankruptcy Court approving this Transaction and authorizing the Seller to proceed with the Transaction provides the transfer of the Property will be effected "free and clear" pursuant to Section

363 of the United States Bankruptcy Code (such order, if satisfactory to Seller in his reasonable discretion, is referred to herein as the "Sale Order").

4. **SELLER TO SEEK SALE ORDER.** Upon agreement on the condition in which title must be delivered to Buyer at the Close of Escrow and satisfaction or removal of the last of any other contingencies to Buyer's obligations under the Standard Agreement (including, if applicable, those provided for under Paragraphs 2.J and 9 of the Standard Agreement), Seller shall seek, and use commercially reasonable efforts to obtain, the Sale Order. If the Bankruptcy Court enters the Sale Order, the Close of Escrow shall take place as soon as practicable after entry of the Sale Order, but no later than the first (1<sup>st</sup>) business day after the fourteenth (14<sup>th</sup>) calendar day following the entry of the Sale Order; provided, however, if it does close, the Transaction shall not close later than \_\_\_\_\_, 201\_\_ [Note - Insert date here which is no later than one (1) year following mutual execution of this Addendum] unless both Buyer and Seller consent in writing to such later date. The Close of Escrow 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 such recording.

5. **SELLER AS TRUSTEE.** All parties acknowledge that Seller is a party to the Agreement solely in his capacity as Chapter 11 bankruptcy trustee for the bankruptcy estate of Estate Financial, Inc., and that in the event of any default in the performance of any of Seller's obligations under the Agreement or any disclosure, supplement, notice or other document executed in connection with the Agreement or the Transaction (collectively, "Transaction Documents") or in the event that any other claim is asserted against the Seller or such bankruptcy estate in connection with this Transaction, the Seller 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 bankruptcy estate. Further, notwithstanding anything to the contrary in any Transaction Document, all representations and warranties of Seller set forth in the Transaction Documents are made only to the Seller's actual, current knowledge and such limitation and qualification is hereby deemed incorporated into each such representation and warranty.

6. **CONDITION REGARDING SALE ORDER AND APPROVAL PROCESS.** Seller's obligation to consummate the Transaction is expressly subject to (i) Seller's obtaining the consent of the requisite number of investors in the Property in accordance with the procedures established by that certain Procedures Order re: (1) Real Property Sales and Related Distributions and Payments, Including Brokerage Commissions; (2) Loan Payoffs and Reconveyances; (3) Related Compromises; (4) The Making of Secured Advances; and (5) Loan Collection, Administration and Enforcement, Including Foreclosures, Forbearances, and Deeds in Lieu entered in the Bankruptcy Case on September 27, 2008, and (ii) the entry of the Sale Order by the Bankruptcy Court and the Sale Order remaining in full force and effect at the Close of Escrow. Payment of any and all real estate brokers' commissions is also subject to notice to creditors of Estate Financial, Inc.'s bankruptcy estate and approval of the payment of same by the Bankruptcy Court. Buyer acknowledges and agrees that Seller may not seek to obtain the Bankruptcy Court's approval if Seller has determined, as set forth in a written notice to Buyer, that it would be in the best interest of the bankruptcy estate not to do so; provided that, in such event, if theretofore deposited with Escrow

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Holder, Buyer shall be entitled to receive a refund of all buyers Deposit(s) and Buyer and Seller shall be relieved of any further obligation hereunder.

7. **BROKERS' COMMISSIONS.** No commission or compensation shall be due or payable to any brokers, finders or agents (collectively, "Brokers") in connection with the Agreement or Transaction except from the cash proceeds received by Seller at the Close of Escrow.

8. **BANKRUPTCY COURT JURISDICTION.** The Bankruptcy Court shall have sole and exclusive jurisdiction to interpret and enforce the terms of the Agreement and Buyer hereby expressly consents and submits to such exclusive jurisdiction.

9. **"AS-IS," "WHERE-IS" AND "WITH ALL FAULTS" TRANSFER; NO WARRANTIES.** Buyer acknowledges and agrees that, to the maximum extent permitted by law, the Transaction and the sale contemplated herein are on an "as-is," "where-is," and "with all faults" basis, except only as otherwise specifically provided in the Agreement or any document to be executed or provided by Seller pursuant thereto. Seller and Seller's Brokers have not made, do not make, and specifically negate and disclaim any representations, warranties, promises, covenants, agreements, 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 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; (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; (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 information or materials (including, without limitation, any preliminary report regarding the title of the Property) furnished to Buyer by Seller or his agents; (xii) the conformity or lack of conformity of the improvements to any plans or specifications for the Property, including, without limitation, any plans and specifications that may have been or may be provided to Buyer; (xiii) any deficiency of any undershoring, drainage, or other aspects, systems, or components of or affecting the Property; (xiv) 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; (xv) the existence of vested land use, zoning, or building entitlements affecting the Property or any other property; or (xvi) 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 Agreement, be deemed to have been disclosed to Buyer by the Seller, as well. Without limiting any other provision hereof, Buyer hereby confirms and acknowledges that, except for Seller's express representations and warranties specified in this Agreement, Buyer is relying solely upon Buyer's own investigation of the Property. Notwithstanding the foregoing, nothing in this Paragraph 9 is intended to in any way derogate, impair, modify, disclaim, revoke or otherwise adversely affect any representations or warranties of Seller (i) to the California Department of Real Estate in any application for, or other filing by Seller in connection with, a Public Report with respect to the subdivision or property of which the Property forms a part, or (ii) included or contained in the Public Report issued with respect to the subdivision or property of which the Property forms a part.

