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<input type="checkbox"/> Individual appearing without attorney <input checked="" type="checkbox"/> Attorney for: Karl T. Anderson, Chapter 7 Trustee	

**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA - RIVERSIDE DIVISION**

In re: JAMES EDWARD CONTI,	CASE NO.: 6:15-bk-15818-SC CHAPTER: 7
NOTICE OF SALE OF ESTATE PROPERTY	
Debtor(s). Last Day to Submit Bids: 10/12/2015 at 5:00 pm Final Bidding Round: 10/14/2015 at 11:00 am	

Sale Date: Court Hearing: 10/14/2015	Time: 11:00 am
Location: See Attached.	

Type of Sale: Public Private **Last date to file objections:** 09/30/2015

Description of property to be sold: Real Property: 3356 Debbie Lane, Riverside, CA 92501

Terms and conditions of sale: Free and clear of liens, if any, pursuant to Bankruptcy Code § 363(b)(1)
Purchase price of \$265,000.00, subject to overbids. See attached for Bid Procedures.

Proposed sale price: \$ 265,000.00

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

Overbid procedure (if any): Potential overbidders must bid an initial amount of at least \$5,000 over the consideration offered by the Buyer (total of at least \$270,000.00). Minium bid increments after that shall be \$1,000.

See attached for more information.

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

October 14, 2015 at 11:00 am

Video Hearing Courtroom 126

U.S. Bankruptcy Court

3420 Twelfth Street

Riverside, CA 92501

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

Elyza P. Eshaghi , Esq.

SHULMAN HODGES & BASTIAN LLP

100 Spectrum Center Drive, Suite 600

Irvine, CA 92618

Telephone: (949) 340-3400

Facsimile: (949) 340-3000

Email: eeshaghi@shblp.com

Date: 09/23/2015

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7 Attorneys for Karl T. Anderson,
Chapter 7 Trustee

8 **UNITED STATES BANKRUPTCY COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA, RIVERSIDE DIVISION**

10
11 In re
12 **JAMES EDWARD CONTI,**
13 Debtor.

Case No.: 6:15-bk-15818-SC

Chapter 7

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

(1) **APPROVING THE SALE OF REAL
PROPERTY OF THE ESTATE
PURSUANT TO BANKRUPTCY
CODE § 363(b)(1), SUBJECT TO
OVERBIDS, COMBINED WITH
NOTICE OF BID PROCEDURES
AND REQUEST FOR APPROVAL OF
THE BID PROCEDURES UTILIZED;**

(2) **APPROVING PAYMENT OF REAL
ESTATE COMMISSION; AND**

(3) **GRANTING RELATED RELIEF;**

**MEMORANDUM OF POINTS AND
AUTHORITIES AND DECLARATIONS
OF KARL T. ANDERSON AND ERIC
BROWN IN SUPPORT THEREOF**

[Real property located at 3356 Debbie Lane,
Riverside, CA 92501]

Hearing Date:

Date: October 14, 2015

Time: 11:00 a.m.

Place: Video Hearing Courtroom 126
3420 Twelfth Street
Riverside, California 92501

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1 TO THE HONORABLE SCOTT C. CLARKSON, UNITED STATES
2 BANKRUPTCY JUDGE, THE OFFICE OF THE UNITED STATES TRUSTEE, THE
3 DEBTOR AND ALL INTERESTED PARTIES AND THEIR COUNSEL OF RECORD:

4 I.

5 INTRODUCTION

6 Karl T. Anderson (“Trustee”), the Chapter 7 trustee for the bankruptcy estate (“Estate”)
7 of James Edward Conti (“Debtor”), brings this Motion for Order: (1) Approving the Sale of Real
8 Property of the Estate Pursuant to Bankruptcy Code § 363(b)(1), Subject to Overbids, Combined
9 With Notice of Bid Procedures and Request for Approval of the Bid Procedures Utilized; (2)
10 Approving Payment of Real Estate Commission; and (3) Granting Related Relief (“Sale
11 Motion”).

12 The Trustee received an offer from Elias Alba (“Buyer”) to purchase the real property
13 located at 3356 Debbie Lane, Riverside, California (“Property”) for \$265,000.00. The Property
14 is a single family residence and is currently vacant.

15 Prior to the bankruptcy filing, the current Buyer entered into a purchase agreement for the
16 Property at a sales price of \$250,000.00; however, the sale did not close prior to the Debtor’s
17 bankruptcy filing. The Buyer’s current offer is \$15,000.00 more than the previous purchase
18 price. After learning that a sale in bankruptcy is subject to overbids, the Buyer decided to
19 increase the offer to the listing price, in an effort to prevent being out bid. The current purchase
20 offer for the Property is the result of negotiations between the Trustee and the Buyer for the
21 highest and best offer.

22 Additionally, the sale of the Property will be subject to the Bid Procedures set forth
23 below to ensure the Estate receives the highest and best result from the sale. The Bid Procedures
24 provide, among other things, that bids must be in writing and be received by the Trustee and the
25 Trustee’s counsel, Shulman Hodges & Bastian LLP, to the attention of Elyza P. Eshaghi at 100
26 Spectrum Center Drive, Suite 600, Irvine, CA 92618, on or before **5:00 p.m. (California Time)**
27 **on October 12, 2015.** If overbids are received, **the final bidding round shall be held on**
28 **October 14, 2015 at 11:00 a.m. (California Time), or if rescheduled, upon telephonic notice**

1 **to the Buyer and the parties having submitted overbids.** At the final bidding round, the
2 Trustee will, in the exercise of his business judgment and subject to Court approval, accept the
3 bidder who has made the highest and best offer to purchase the Property, consistent with the Bid
4 Procedures.

5 Through the sale, the Trustee is expected to generate proceeds of at least \$41,875.00 for
6 the benefit of the Estate and its creditors. In the event the purchase price is increased by a
7 successful overbid, the estimated net proceeds will increase.

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

10 **II.**

11 **RELEVANT FACTS**

12 **A. Case Commencement**

13 The Debtor filed a voluntary petition for relief under Chapter 7 of the Bankruptcy Code
14 on June 9, 2015.

15 Karl T. Anderson is the duly appointed, qualified and acting Chapter 7 trustee for the
16 Debtor's Estate.

17 **B. Claims Against the Estate**

18 The deadline for filing claims and governmental proof of claims in this case is October
19 26, 2015. As of September 18, 2015, the Court's claims register indicates that there have been
20 three claims filed totaling \$18,446.31 consisting of \$5,006.56 in priority claims, and \$13,439.75
21 in general unsecured claims. The Debtor's Schedules indicate there are \$503,662.00 in secured
22 claims, \$0.00 in priority claims, and \$17,714.00 in general unsecured claims.

23 **C. The Property**

24 A true and correct copy of a preliminary title report on the Property dated August 26,
25 2015 is attached to the Declaration of Karl T. Anderson ("Anderson Declaration") as
26 **Exhibit "1."** The preliminary title report indicates the legal description for the Property is as
27 follows:¹

28 ¹ The legal description for the Property is believed to be accurate but may be corrected or updated by the title company in the transfer documents as necessary to complete the proposed sale transaction.

1 LOT 35 OF RIVERSIDE RIVIERA NO. 5, AS PER MAP
2 RECORDED IN BOOK 39, PAGES 63 TO 64 OF MAPS,
3 RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

4 APN: 246-144-007-8

5 On the Debtor's Schedule A and D, filed on June 9, 2015, the Debtor scheduled the value
6 of the Property at \$250,000.00, subject to a lien of \$169,738.00 in favor of Chase Home Finance
7 LLC ("Chase"). Initially, the Debtor used exemptions pursuant to Cal. Code Civ. Pro. § 703, and
8 did not exempt any of the equity in the Property. On July 22, 2015, however, the Debtor filed an
9 amended Schedule C and claimed a \$75,000.00 homestead exemption in the Property pursuant to
10 Cal. Code Civ. Pro. § 704.730. The Debtor indicates on his Statement of Financial Affairs that
11 the Property is vacant rental property. The Debtor also specifies on his Petition that he resides at
12 a different property, namely, 263 Loma Verde, Colton, California 92324. Accordingly, the
13 Trustee does not believe the Debtor is entitled to the homestead exemption claimed in the
14 Property. The Trustee believes that the Debtor is only entitled to exempt a maximum amount of
15 \$26,925.00 in the Property pursuant to Cal. Code Civ. Pro. § 703.140(b)(5).

