

Overbid procedure (if any): No overbid procedure is being proposed at this time. Any competing offers recieved prior to the hearing shall be considered by the Trustee and reported to the Court.

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

N/A

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

Reed H. Olmstead
HURLBETT & OLMSTEAD
3324 State Street, Suite O
Santa Barbara, CA 93105
(805) 963-9111
Facsimile: (805) 963-2209
reed@hurlbettlaw.com

Date: 03/13/2013

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:
Hurlbett & Olmstead, 3324 State Street, Suite O, Santa Barbara, CA 93105

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)* 03/19/2013, 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:

Andrew Haley ahaley@gpfm.com, kbarone@gpfm.com
Jerry Namba (TR) jnambaepiq@earthlink.net, jnamba@ecf.epiqsystems.com
United States Trustee (ND) ustpregion16.nd.ecf@usdoj.gov
William E Winfield wwinfield@nchc.com

Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On *(date)* _____, 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)* 03/19/2013, 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.

Hon. Robin L. Riblet, 1415 State Street, Santa Barbaram CA 93101 (via hand delviery)

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.

03/19/2013
Date

Reed H. Olmstead
Printed Name

/s/ Reed H. Olmstead
Signature

- (1) Debtor's membership interest, stock, or other beneficial interest in Affiliated Communications, LLC previously doing business as Affiliated Communications, Inc.;
- (2) Debtor's coin collection or other collectibles;
- (3) Debtor's equity in his personal residence (1986 Calamar Court, Camarillo, CA 93010) that exceeds Debtor's claim of exemption;
- (4) Debtor's rental property located at 150 Majestic Court #1115, Moorpark, CA 93021; and,
- (5) Debtor's rental property located at 820 Ashford Street, Simi Valley, California.

The foregoing interests are collectively referred to as the "Assets".

The Trustee seeks to sell the estate's rights, title and interests, if any, in (a) the Assets, (b) all claims including, without limitation, avoidance and recovery actions or proceedings regarding the Assets under Sections 544, 545, 547, 548, 549, 550, 551 and/or 553 of the Bankruptcy Code, to the extent such claims are assignable by the Trustee under applicable law and (c) potential objection to the Debtor's claimed exemptions to the Buyer upon the terms and conditions hereinafter set forth in the Purchase Agreement.

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (the “Agreement”) is made as of February 22, 2013 between Jerry Namba, the duly appointed, qualified and acting Chapter 7 Trustee (“Trustee” or “Seller”) for the bankruptcy estate of Richard Kim Starr (“Debtor”), Case Number 9:12-bk-10516-RR (the “Bankruptcy Case”), on the one hand, and RES-GA Little Bear, LLC (“Little Bear” or “Buyer”), on the other hand.

I. RECITALS

A. The instant case was commenced by the filing of a voluntary petition for relief under Chapter 7 of Title 11 of the United States Code on February 7, 2012 (the “Filing Date”). Shortly thereafter, the Seller was duly appointed as the Chapter 7 Trustee in this Bankruptcy Case.

B. Among the potential assets of this bankruptcy estate currently known to the Seller are interests in the following: (1) Debtor’s membership interest, stock, or other beneficial interest in Affiliated Communications, LLC previously doing business as Affiliated Communications, Inc.; (2) Debtor’s coin collection or other collectibles; (3) Debtor’s equity in his personal residence (1986 Calamar Court, Camarillo, CA 93010) that exceeds Debtor’s claim of exemption; (4) Debtor’s rental property located at 150 Majestic Court #1115, Moorpark, CA 93021; and, (5) Debtor’s rental property located at 820 Ashford Street, Simi Valley, California. The foregoing interests are collectively referred to as the “Assets”.

C. Upon conducting a preliminary analysis on the Assets, the Seller has determined that they may have sufficient equity to benefit the estate’s creditors if administered by the Seller.

D. Buyer asserts four non-contingent, liquidated and unsecured non-priority claims in this Bankruptcy Case totaling \$1,027,011.19 as of December 1, 2012, with interest continuing

to accrue at a rate of \$178.55/day as reflected in Buyer's Proof of Claim, filed January 3, 2013 (Claim 7) (collectively, the "Little Bear Claims"), which are reflected as an undisputed claim on Debtor's Schedule F described as "Multibank 2009-1 RES-ADC Venture – Breach of Guaranty law suit - \$1,187,273.00."

E. The Seller desires to sell the estate's rights, title and interests, if any, in (1) the Assets, (2) all claims including, without limitation, avoidance and recovery actions or proceedings regarding the Assets under Sections 544, 545, 547, 548, 549, 550, 551 and/or 553 of the Bankruptcy Code, to the extent such claims are assignable by the Trustee under applicable law and (3) potential objection to the Debtor's claimed exemptions (collectively, the "Assigned Claims") to the Buyer upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, subject to Bankruptcy Court approval and in consideration of the foregoing facts and recitals, the terms hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

II. PURCHASE AND SALE

A. Subject to Bankruptcy Court approval, the Seller agrees to sell, transfer and assign to the Buyer, the Buyer agrees to purchase from the Seller, on an "AS IS, WHERE IS" basis and without any representations and/or warranties whatsoever all of the estate's rights, title and interests, if any, in the Assigned Claims as a package.