10. **LIQUIDATED DAMAGES.** If Buyer fails to complete the purchase of the Property by reason of a default by Buyer, Seller shall be released from his obligation to sell the Property to Buyer, and Seller may pursue any remedy in law or equity that it may have against Buyer on account of such default, provided, however, that by placing their initials immediately below

BUYER'S INITIALS: Q SELLER'S INITIALS: JJ

Buyer and Seller agree, as follows:

- A. An amount equal to three percent (3%) of the purchase price for the Property shall constitute liquidated damages payable to Seller in the event of Buyer's default, and
- B. The payment of such liquidated damages shall be Seller's sole and exclusive remedy on account of Buyer's default; and
- C. Such liquidated damages shall be payable to Seller out of Buyer's deposit toward payment of the purchase price for the Property in accordance with the following procedures:

At any time after the date provided for the Close of Escrow in the Agreement, or any mutually agreed extension date for the Close of Escrow, Seller shall give written notice to Escrow Holder and to Buyer (the "20 Day Notice and Demand") in the manner prescribed by Section 116.340 of the Code of Civil Procedure for service in a small claims action of Seller's determination that Buyer is in default under the Agreement, and demanding that Escrow Holder shall remit \$ \_\_\_\_\_ from Buyer's deposit to Seller as liquidated damages, unless within twenty (20) days from the date of Buyer's receipt of such notice.

Buyer gives written notice of objection to the disbursement of such deposit as liquidated damages.

Buyer shall have a period of twenty (20) days from Buyer's receipt of the 20 Day Notice and Demand in which to give Escrow Holder and Seller Buyer's written objection to the disbursement of Buyer's deposit to Seller as liquidated damages.

If Buyer fails to give Escrow Holder and Seller its written objection within twenty (20) days after receipt of the 20 Day Notice and Demand, Escrow Holder shall automatically and without further direction, authorization or consent of the parties disburse Buyer's deposit to Seller as liquidated damages. Buyer hereby waives any and all claims or actions against Escrow Holder by reason of Escrow Holder's disbursement of Buyer's deposit in accordance with the provisions of this Paragraph 11.

Should Buyer make written objection to Escrow Holder and Seller to the disbursement of Buyer's deposit as liquidated damages within the twenty (20) day period following Buyer's receipt of the 20 Day Notice and Demand, the controversy regarding the disposition of the Buyer's deposit and any other funds held in escrow by Escrow Holder and any other claims or causes of action asserted under the Agreement or arising in connection with the condition of the Property shall be determined and resolved by the Bankruptcy Court as provided in Paragraph 8 of this Addendum.

NOTE: CIVIL CODE SECTION 1675(D) IS APPLICABLE TO THIS PROVISION. SECTION 1675(D) PROVIDES "IF THE AMOUNT ACTUALLY PAID PURSUANT TO THE LIQUIDATED DAMAGES PROVISION EXCEEDS THREE PERCENT (3%) OF THE PURCHASE PRICE, THE PROVISION IS INVALID UNLESS THE PARTY SEEKING TO UPHOLD THE PROVISION ESTABLISHES THAT THE AMOUNT ACTUALLY PAID IS REASONABLE AS LIQUIDATED DAMAGES."

BUYER'S INITIALS:     

SELLER'S INITIALS:     

In no event is Escrow Holder required to disburse any amount as liquidated damages to Seller until such time as Escrow Holder has received reasonably satisfactory evidence that Buyer has received the 20 Day Notice and Demand.

11. **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 Broker, 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.

12. **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 Agreement, 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 of

defense of such action or proceeding.

13. **EFFECT OF ADDENDUM.** To the extent of any inconsistency between the terms and provisions of this Addendum and those of the Standard Agreement, the terms and provisions of this Addendum shall govern and control. Except to that extent, the Standard Agreement and its terms and provisions shall be unchanged hereby and shall govern and control.

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IN WITNESS WHEREOF, Buyer and Seller have executed this Addendum as of the date set forth on the Standard Agreement.

AGREED AND ACCEPTED:

"BUYER:"

  
Name Diana E. Atwood

"SELLER:"

  
Thomas P. Jermassen, solely in his  
capacity as Chapter 11 Seller for Estate  
Financial, Inc