16 The Debtor is not represented by counsel. The Trustee recommended that the Debtor
17 attend a pro se clinic to assist him with preparing his schedules to ensure he claims the
18 exemption he is entitled to with respect to the Property. If the Debtor does not amend his
19 Schedule C by the time of the hearing on this Sale Motion, the Trustee intends to file an
20 objection to the Debtor's current claimed homestead exemption. True and correct copies of the
21 Debtor's Schedules A, D, and amended Schedule C are attached to the Anderson Declaration as
22 **Exhibit "2."**

23 **D. Previous Marketing Efforts and Basis for Value of the Property**

24 After the bankruptcy filing, the Trustee discovered that prior to the Petition Date, the
25 Debtor had solicited the services of Eric Brown of Sky Realty Services ("Broker") as his real
26 estate broker to market and sell the Property. The Trustee was informed that the Property was in
27 escrow at a sales price of \$250,000.00, and that the sale would yield approximately \$48,000.00²
28 in net proceeds. The Trustee immediately contacted the Broker, informed him of the Debtor's

² Note, the Broker's estimated net did not take into account any potential exemption claimed on the Property.

1 bankruptcy filing, and advised him that the Trustee has the sole authority to sell the Property as it
2 is property of the Estate.

3 The Trustee is informed by the Broker that the Property was initially listed on February 9,
4 2015 at a listing price of \$265,000.00 on the local MLS with California Regional, which is
5 syndicated to Realtor.com, Yahoo Real Estate, Zillow, and Trulia.com. The Broker conducted
6 two open houses at a listing price of \$265,000.00, however, there was very little interest in the
7 Property. On or about February 25, 2015, the price was lowed to \$250,000.00, the Broker
8 conducted an additional open house, and the current Buyer entered into an agreement with the
9 Debtor to purchase the Property. This is the open sale that the Trustee discovered. The Trustee
10 is advised that the Property is in a deteriorated condition, and while four other offers were
11 received on the Property, the best offer received for the Property was \$250,000.00 and was
12 accepted by the Debtor prior to the Petition Date.

13 **E. Broker Employment**

14 On September 9, 2015, the Trustee filed his Application for an Order Authorizing
15 Employment of Eric Brown of Sky Realty Services as Real Estate Broker (docket number 33)
16 (“Employment Application”). The last day to oppose the Employment Application is September
17 28, 2015. The Trustee does not anticipate any opposition to the Employment Application and
18 anticipates that an Order granting the Employment Application will be entered prior to the
19 hearing on this Sale Motion.

20 The listing agreement with the Broker provides for a real estate commission to be paid of
21 six percent (6%) of the sale price.³ The Estate does not have the funds to obtain a formal written
22 appraisal for the estimated value of the Property.

23 The Broker has more than five years of experience in the sale of real property, as well as
24 property valuations, and is familiar with valuing real property in today’s economic environment.
25 The Broker inspected the Property and believes that a listing price of \$265,000.00 is supported
26 by comparable sales of similar properties in the area.

27 ///

28 ³ Notwithstanding, the Trustee reserves the right to request a lower commission to ensure the maximum net to the Estate.

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

The following chart sets forth the liens, encumbrances, and other interests against the Property as detailed in a preliminary title report attached as **Exhibit “1”** to the Anderson Declaration, and also describes the proposed treatment of the liens, encumbrances and other interests through the sale:

<u>Creditor</u>	<u>Description</u>	<u>Estimated Amount Owing</u>	<u>Treatment</u>
Riverside County Treasurer –Tax Collector	Real property taxes	Unknown ⁴	Pro-rata outstanding real property taxes will be paid through escrow on the sale transaction.
Riverside County Treasurer –Tax Collector	Default real property taxes for fiscal year 2011-2012	\$4,279.35	Default real property taxes will be paid through escrow on the sale transaction.
JP Morgan Chase Bank, N.A.	Beneficiary of a deed of trust recorded August 29, 2007; instrument number 2007-0554214	\$175,000.00 ⁵	This lien will be paid through escrow on the sale of the Property in the amount approved by the lienholder.

In summary, all costs of sale, including escrow fees and real estate commissions will be paid at closing. In addition, all outstanding pro-rata real property taxes and city liens, if any, and the amount owed to Chase will be paid through the sale.

G. The Purchase Offer and Summary of the Sale Terms

The Buyer offered to purchase the Property for \$265,000.00 (which is \$15,000.00 more than the price the Property was previously in escrow for, prior to the bankruptcy filing). After being informed of the Trustee’s intent to acquire overbids, the Buyer increased the offer to match

⁴ 2015 taxes are estimated to be \$1,217.78 with the 1st installment due 12/10/15 of \$608.89 and the 2nd installment due 4/11/2016 of \$608.89.

⁵ As of July 16, 2015, the payoff amount was \$173,696.03 according to the escrow closing statement entered into pre-petition.

1 the initial listing price, in an effort to prevent being out bid. The purchase price includes a
2 deposit of \$2,500.00. Attached as **Exhibit “3”** to the Anderson Declaration is a true and correct
3 copy of the Residential Purchase Agreement and Joint Escrow Instructions and Counteroffer
4 (collectively the “Agreement”).

5 A summary of the Agreement’s terms and highlights are discussed below, but the
6 summary and discussion are not meant to be a complete review of every provision of the
7 Agreement. The Agreement itself is the legally binding document the Trustee seeks approval of
8 and, in the event of any inconsistency between the terms, provisions or effect of the Agreement
9 and the description of it in these pleadings, the Agreement alone shall govern and not these
10 pleadings or the descriptions herein. In summary, the principal terms of the sale are as follows
11 (the Trustee is referred to at times as the “Seller” in the following summary):

12 Buyer:	Elias Alba
13 Purchase Price:	\$265,000.00, subject to the Bid Procedures set forth below. 14 \$2,500.00 deposit. Balance of purchase price paid not more than fifteen calendar days after the entry of an order of the Bankruptcy Court authorizing the sale.
15 Escrow Holder:	Chicago Title, 560 E. Hospitality Lane # 100, San Bernardino, CA 92408
16 Escrow, Title and 17 Other Costs:	All allowable assessment, taxes and other costs shall be allocated as follows: 18 (a) all allowable assessments and real property taxes shall be prorated through the closing date of the sale to the applicable accounts of the Seller and the 19 Buyer, such that the amounts applicable to the account of the Buyer shall not be deducted from the purchase price; (b) escrow fees shall be split equally 20 between the Buyer and the Seller (50/50), such that the amounts allocable to the Buyer shall not be deducted from the purchase price; (c) the Seller shall 21 pay real property transfer tax (County and State only) and the costs of a standard issue title insurance policy, such that these taxes and costs shall not be deducted from the purchase price; and (d) City transfer tax shall be split equally between Buyer and Seller (50/50), such that the amount allocable to the Buyer shall not be deducted from the purchase price. All other costs are at Buyer’s sole expense and are not to be deducted from the purchase price.
22 Disclosure or Warranty	As the Seller is a federal bankruptcy trustee, notwithstanding that the 23 Agreement contains disclosure or warranty provisions, there will be no warranties or disclosures made concerning the Property.
24 “As-Is” Sale	The Buyer acknowledges that the Seller is a trustee appointed to administer a 25 bankruptcy estate. The Seller or Seller’s agents have not, and will not, inspect the Property or determine its condition, fitness or use for any particular 26 purpose, nor will any of them provide any written disclosure, guarantees or warranties of any kind. Seller and Seller’s agents are exempt from complying with the requirements of Article 1.5 of the California Civil Code Sections 27 1102-1102.17 relating to disclosures upon transfer of real property. The sale shall be “as-is” and “where is” with no warranty or recourse whatsoever, and 28 any transfer shall be by Trustee’s Fiduciary Quitclaim Deed.