B. The Buyer may, at its sole and absolute discretion, prosecute any or all of the Assigned Claims and would have no duty whatsoever to the Seller to take any action whatsoever with respect to the Assigned Claims. In the event that there is a recovery actually received by the Buyer on account of the Assigned Claims, the net amount of recovery, after reasonable expenses, would be shared as follows: 75% to the Buyer and 25% to the bankruptcy estate. The 25% net

amount of recovery shall be made payable to **“Jerry Namba, Chapter 7 Trustee”** and forwarded to the Seller at the address for Seller in the Notice section below.

C. In the event the Debtor successfully claims an exemption in the recoveries arising from the Assigned Claims, the recoveries to the Buyer and the bankruptcy estate would only be paid after such exemption amount is taken into account. For example, assume that the Buyer recovered \$200,000 through its efforts. However, the Debtor somehow successfully asserts an exemption claim of \$10,000 in the funds the Buyer recovers, and Buyer incurred \$10,000 in costs in its recovery efforts, leaving \$180,000. Under that scenario, the proceeds would then be split 75% (\$135,000) to the Buyer and 25% (\$45,000) to the bankruptcy estate.

D. Within five (5) days after the Effective Date of the Agreement (as defined in section III., below), Buyer shall pay to Seller a non-refundable payment of \$10,000 (“Advance”), which is the minimum consideration that the Seller is willing to accept for the Assigned Claims. The Advance is an advance on any funds due to the Seller from the net recovery derived from the Assigned Claims. In the event that the net recovery due to the Seller equals less than the Advance, Seller will be under no obligation to return any portion of the Advance.

E. The Seller shall allow the Buyer and its counsel to proceed to prosecute the Assigned Claims without further advice or consent from the Seller. More specifically, the Buyer shall be authorized to negotiate any settlement with its counsel which they deem appropriate concerning the disposition of the Assigned Claims, or proceed to litigate the matter through trial.

F. The Seller and/or the bankruptcy estate shall have no liability, direct or otherwise, concerning the Buyer’s prosecution or non-prosecution of the Assigned Claims. Specifically, the Buyer shall be responsible for any and all attorneys’ fees and costs and further obligations incurred arising from and relating to the prosecution of the Assigned Claims.

G. The Buyer shall provide the Seller with quarterly updates (due on the 10th day following each calendar quarter) regarding the status of the Assigned Claims, funds collected, and expenses incurred.

H. As part of this Agreement, the Buyer shall subordinate the Little Bear Claims and/or any other claims it may have in this Bankruptcy Case to the same priority as tardily filed claims pursuant to 11 U.S.C. §726(a)(3).

I. Any claims which are not assignable by the Seller under applicable law would be retained by the Seller (the "Retained Claims"). The Seller may, at his sole and absolute discretion, prosecute any or all of the Retained Claims and would have no duty whatsoever to the Buyer to take any action whatsoever with respect to the Retained Claims. In the event that there is any recovery actually received by the Seller on account of the Retained Claims, the entire recovery would be retained by the bankruptcy estate.

III. BANKRUPTCY COURT APPROVAL

This Agreement shall not be effective until a final, non-appealable order approving this Agreement has been entered by the Bankruptcy Court. The Seller has agreed to take all reasonable steps necessary to obtain Bankruptcy Court approval. For purposes of this Agreement, an order shall be final fifteen (15) calendar days after entry, provided that prior to such date no appeal of the order was filed and no stay pending appeal was granted and remains in effect ("Effective Date").

IV. MISCELLANEOUS PROVISIONS

A. **Entire Agreement.** This Agreement and the schedules and attachments hereto contain the entire understanding between the parties hereto and supersedes any prior understanding, memoranda or other written or oral agreements between them respecting the within subject matter, including, without limitation, any prior proposals and correspondence.

There are no representations, agreements, arrangements or understandings, oral or written, between the parties relating to the subject matter of this Agreement which are not fully expressed herein. No agreement by a party to delete or substitute proposed terms or provisions during the negotiation of this Agreement shall in any way be used or held against that party.

B. Modification; Waiver. No supplement, modification or amendment to this Agreement shall be binding unless evidenced by a writing signed by the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

C. Authority to Execute Agreement. Each party executing this Agreement is duly authorized to enter into and execute this Agreement in such capacity, subject only to Paragraph III hereof.

D. Severability; Invalid, Void, or Unenforceable Terms. If any provision of this Agreement or portion thereof is determined by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable, then such provision, to the extent permitted by the court, will not be voided but will instead be construed to give effect to its intent to maximum extent permissible under applicable law and the remainder of this Agreement will remain in full force and effect according to its terms.