1 2 3 4 Bankruptcy Court Approval	The sale is expressly subject to Bankruptcy Court approval in the Debtor's bankruptcy case. As soon as reasonably practical following expiration of the Due Diligence Deadline without Buyer's submission of a Notice to Cancel, the Seller shall file a motion to approve the sale with the Bankruptcy Court pursuant to section 363 of the United States Bankruptcy Court. If the Buyer is overbid at the auction for the Property in the Bankruptcy Court, the Buyer agrees to release the Seller from any and all obligations under the Agreement other than the return of any deposits made by the Buyer.
5 6 Real Estate Agent Commission	Subject to Court approval, a broker's commission of six percent (6%) of the purchase price shall be split between the Trustee's Broker and the Buyer's Broker as follows: Three percent (3%) to Eric Brown of Sky Realty Services and three percent (3%) to Karen E. Doss of Grand Avenue Realty & Lending Inc.
7 8 Jurisdiction of the Bankruptcy Court	Any and all disputes in connection with the Agreement are subject to the exclusive jurisdiction and venue of the United States Bankruptcy Court hearing in the Bankruptcy Case in Riverside, California.
9 Sale Subject to Overbidding	The sale of the Property is subject to the Bid Procedures described below.

11 **H. Bid Procedures**

12 The Trustee has determined that it would benefit the Estate to permit all interested parties
13 to receive information and bid for the Property, instead of selling the Property to the Buyer on an
14 exclusive basis. Accordingly, in order to obtain the highest and best offer for the benefit of the
15 creditors of this Estate, the Trustee is utilizing and also seeks Court approval of the following bid
16 procedures ("Bid Procedures"):

17 1. Potential bidders must bid an initial amount of at least \$5,000.00 over the
18 Purchase Price, or \$270,000.00. Minimum bid increments thereafter shall be \$1,000.00. The
19 Trustee shall have sole discretion in determining which overbid is the best for the Estate and will
seek approval from the Court of the same.

20 2. Bids must be in writing and be received by the Trustee and the Trustee's counsel,
Shulman Hodges & Bastian LLP to the attention of Elyza P. Eshaghi on or before **5:00 p.m.**
21 **(California Time) on October 12, 2015.**

22 3. Bids must be accompanied by certified funds in the amount of five thousand
dollars (\$5,000.00).

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

26 5. The bidder must seek to acquire the Property on terms and conditions not less
27 favorable to the Estate than the terms and conditions to which the Buyer has agreed to purchase
the Property as set forth in the Agreement with the Buyer including no contingencies and closing
on the sale in the same time parameters as the Buyer.

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

7. If overbids are received, the final bidding round shall be held on **October 14, 2015 at 11:00 a.m. (California Time)** at the hearing on the Sale Motion, or if rescheduled, upon telephonic notice to the Buyer and the parties having submitted overbids, at the **Trustee’s counsel’s office, Shulman Hodges & Bastian LLP, 100 Spectrum Center Drive, Suite 600, Irvine, California 92618**, in order to allow all potential bidders the opportunity to overbid and purchase the Property. At the final bidding round, the Trustee or her counsel will, in the exercise of their business judgment and subject to Court approval, accept the bidder who has made the highest and best offer to purchase the Property, consistent with the Bid Procedures (“Successful Bidder”).

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

9. In the event the Successful Bidder fails to close on the sale of the Property within the time parameters approved by the Court, the Trustee shall retain the Successful Bidder’s Deposit and will be released from his obligation to sell the Property to the Successful Bidder and the Trustee may then sell the Property to the First Back-Up Bidder approved by the Court.

10. In the event First Back-Up Bidder fails to close on the sale of the Property within the time parameters approved by the Court, the Trustee shall retain the First Back-Up Bidder’s Deposit and will be released from his obligation to sell the Property to the First Back-Up Bidder and the Trustee may then sell the Property to the Second Back-Up Bidder approved by the Court.

I. Notice Regarding the Bid Procedures

The Trustee is proposing the sale of the Property to be subject to the Bid Procedures discussed above. The Bid Procedures will be provided to all creditors and any potential bidders or parties who have shown an interest in the Property. A Notice of Sale of Estate Property will be filed with the Court for posting on the Court’s website under the link “Current Notices of Sales,” thereby giving notice to additional potential interested parties. In addition, the Broker will update the Multiple Listing Service to reflect the Bid Procedures above.

Based on the foregoing, the Trustee believes that under the circumstances of this case, the Property will have been appropriately marketed for bidding.

///

1 **J. Costs of Sale**

2 Pursuant to the terms of the Employment Application, the Broker is entitled to a
3 commission in the amount not to exceed six percent of the purchase price. Notwithstanding, the
4 Trustee reserves the right to request a decrease in the commission to ensure there will be a
5 meaningful distribution to unsecured creditors.

6 **K. Tax Consequences**

7 The Trustee is evaluating issues regarding capital gains tax consequences and at this time,
8 has not determined what the capital gains taxes liability will be, if any, generated by the sale.

9 **III.**

10 **ARGUMENT**

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

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

22 **1. Sound Business Purpose**

23 The Ninth Circuit has adopted a flexible, case-by-case test to determine whether the
24 business purpose for a proposed sale justifies disposition of property of the estate under Section
25 363(b). *In re Walter*, 83 B.R. 14 (B.A.P. 9th Cir. 1988). In *Walter*, the Ninth Circuit, adopting
26 the reasoning of the Fifth Circuit in *In re Continental Air Lines, Inc.*, 780 F.2d 1223 (5th Cir.
27 1986), and the Second Circuit in *In re Lionel Corp.*, 722 F.2d 1063 (2d Cir. 1983), set forth the
28 following standard to be applied under Bankruptcy Code Section 363(b):

1 Whether the proffered business justification is sufficient depends on the case. As
2 the Second Circuit held in *Lionel*, the bankruptcy judge should consider all salient
3 factors pertaining to the proceeding and, accordingly, act to further the diverse
4 interests of the debtor, creditors and equity holders, alike. He might, for example,
5 look to such relevant factors as the proportionate value of the assets to the estate
6 as a whole, the amount of lapsed time since the filing, the likelihood that a plan of
reorganization will be proposed and confirmed in the near future, the effect of the
proposed disposition on future plans of reorganization, the proceeds to be
obtained from the disposition vis-a-vis any appraisals of the property, which of
the alternatives of use, sale or lease the proposal envisions and, most importantly
perhaps, whether the asset is increasingly or decreasing in value. This list is not
intended to be exclusive, but merely to provide guidance to the bankruptcy judge.

7 *Walter*, 83 B.R. at 19-20 (quoting *Continental*, 780 F.2d at 1226).

8 Here, the facts surrounding the sale of the Property support the Trustee’s business
9 decision that the proposed sale is in the best interests of the Estate and its creditors. Through the
10 sale, the Trustee expects to generate net proceeds of approximately \$41,875.00 as follows
11 (amounts are estimated):

Sale Price	\$265,000.00
Less real estate commission and costs of sale (8% of sales price) ⁶	(\$21,200.00)
Less secured debt (including property taxes; estimated)	(\$175,000.00)
Less the Debtor’s exemption (estimated)	(\$26,925.00)
Estimated net sale proceeds for the benefit of the Estate which will increase if there are successful overbids	\$41,875.00

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

20 Furthermore, the Trustee believes that the proposed sale will be at fair market value
21 because it is the best offer the Estate has received thus far for the Property, and the sale is subject
22 to the Bid Procedures. Accordingly, the Trustee respectfully submits that, if this Court applies
23 the good business reason standard suggested by the Second Circuit in *Lionel* and followed by the
24 Ninth Circuit in *Walter*, the sale should be approved.

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27 ///

28 ⁶ Notwithstanding, the Trustee reserves the right to request a lower commission to ensure the maximum net to the Estate.

1 2. [The Sale Serves the Best Interests of the Estate and Creditors](#)

2 The Trustee believes that it would be in the best interest of the Estate and its creditors to
3 sell the Property. The benefits to the Estate, as set forth above, are tremendous due to the funds
4 to be generated from the sale that will be used to pay a substantial distribution to unsecured
5 claims. If the Sale Motion is not approved, the Estate will not receive the sale proceeds and will
6 likely lose the Buyer. The Trustee does not want to lose this beneficial business opportunity.
7 Thus, the Trustee has made a business decision that it is in the best interest of the creditors of the
8 Estate that this Sale Motion be approved.

9 3. [Accurate and Reasonable Notice](#)

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

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

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

23 4. [The Sale is Made in Good Faith](#)

24 The proposed sale has been brought in good faith and has been negotiated on an “arm’s
25 length” basis. The court in *Wilde Horse Enterprises* set forth the factors in considering whether
26 a transaction is in good faith. The court stated:

27 “Good faith” encompasses fair value, and further speaks to the integrity of the
28 transaction. Typical ‘bad faith’ or misconduct, would include collusion between
the seller and buyer, or any attempt to take unfair advantage of other potential
purchasers. . . . And, with respect to making such determinations, the court and

creditors must be provided with sufficient information to allow them to take a position on the proposed sale.

Id. at 842 (citations omitted).

In the present case, the negotiation of the proposed sale was an arms-length transaction. The sale price for the Property is the highest and best, which will have substantial benefit to the Estate. As set forth in the Notice of the Sale Motion, the creditors will have been provided with sufficient notice of the sale. Additionally, the Buyer has filed a declaration in support of the Sale Motion confirming his status as a good faith buyer pursuant to Section 363(m) of the Bankruptcy Code. Therefore, the sale is in good faith and should be approved. Accordingly, the Trustee requests such a finding pursuant to Bankruptcy Code Section 363(m).

B. The Court Has the Authority to Approve the Bid Procedures

Implementing the Bid Procedures is an action outside of the ordinary course of the business. Bankruptcy Code Section 363(b)(1) provides that a trustee “after notice and hearing, may use, sell or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). Furthermore, under Bankruptcy Code Section 105(a), “[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a). Thus, pursuant to Bankruptcy Code sections 363(b)(1) and 105(a), this Court may approve the Bid Procedures, which assist the Trustee to obtain the best possible price, on the best possible terms, for the Property.

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

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

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

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1 **D. Request for Payment of Real Estate Commission**

2 Bankruptcy Code Section 327 allows, with court approval, for the trustee to employ
3 professional persons, “that do not hold or represent an interest adverse to the estate, and that are
4 disinterested persons.” 11 U.S.C. § 327(a). On September 9, 2015, the Trustee filed the
5 Employment Application (docket number 33), seeking to employ the Broker to assist the Trustee
6 in the marketing and sale of the Property. The Trustee does not anticipate any opposition to the
7 Employment Application and anticipates that an Order granting the Employment Application
8 will be entered prior to the hearing on this Sale Motion.

9 Bankruptcy Code Section 328 allows employment of a professional person under section
10 327 “on any reasonable terms and conditions of employment, including on a retainer, on an
11 hourly basis, on a fixed or percentage fee basis, or on a contingent fee basis.” 11 U.S.C. §
12 328(a) (emphasis added). Through this Sale Motion, as provided in the Agreement, the Trustee
13 seeks authorization to pay a real estate broker commission to the Broker of six percent (6%) of
14 the purchase price.

15 **IV.**

16 **CONCLUSION**

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

- 19 1. Approving the Bid Procedures utilized by the Trustee as described above.
- 20 2. Authorizing the Trustee to sell the Property to the Buyer pursuant to the terms and
21 conditions as set forth in the Agreement attached as **Exhibit “3”** to the Anderson Declaration.
- 22 3. Authorizing the Trustee to sign any and all documents convenient and necessary
23 in pursuit of the sale as set forth above, including but not limited to any and all conveyances
24 contemplated by the Agreement attached as **Exhibit “3”** to the Anderson Declaration.
- 25 4. Approving the payment of the real estate commission in the total amount not to
26 exceed six percent (6%) of the final purchase price.

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DECLARATION

DECLARATION OF KARL T. ANDERSON

I, Karl T. Anderson, declare:

1. I am the duly appointed, qualified and acting Chapter 7 trustee for the bankruptcy estate (“Estate”) of James Edward Conti (“Debtor”). I have personal knowledge of the facts set forth herein, and if called and sworn as a witness, I could and would competently testify thereto, except where matters are stated on information and belief, in which case I am informed and believe that the facts so stated are true and correct.

2. I make this Declaration in support of my Motion for Order: (1) Approving the Sale of Real Property of the Estate Pursuant to Bankruptcy Code § 363(b)(1), Subject to Overbids, Combined With Notice of Bid Procedures and Request for Approval of the Bid Procedures Utilized; (2) Approving Payment of Real Estate Commission; and (3) Granting Related Relief (“Sale Motion”). All capitalized terms not otherwise defined herein shall have the meaning set forth in the Sale Motion.

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

4. Attached hereto as **Exhibit “1”** is a true and correct copy of the preliminary title report for the Property dated August 26, 2015.

5. On the Debtor’s Schedule A and D, filed on June 9, 2015, the Debtor scheduled the value of the Property at \$250,000.00, subject to a lien of \$169,738.00 in favor of Chase Home Finance LLC (“Chase”). Initially, the Debtor applied exemptions available under Cal. Code Civ. Pro. § 703 and did not exempt any of the equity in the Property. On July 22, 2015, however, the Debtor filed an amended Schedule C and claimed a \$75,000.00 homestead exemption in the Property pursuant to Cal. Code Civ. Pro. § 704.730. The Debtor indicates on his Statement of Financial Affairs that the Property is vacant rental property. The Debtor specifies in his Petition that he resides at 263 Loma Verde, Colton, California 92324; therefore, I do not believe the Debtor is entitled to the homestead exemption claimed in the Property. True

28

1 and correct copies of the Debtor's Schedules A, D and amended Schedule C are attached hereto
2 as **Exhibit "2."**

3 6. The Debtor is not represented by counsel. I recommended that the Debtor attend
4 a pro se clinic to assist him with preparing his schedules to ensure that he claims the exemption
5 he is entitled to with respect to the Property. If the Debtor does not amend his Schedule C by the
6 time of the hearing on this Sale Motion, I intend to file an objection to the Debtor's current
7 exemption claimed on the Property. I believe that the Debtor is only entitled to exempt a
8 maximum amount of \$26,925.00 of the equity in the Property pursuant to Cal. Code Civ. Pro. §
9 703.140(b)(5).

10 7. The deadline for filing claims and governmental proof of claims in this case is
11 October 26, 2015. As of September 18, 2015, the Court's claims register indicates that there
12 have been three claims filed totaling \$18,446.31 consisting of \$5,006.56 in priority claims, and
13 \$13,439.75 in general unsecured claims. The Debtor's Schedules indicate there are \$503,662.00
14 in secured claims, \$0.00 in priority claims, and \$17,714.00 in general unsecured claims.

15 8. The Sale Motion sets forth the proposed treatment of all the liens and
16 encumbrances against the Property as detailed in the August 26, 2015 preliminary title report.

17 9. I am informed by the Broker that the Property was initially listed on February 9,
18 2015 at a listing price of \$265,000.00. After receiving no interest, the Broker reduced the listing
19 price to \$250,000.00. I am advised that the Property is in a deteriorated condition and while four
20 other offers were received, the best offer received for the Property was \$250,000.00 and was
21 accepted by the Debtor prior to the Petition Date.

22 10. Through the Broker, I have received an offer from the Buyer to purchase the
23 Property for \$265,000.00. Attached hereto as **Exhibit "3"** is a true and correct copy of the
24 Residential Purchase Agreement and Joint Escrow Instructions and Counteroffer setting forth the
25 Buyer's offer.

26 11. The Buyer's offer is the highest and best offer the Estate has received for the
27 Property that has been on the market since February 9, 2015. Through the sale, I expect to
28 generate proceeds of approximately \$41,000.00 (after an anticipated disbursement of the

1 wildcard exemption to the Debtor), which will benefit the Estate by allowing for a meaningful
2 distribution to unsecured claims.

3 12. The offer by the Buyer is the result of negotiations between the Buyer and me for
4 the highest and best offer. Additionally, I am seeking potential bidders for the Property pursuant
5 to the Bid Procedures described in the Sale Motion.

6 13. I believe that good cause exists to grant the Sale Motion including approval of the
7 Bid Procedures to ensure receiving the highest and best offer for the Property.

8 14. For the reasons set forth in the Sale Motion and this Declaration, I respectfully
9 request that the Court grant the Sale Motion so that I do not lose this favorable business
10 opportunity to funds to provide a distribution to unsecured creditors.

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

13 Executed on September ~~23~~ 2015 at Palm Springs, California.

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15 Karl T. Anderson

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DECLARATION

DECLARATION OF ERIC BROWN

I, Eric Brown, declare:

1. The matters stated herein are true and correct and within my personal knowledge. If called as a witness, I could and would competently testify thereto. I am a real estate broker, duly licensed in the State of California and associated with Sky Mortgage Services with an office located at 11748 Magnolia Avenue, Unit C2, Riverside, California 92503; telephone (714) 855-4210.