E. Notices. Unless otherwise provided in this Agreement, all notices required under this Agreement shall be in writing and shall be effective for all purposes upon receipt by either a party or such party's counsel as set forth in this Section, including without limitation, in the case of (i) personal delivery, (ii) delivery by messenger, express or air courier or similar courier, (iii)

delivery by United States first class certified or registered mail, postage prepaid or (iv)
confirmed transmittal by telecopier or facsimile, addressed as follows:

To Seller: Jerry Namba, Chapter 7 Trustee
For the Bankruptcy Estate of Richard Kim Starr
504 E. Chapel Street
Santa Maria, California 93454
Facsimile: (805) 347-9858

With a copy to: Reed H. Olmstead, Esq.
Hurlbett & Olmstead
3324 State Street, Suite O
Santa Barbara, CA 93105
Facsimile: (805) 963-2209

To Buyer: RES-GA Little Bear, LLC
Attn: Jonathan Levy
Rialto Capital Advisors
700 NW 107 Avenue, Suite 200
Miami, Florida 33172

Email: jonathan.levy@rialtocapital.com

With a copy to: Andrew J. Haley, Esq.
Greenwald, Pauly, Foster & Miller, A.P.C.
1299 Ocean Avenue, Suite 400
Santa Monica, California 90401-1007
Facsimile: (310) 395-5961

Either party may change its address by written notice to the other party in the manner set forth above. Receipt of communications by United States first class certified or registered mail will be sufficiently evidenced by return receipt, and receipt of communications transmitted by telecopier or facsimile, shall be deemed to have been received upon transmission, provided that such notice is also sent by overnight express courier for delivery on the following day. To the extent feasible, in the case of illegible or otherwise unreadable facsimile transmissions, the receiving party shall promptly notify the transmitting party of any transmission problem and the transmitting party shall promptly resend any affected pages.

F. Choice of law, Jurisdiction and Venue. This Agreement shall be governed by and construed under, and the legal relations between the parties hereto shall be determined by the law of the State of California and applicable federal law. The Bankruptcy Court shall retain jurisdiction to resolve any disputes arising under this Agreement.

G. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

H. Consent. The parties represent that they were represented by attorneys of their own choosing in the negotiations and preparation of this Agreement, that they have read this Agreement, that they are fully aware of its contents and of its legal effect by virtue of discussions with their attorneys, and that they have freely and voluntarily entered into the settlement set forth in this Agreement.

I. Headings. The headings contained in this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

J. Fair Meaning. This Agreement shall be construed according to its fair meaning, the language used shall be deemed the language chosen by the parties to express their mutual intent, and no presumption or rule of strict construction will be applied against any party.

K. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original instrument enforceable in accordance with its terms. This Agreement may be executed by electronically transmitted signatures and any such signature shall be valid and binding.

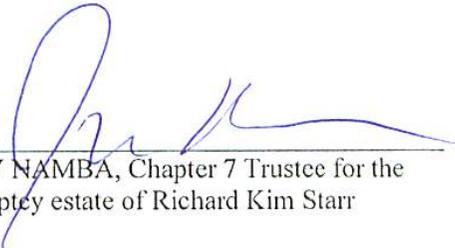
L. Fees and Costs. All expenses involved in the preparation, authorization and consummation of this Agreement including, without limitation, all fees and expenses of agents,

representatives, counsel and accountants, shall be borne solely by the party which shall have incurred the same, and the other party shall have no liability with respect thereto.

IN WITNESS WHEREOF, the parties hereto have duly executed this Asset Purchase Agreement as of the date set forth herein.

SELLER:

DATED: March 1, 2013



JERRY NAMBA, Chapter 7 Trustee for the
bankruptcy estate of Richard Kim Starr

BUYER:

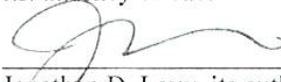
RES-GA LITTLE BEAR, LLC,
a limited liability company

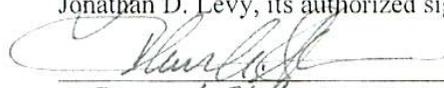
by: Multibank 2009-1 RES-ADC Venture, LLC
its: manager

by: RL RES 2009-1 Investments LLC
its: manager

by: Rialto Capital Advisors, LLC
its: attorney-in-fact

DATED: February 27, 2013



Jonathan D. Levy, its authorized signatory


THOMAS A. SKELLY, its authorized signatory

representatives, counsel and accountants, shall be borne solely by the party which shall have incurred the same, and the other party shall have no liability with respect thereto.

IN WITNESS WHEREOF, the parties hereto have duly executed this Asset Purchase Agreement as of the date set forth herein.

SELLER:

DATED: _____, 2013

JERRY NAMBA, Chapter 7 Trustee for the
bankruptcy estate of Richard Kim Starr

BUYER:

RES-GA LITTLE BEAR, LLC,
a limited liability company

by: Multibank 2009-1 RES-ADC Venture, LLC
its: manager

by: RL RES 2009-1 Investments LLC
its: manager

by: Rialto Capital Advisors, LLC
its: attorney-in-fact

DATED: February 27, 2013

Jonathan D. Levy, its authorized signatory

THOMAS A. SKIDY, its authorized signatory