2. I make this declaration in support of the Trustee's Motion for Order: (1) Approving the Sale of Real Property of the Estate Pursuant to Bankruptcy Code § 363(b)(1), Subject to Overbids, Combined With Notice of Bid Procedures and Request for Approval of the Bid Procedures Utilized; (2) Approving Payment of Real Estate Commission; and (3) Granting Related Relief ("Sale Motion"). Unless otherwise noted, all capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Sale Motion.

3. I have read the Sale Motion and am familiar with the real property located 3356 Debbie Lane, Riverside, CA ("Property").

4. Prior to the Petition Date, I was retained by the Debtor to market the Property for sale. I originally listed the Property for sale on February 9, 2015 at a listing price of \$265,000.00. At a listing price of \$265,000.00, I conducted two open houses, however, there was very little interest in the Property. On or about February 25, 2015, I recommended lowering the listing price to \$250,000.00, I conducted an additional open house, and the current Buyer entered into an agreement with the Debtor to purchase the Property. The Property is in a deteriorated condition, and while four other offers were received on the Property, the best offer received for the Property was \$250,000.00 and was accepted by the Debtor prior to the Petition Date.

5. On or about July 16, 2015, I was contacted by the Trustee who advised me of the Debtor's bankruptcy filing, that the Property was property of the Estate, and that only the Trustee had authority to sell the Property. I informed the Trustee that the Property was in escrow at a

1 sales price of \$250,000.00 and that the sale would yield approximately \$48,000.00 in net
2 proceeds.

3 6. I am informed that on September 9, 2015, the Trustee filed his Application to
4 employ me as his real estate broker. The listing agreement for the Property provides for a real
5 estate commission to be paid of six percent (6%) of the sale price. I understand that the Trustee
6 may request a reduction in the commission to ensure creditors receive a meaningful distribution.

7 7. I have more than five years of experience in the sale of real property as well as
8 property valuations and I am familiar with valuing real property in today's economic
9 environment. I inspected the Property and believed that the Property had a fair market value that
10 supported it be listed for sale at \$265,000.00. The listing price was determined based on
11 comparable sales of similar properties in the area.

12 8. The Buyer's revised offer of \$265,000.00 that is the subject of the Sale Motion is
13 the best offer that has been received. I informed the Buyer that the Property sale would be
14 subject to overbid due to the bankruptcy filing, and he informed me that he would like to
15 increase his offer to the \$265,000.00 listing price, in order to prevent being out bid for the
16 Property. The Buyer's offer is the result of negotiations between the Trustee and the Buyer for
17 the highest and best offer. To further market the Property for overbids, however, the Bid
18 Procedures described in the Sale Motion will be listed on the Multiple Listing Service.

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

21 Executed on September __, 2015 at Riverside, California.

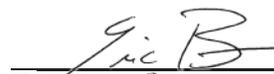
22 
23 Eric Brown

EXHIBIT “1”

PRELIMINARY TITLE REPORT

UPDATE 2



625 The City Drive, Suite 150, Orange, CA 92868
(714)748-7000

Eric Brown
Reaction Properties, Inc.
11748 Magnolia Avenue, Suite C2
Riverside, CA 92503

Customer Reference: 3356 Debbie Lane
Order Number: 96550 (LR)
Title Officer: Linda Rugg
Phone: (714)481-4974
Fax No.: (714)852-4198
E-Mail: teamlinda@westernresourcestitle.com

Property: **3356 Debbie Lane
Riverside, CA**

PRELIMINARY REPORT

First American Title Insurance Company

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

The printed Exceptions and Exclusions from the coverage of said Policy or Policies are set forth in Exhibit A attached. Copies of the Policy forms should be read. They are available from the office which issued this report.

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

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

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

Western Resources Title Company

EXHIBIT "1"

Dated as of August 26, 2015 at 7:30 A.M.

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

ALTA Ext Loan Policy 1056.06 (1) (2006)-N
ALTA Homeowners (Eagle) Policy (2-3-10)-N

A specific request should be made if another form or additional coverage is desired.

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

**ARTHUR J. CONTI, SUCCESSOR TRUSTEE OF THE FAMILY TRUST OF DOLORES M.
CONTI DATED MAY 27, 1999 (subject to items #11 and 12)**

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

A FEE

The Land referred to herein is described as follows:

(See attached Legal Description)

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

1. General and special taxes and assessments for the fiscal year 2015-2016, a lien not yet due or payable.
2. General and special taxes and assessments for the fiscal year 2014-2015.
First Installment: \$553.81, DELINQUENT
Penalty: \$55.38
Second Installment: \$553.81, DELINQUENT
Penalty: \$93.98
Tax Rate Area: 088-080
A. P. No.: 246-144-007-8
3. The lien of defaulted taxes for the fiscal year 2011-2012, and any subsequent delinquencies.
Tax Rate Area: 088-080
A. P. No.: 246-144-007-8
Amount to redeem: \$4,234.48
Valid through: August 31, 2015
Amount to redeem: \$4,279.35
Valid through: September 30, 2015

Western Resources Title Company

EXHIBIT "1"

Please contact the tax office to verify the payoff amount.

4. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
5. The lien of bonds and assessment liens, if applicable, collected with the general and special taxes.
6. An easement shown or dedicated on the Map as referred to in the legal description
For: public utilities and incidental purposes.
7. An easement for public utilities and incidental purposes in the document recorded May 16, 1960 as Instrument No. 43980 of Official Records.
8. An easement for public utilities and incidental purposes in the document recorded May 20, 1960 as Instrument No. 46086 of Official Records.
9. Covenants, conditions, restrictions and easements in the document recorded April 28, 1961 as Instrument No. 36339 of Official Records, which provide that a violation thereof shall not defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition, or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, sexual orientation, familial status, disability, handicap, national origin, genetic information, gender, gender identity, gender expression, source of income (as defined in California Government Code § 12955(p)) or ancestry, to the extent such covenants, conditions or restrictions violation 42 U.S.C. § 3604(c) or California Government Code § 12955. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.
10. A Deed of Trust to secure an original indebtedness of \$315,000.00 recorded August 29, 2007 as Instrument No. 2007-0554214 of Official Records.
Dated: JULY 12, 2007
Trustor: JAMES E. CONTI
Trustee: CALIFORNIA RECONYANCE COMPANY, A CALIFORNIA CORPORATION
Beneficiary: WASHINGTON MUTUAL BANK, A FEDERAL ASSOCIATION

The above deed of trust states that it secures an equity line/revolving line of credit.

According to the public records, the beneficial interest under the deed of trust was assigned to JPMorgan Chase Bank, National Association, its Successors and Assigns by assignment recorded July 22, 2014 as Instrument No. 2014-0272737 of Official Records.

A document recorded August 26, 2014 as Instrument No. 2014-0324017 of Official Records provides that ALAW was substituted as trustee under the deed of trust.

11. The effect of a deed executed by ARTHUR J. CONTI, SUCCESSOR TRUSTEE OF THE FAMILY TRUST OF DOLORES M. CONTI DATED MAY 27, 1999 to JAMES E. CONTI, AN UNMARRIED MAN , recorded MAY 10, 2005 as INSTRUMENT NO. 2005-0369492 of Official Records.

The Company will require a satisfactory evidence that the deed was an absolute conveyance for value and that there are no other agreements, oral or written, regarding the ownership or occupancy of the land described in the deed.

12. The effect of a deed executed by JAMES E. CONTI, AN UNMARRIED MAN to JAMES E. CONTI, TRUSTEE UNDER THE JAMES E. CONTI LIVING TRUST DATED JUNE 16, 2005 , recorded JULY 15, 2005 as INSTRUMENT NO 2005-0566416 of Official Records.

The Company will require a satisfactory evidence that the deed was an absolute conveyance for value and that there are no other agreements, oral or written, regarding the ownership or occupancy of the land described in the deed.

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

14. Statements of information from all parties to the transaction.

INFORMATIONAL NOTES

Note: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

The map attached, if any, may or may not be a survey of the land depicted hereon. First American Title Insurance Company expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

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

When issued, the CLTA endorsement form 116 or 116.2, if applicable will reference a(n) Single Family Residence known as 3356 Debbie Lane, Riverside, CA.

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

None

SECTION 12413.1, CALIFORNIA INSURANCE CODE, COMMONLY KNOWN AS ASSEMBLY BILL 512, BECAME EFFECTIVE JANUARY 1, 1990. THIS LEGISLATION DEALS WITH THE DISBURSEMENT OF FUNDS DEPOSITED WITH ANY TITLE ENTITY ACTING IN AN ESCROW OR SUBESCROW CAPACITY. THE LAW REQUIRES THAT ALL FUNDS BE DEPOSITED AND COLLECTED BY THE TITLE ENTITY'S ESCROW AND/OR SUBESCROW ACCOUNT PRIOR TO DISBURSEMENT OF ANY FUNDS. SOME METHODS OF FUNDING MAY SUBJECT FUNDS TO A HOLDING PERIOD WHICH MUST EXPIRE BEFORE ANY FUNDS MAY BE DISBURSED. IN ORDER TO AVOID ANY SUCH DELAYS, ALL FUNDINGS SHOULD BE DONE THROUGH WIRE TRANSFER, CERTIFIED CHECK OR CHECKS DRAWN ON CALIFORNIA FINANCIAL INSTITUTIONS.

FOR YOUR CONVENIENCE, THE FOLLOWING IS WESTERN RESOURCES TITLE COMPANY WIRING INSTRUCTIONS:

EAST WEST BANK
9378 WILSHIRE BLVD, SUITE 100
BEVERLY HILLS, CA 90212

ABA ROUTING #322070381
CREDIT WESTERN RESOURCES TITLE COMPANY
TITLE TRUST ACCOUNT #83234005

REFERENCE WRTC ORDER NO.: 96550 (LR)

PRIVACY NOTICE (15 U.S.C. 6801 AND 16 CFR PART 313):

WE COLLECT NONPUBLIC PERSONAL INFORMATION ABOUT YOU FROM INFORMATION YOU PROVIDE ON FORMS AND DOCUMENTS AND FROM OTHER PEOPLE SUCH AS YOUR LENDER, REAL ESTATE AGENT, ATTORNEY, ESCROW, ETC. WE DO NOT DISCLOSE ANY NONPUBLIC PERSONAL INFORMATION ABOUT OUR CUSTOMERS OR FORMER CUSTOMERS TO ANYONE, EXCEPT AS PERMITTED BY LAW. WE RESTRICT ACCESS TO NONPUBLIC PERSONAL INFORMATION ABOUT YOU TO THOSE EMPLOYEES WHO NEED TO KNOW THAT INFORMATION IN ORDER TO PROVIDE PRODUCTS OR SERVICES TO YOU. WE MAINTAIN PHYSICAL, ELECTRONIC AND PROCEDURAL SAFEGUARDS THAT COMPLY WITH FEDERAL REGULATIONS TO GUARD YOUR NONPUBLIC PERSONAL INFORMATION.

WITH CYBER CRIMES ON THE INCREASE, IT IS IMPORTANT TO BE EVER VIGILANT. IF YOU RECEIVE AN EMAIL OR ANY OTHER COMMUNICATION **THAT APPEARS TO BE GENERATED FROM A WESTERN RESOURCES TITLE EMPLOYEE** THAT CONTAINS NEW, REVISED OR ALTERED BANK WIRE INSTRUCTIONS, CONSIDER IT SUSPECT AND CALL OUR OFFICE AT 888-269-6230. OUR BANK WIRE INSTRUCTIONS SELDOM CHANGE.

Western Resources Title Company

EXHIBIT "1"

LEGAL DESCRIPTION

Real property in the **City of Riverside**, County of **Riverside**, State of **California**, described as follows:

LOT 35 OF RIVERSIDE RIVIERA NO. 5, AS PER MAP RECORDED IN BOOK 39, PAGES 63 TO 64 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

APN: **246-144-007-8**

**EXHIBIT A
 LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (BY POLICY TYPE)**

**CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (02-03-10)
 EXCLUSIONS**

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

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

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

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

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows: For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

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

**ALTA RESIDENTIAL TITLE INSURANCE POLICY (6-1-87)
 EXCLUSIONS**

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

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
 - (a) and use
 - (b) improvements on the land

Western Resources Title Company

EXHIBIT "1"

- (c) and division
- (d) environmental protection

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date.
This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.

2. The right to take the land by condemning it, unless:
 - (a) a notice of exercising the right appears in the public records on the Policy Date
 - (b) the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking
 3. Title Risks:
 - (a) that are created, allowed, or agreed to by you
 - (b) that are known to you, but not to us, on the Policy Date -- unless they appeared in the public records
 - (c) that result in no loss to you
 - (d) that first affect your title after the Policy Date -- this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
 4. Failure to pay value for your title.
 5. Lack of a right:
 - (a) to any land outside the area specifically described and referred to in Item 3 of Schedule A OR
 - (b) in streets, alleys, or waterways that touch your land
- This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

2006 ALTA LOAN POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE

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

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

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

EXCEPTIONS FROM COVERAGE

Western Resources Title Company

EXHIBIT "1"

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

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

2006 ALTA OWNER'S POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE

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

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

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

EXCEPTIONS FROM COVERAGE

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

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.

Western Resources Title Company

EXHIBIT "1"

5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (07-26-10)
EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.

Western Resources Title Company

EXHIBIT "1"

EXHIBIT “2”
SCHEDULES A, C AND D

B6A (Official Form 6A) (12/07)

In re Conti, James, Edward
Debtor

Case No. _____
(If known)

SCHEDULE A - REAL PROPERTY

Except as directed below, list all real property in which the debtor has any legal, equitable, or future interest, including all property owned as a co-tenant, community property, or in which the debtor has a life estate. Include any property in which the debtor holds rights and powers exercisable for the debtor's own benefit. If the debtor is married, state whether the husband, wife, both, or the marital community own the property by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the debtor holds no interest in real property, write "None" under "Description and Location of Property."

Do not include interests in executory contracts and unexpired leases on this schedule. List them in Schedule G - Executory Contracts and Unexpired Leases.

If an entity claims to have a lien or hold a secured interest in any property, state the amount of the secured claim. See Schedule D. If no entity claims to hold a secured interest in the property, write "None" in the column labeled "Amount of Secured Claim."

If the debtor is an individual or if a joint petition is filed, state the amount of any exemption claimed in the property only in Schedule C - Property Claimed as Exempt.

DESCRIPTION AND LOCATION OF PROPERTY	NATURE OF DEBTOR'S INTEREST IN PROPERTY	HUSBAND, WIFE, JOINT, OR COMMUNITY	CURRENT VALUE OF DEBTOR'S INTEREST IN PROPERTY, WITHOUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION	AMOUNT OF SECURED CLAIM
Primary Residence Single Family, 263 Loma Verde Colton CA	Owner		\$310,000	\$332,020
Second Residence Rental Property 3356 Debbie Lane Riverside CA	Owner		\$250,000	\$169,738
Total ▶			\$560,000	

(Report also on Summary of Schedules.)

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

In re Conti, James, Edward
Debtor

Case No. _____
(If known)

SCHEDULE D - CREDITORS HOLDING SECURED CLAIMS

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

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

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

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

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

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

CREDITOR'S NAME AND MAILING ADDRESS INCLUDING ZIP CODE AND AN ACCOUNT NUMBER <i>(See Instructions Above.)</i>	CODEBTOR HUSBAND, WIFE, JOINT, OR COMMUNITY	DATE CLAIM WAS INCURRED, NATURE OF LIEN, AND DESCRIPTION AND VALUE OF PROPERTY SUBJECT TO LIEN	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM WITHOUT DEDUCTING VALUE OF COLLATERAL	UNSECURED PORTION, IF ANY
ACCOUNT NO.35738 Bank of the West 180 Montgomery St San Francisco CA 94104		04/24/2003 Purchase Security Interest RV Travel Trailer VALUE \$ 7,000				\$1,904	0
ACCOUNT NO.41941597 Chase Home Finance LLC PO Box 24696 Columbas, OH 43224		07/13/2007 Mortgage Home Equity VALUE \$ 250,000				\$169,738	0
ACCOUNT NO.42637056 Chase Home Finance LLC PO Box 24696 Columbas, OH 43224		07/03/2007 Mortgage Home Equity VALUE \$ 310,000				\$193,261	0
/ continuation sheets attached Subtotal ▶ (Total of this page) Total ▶ (Use only on last page)						\$ 364,903	\$ 0
						\$	\$

(Report also on Summary of Schedules.)

(If applicable, report also on Statistical Summary of Certain Liabilities and Related Data.)

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

2

In re Conti, James, Edward, Case No. _____
 Debtor (if known)

SCHEDULE D - CREDITORS HOLDING SECURED CLAIMS
 (Continuation Sheet)

CREDITOR'S NAME AND MAILING ADDRESS INCLUDING ZIP CODE AND AN ACCOUNT NUMBER <i>(See Instructions Above.)</i>	CO-DEBTOR	HUSBAND, WIFE, JOINT, OR COMMUNITY	DATE CLAIM WAS INCURRED, NATURE OF LIEN, AND DESCRIPTION AND VALUE OF PROPERTY SUBJECT TO LIEN	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM WITHOUT DEDUCTING VALUE OF COLLATERAL	UNSECURED PORTION, IF ANY
ACCOUNT NO. 2649 Seterur Inc. 14523 SW Millikan Way, Suite 200 Beaverton, OR 97005			08/07/2003 Mortgage First Trust Deed VALUE \$ 310,000				\$138,759	0
ACCOUNT NO.			VALUE \$					
ACCOUNT NO.			VALUE \$					
ACCOUNT NO.			VALUE \$					
ACCOUNT NO.			VALUE \$					
Subtotal(s) ▶ (Total(s) of this page)							\$ 138,759	\$ 0
Total(s) ▶ (Use only on last page)							\$ 503,662	\$ 0

Sheet no. / of / continuation sheets attached to Schedule of Creditors Holding Secured Claims

(Report also on Summary of Schedules)

(If applicable, report also on Statistical Summary of Certain Liabilities and Related Data.)

NOTE

Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address <i>JAMES Edward Conti</i> <i>263 Loma Verde</i> <i>Colton CA. 92324</i> <i>(951) 312-2364</i> <input checked="" type="checkbox"/> Individual appearing without attorney <input type="checkbox"/> Attorney for Debtor	FOR COURT USE ONLY <div style="border: 1px solid black; padding: 5px; text-align: center;"> FILED JUL 22 2015 <small>CLERK U.S. BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA BY: <i>[Signature]</i></small> </div>
UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA - **SELECT DIVISION**	
In re: <i>JAMES Edward Conti</i> Debtor(s)	CASE NO.: <i>6:15-bk-15818 SC</i> CHAPTER: <i>7</i> SUMMARY OF AMENDED SCHEDULES, MASTER MAILING LIST, AND/OR STATEMENTS [LBR 1007-1(c)]

A filing fee is required to amend Schedules D, E, or F (see [Abbreviated Fee Schedule](#) on the Court's website www.cacb.uscourts.gov). A supplemental master mailing list (do not repeat any creditors on the original) is also required as an attachment if creditors are being added to the Schedule D or F. Are one or more creditors being added? Yes No

The following schedules, master mailing list or statements (check all that apply) are being amended:

- Schedule A Schedule B Schedule C Schedule D Schedule E
 Schedule F Schedule G Schedule H Schedule I Schedule J
 Master Mailing List Statement of Social Security Number(s) Statement of Financial Affairs
 Statement of Intention Other (specify) _____

I/we declare under penalty of perjury under the laws of the United States that the amended schedules, master mailing list, and/or statements are true and correct.

Date: 7-21-15

James E Conti
 Debtor's Signature

Co-Debtor's Signature, if applicable

NOTE: It is the responsibility of the Debtor, or the Debtor's attorney, to serve copies of all amendments on all creditors listed in this Summary of Amended Schedules, Master Mailing List, and/or Statements, and to complete and file the attached Proof of Service of Document.

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

EXHIBIT "2"

B6C (Official Form 6C) (04/13)

In re Conti, James, Edward
Debtor

Case No. 6:15-bk-15818 sc
(If known)

SCHEDULE C - PROPERTY CLAIMED AS EXEMPT

Debtor claims the exemptions to which debtor is entitled under:
(Check one box)
 11 U.S.C. § 522(b)(2)
 11 U.S.C. § 522(b)(3)

Check if debtor claims a homestead exemption that exceeds \$155,675.*

DESCRIPTION OF PROPERTY	SPECIFY LAW PROVIDING EACH EXEMPTION	VALUE OF CLAIMED EXEMPTION	CURRENT VALUE OF PROPERTY WITHOUT DEDUCTING EXEMPTION
Roth IRA - New York Life	CCP 704.115 (a)(1)(2)(b)	10,000	10,000
1977 Chevy Pickup	704.010 CCP 704.100	750 ⁰⁰	750 ⁰⁰
1998 Honda Motorcycle	CCP 704.010	750 ⁰⁰	750 ⁰⁰
Weekend Warrior Trail Trailer	CCP 704.010	1,400 ⁰⁰	700 ⁰⁰
Household Furniture	CCP 704.020	1,000 ⁰⁰	1,000 ⁰⁰
Mechanics Tools	CCP 704.060	5,000 ⁰⁰	5,000 ⁰⁰
Clothing	CCP 704.020	500 ⁰⁰	500 ⁰⁰
Property Located At 3356 Debbie Lane Riverside CA 92501	CCP 704-730	75,000	250,000

* Amount subject to adjustment on 4/01/16, and every three years thereafter with respect to cases commenced on or after the date of adjustment.

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:

133 West. Mansfield Riverside CA 92507

A true and correct copy of the foregoing document entitled: **SUMMARY OF AMENDED SCHEDULES, MASTER MAILING LIST, AND/OR STATEMENTS [LBR 1007-1(c)]** 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) _____, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Service information continued on attached page

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

On (date) 7/22/15, 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.

Karl T Anderson
340 South Farrell Drive
Suite A210
Palm Springs CA 92262

United States Trustee (RS)
3801 University Ave
Suite 720
Riverside CA 92501-3200

Honorable Judge Scott C Clarkson
U.S. Bankruptcy Court
Ronald Reagan Federal Building
411 W. Fourth Street
Santa Ana, CA 92701

Service information continued on attached page

3. **SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served):** Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (date) _____, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

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

7/22/2015
Date

Katrine Hazelrigg
Printed Name


Signature

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

EXHIBIT “3”

PURCHASE AGREEMENT



Date Prepared: 08/27/2015

1. OFFER:

- A. **THIS IS AN OFFER FROM** Elias Alba ("Buyer").
 B. **THE REAL PROPERTY** to be acquired is 3356 Debbie Lane, Riverside, CA 92501, situated in Riverside (City), _____ (County), California, 92501 (Zip Code), Assessor's Parcel No. _____ ("Property").
 C. **THE PURCHASE PRICE** offered is Two Hundred Sixty-Five Thousand Dollars \$ 265,000.00.
 D. **CLOSE OF ESCROW** shall occur on _____ (date) or 30 Days After Acceptance.
 E. Buyer and Seller are referred to herein as the "Parties." Brokers are not Parties to this Agreement.

2. AGENCY:

- A. **DISCLOSURE:** The Parties each acknowledge receipt of a "Disclosure Regarding Real Estate Agency Relationships" (C.A.R. Form AD).
 B. **CONFIRMATION:** The following agency relationships are hereby confirmed for this transaction:
 Listing Agent Sky Realty Services (Print Firm Name) is the agent of (check one):
 the Seller exclusively; or both the Buyer and Seller.
 Selling Agent Grand Avenue Realty & Lending Inc (Print Firm Name) (if not the same as the Listing Agent) is the agent of (check one): the Buyer exclusively; or the Seller exclusively; or both the Buyer and Seller.
 C. **POTENTIALLY COMPETING BUYERS AND SELLERS:** The Parties each acknowledge receipt of a "Possible Representation of More than One Buyer or Seller - Disclosure and Consent" (C.A.R. Form PRBS).

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

- A. **INITIAL DEPOSIT:** Deposit shall be in the amount of \$ 2,500.00
 (1) Buyer Direct Deposit: Buyer shall deliver deposit directly to Escrow Holder by electronic funds transfer, cashier's check, personal check, other _____ within 3 business days after Acceptance (or _____);
 OR (2) Buyer Deposit with Agent: Buyer has given the deposit by personal check (or _____) to the agent submitting the offer (or to _____), made payable to _____, The deposit shall be held uncashed until Acceptance and then deposited with Escrow Holder within 3 business days after Acceptance (or _____).
 Deposit checks given to agent shall be an original signed check and not a copy.
 (Note: Initial and increased deposits checks received by agent shall be recorded in Broker's trust fund log.)

- B. **INCREASED DEPOSIT:** Buyer shall deposit with Escrow Holder an increased deposit in the amount of \$ _____ within Days After Acceptance (or _____).
 If the Parties agree to liquidated damages in this Agreement, they also agree to incorporate the increased deposit into the liquidated damages amount in a separate liquidated damages clause (C.A.R. Form RID) at the time the increased deposit is delivered to Escrow Holder.

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

D. LOAN(S):

- (1) **FIRST LOAN:** in the amount of \$ 212,000.00
 This loan will be conventional financing or FHA, VA, Seller financing (C.A.R. Form SFA), assumed financing (C.A.R. Form AFA), Other _____. This loan shall be at a fixed rate not to exceed _____% or, an adjustable rate loan with initial rate not to exceed _____%. Regardless of the type of loan, Buyer shall pay points not to exceed _____% of the loan amount.
 (2) **SECOND LOAN** in the amount of \$ _____
 This loan will be conventional financing or Seller financing (C.A.R. Form SFA), assumed financing (C.A.R. Form AFA), Other _____. This loan shall be at a fixed rate not to exceed _____% or, an adjustable rate loan with initial rate not to exceed _____%. Regardless of the type of loan, Buyer shall pay points not to exceed _____% of the loan amount.
 (3) **FHA/VA:** For any FHA or VA loan specified in 3D(1), Buyer has 17 (or _____) Days After Acceptance to Deliver to Seller written notice (C.A.R. Form FVA) of any lender-required repairs or costs that Buyer requests Seller to pay for or otherwise correct. Seller has no obligation to pay or satisfy lender requirements unless agreed in writing. A FHA/VA amendatory clause (C.A.R. Form FVAC) shall be a part of this transaction.

E. ADDITIONAL FINANCING TERMS: _____

- F. **BALANCE OF DOWN PAYMENT OR PURCHASE PRICE** in the amount of \$ 50,500.00
 to be deposited with Escrow Holder pursuant to Escrow Holder instructions.

- G. **PURCHASE PRICE (TOTAL):** \$ 265,000.00

Buyer's Initials (EA) (_____) Seller's Initials (_____) (_____)

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RPA-CA REVISED 11/14 (PAGE 1 OF 10)

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



EXHIBIT "3"

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

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

J. LOAN TERMS:

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

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

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

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

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

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

4. SALE OF BUYER'S PROPERTY:

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

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

5. ADDENDA AND ADVISORIES:

A. ADDENDA:

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

B. BUYER AND SELLER ADVISORIES:

<input type="checkbox"/> Probate Advisory (C.A.R. Form PAK)	<input checked="" type="checkbox"/> Buyer's Inspection Advisory (C.A.R. Form BIA)
<input type="checkbox"/> Trust Advisory (C.A.R. Form TA)	<input type="checkbox"/> Statewide Buyer and Seller Advisory (C.A.R. Form SBSA)
<input type="checkbox"/> Short Sale Information and Advisory (C.A.R. Form SSIA)	<input type="checkbox"/> REO Advisory (C.A.R. Form REO)
	<input type="checkbox"/> Other _____

6. OTHER TERMS: _____

7. ALLOCATION OF COSTS

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

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

(2) Buyer Seller shall pay for the following Report _____ prepared by _____

(3) Buyer Seller shall pay for the following Report _____ prepared by _____

Buyer's Initials (EA) (_____)
 Seller's Initials (_____) (_____)



B. GOVERNMENT REQUIREMENTS AND RETROFIT:

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

C. ESCROW AND TITLE:

- (1) (a) Buyer Seller shall pay escrow fee Seller fee 50% Buyer fee 50% standard and normal
 (b) Escrow Holder shall be Sellers choice
 (c) The Parties shall, within 5 (or) Days After receipt, sign and return Escrow Holder's general provisions.
- (2) (a) Buyer Seller shall pay for owner's title insurance policy specified in paragraph 13E
 (b) Owner's title policy to be issued by Sellers choice
 (Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)

D. OTHER COSTS:

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

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

8. ITEMS INCLUDED IN AND EXCLUDED FROM SALE:

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

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

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

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

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

Buyer's Initials (EA) (_____)

Seller's Initials (_____) (_____)

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3356 Debbie Lane



EXHIBIT "3"

9. CLOSING AND POSSESSION:

- A. Buyer intends (or does not intend) to occupy the Property as Buyer's primary residence.
- B. **Seller-occupied or vacant property:** Possession shall be delivered to Buyer: (i) at 6 PM or (AM/ PM) on the date of Close Of Escrow; (ii) no later than ___ calendar days after Close Of Escrow; or (iii) at ___ AM/ PM on _____.
- C. **Seller remaining in possession After Close Of Escrow:** If Seller has the right to remain in possession after Close Of Escrow, (i) the Parties are advised to sign a separate occupancy agreement such as C.A.R. Form SIP, for Seller continued occupancy of less than 30 days, C.A.R. Form RLAS for Seller continued occupancy of 30 days or more; and (ii) the Parties are advised to consult with their insurance and legal advisors for information about liability and damage or injury to persons and personal and real property; and (iii) Buyer is advised to consult with Buyer's lender about the impact of Seller's occupancy on Buyer's loan.
- D. **Tenant-occupied property: Property shall be vacant at least 5 (or ___) Days Prior to Close Of Escrow, unless otherwise agreed in writing. Note to Seller: If you are unable to deliver Property vacant in accordance with rent control and other applicable Law, you may be in breach of this Agreement.**

OR **Tenant to remain in possession** (C.A.R. Form TIP).

- E. At Close Of Escrow: Seller assigns to Buyer any assignable warranty rights for items included in the sale; and Seller shall Deliver to Buyer available Copies of any such warranties. Brokers cannot and will not determine the assignability of any warranties.
- F. At Close Of Escrow, unless otherwise agreed in writing, Seller shall provide keys, passwords, codes and/or means to operate all locks, mailboxes, security systems, alarms, home automation systems and intranet and Internet-connected devices included in the purchase price, and garage door openers. If the Property is a condominium or located in a common interest subdivision, Buyer may be required to pay a deposit to the Homeowners' Association ("HOA") to obtain keys to accessible HOA facilities.

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

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

Buyer's Initials (EA) (_____)
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Seller's Initials (_____) (_____)



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

F. CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES:

- (1) **SELLER HAS: 7 (or ___) Days** After Acceptance to disclose to Buyer if the Property is a condominium, or is located in a planned development or other common interest subdivision (C.A.R. Form SPQ or SSD).
- (2) If the Property is a condominium or is located in a planned development or other common interest subdivision, Seller has **3 (or ___) Days** After Acceptance to request from the HOA (C.A.R. Form HOA1): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the HOA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of HOA minutes for regular and special meetings; and (v) the names and contact information of all HOAs governing the Property (collectively, "CI Disclosures"). Seller shall itemize and Deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 14B(3). The Party specified in paragraph 7, as directed by escrow, shall deposit funds into escrow or direct to HOA or management company to pay for any of the above.
- 11. CONDITION OF PROPERTY:** Unless otherwise agreed in writing: (i) the Property is sold (a) "AS-IS" in its PRESENT physical condition as of the date of Acceptance and (b) subject to Buyer's Investigation rights; (ii) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and (iii) all debris and personal property not included in the sale shall be removed by Close Of Escrow.
- A.** Seller shall, within the time specified in paragraph 14A, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, and make any and all other disclosures required by law.
- B.** Buyer has the right to conduct Buyer Investigations of the Property and, as specified in paragraph 14B, based upon information discovered in those investigations: (i) cancel this Agreement; or (ii) request that Seller make Repairs or take other action.
- C.** Buyer is strongly advised to conduct investigations of the entire Property in order to determine its present condition. Seller may not be aware of all defects affecting the Property or other factors that Buyer considers important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.
- 12. BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:**
- A.** Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 14B. Within the time specified in paragraph 14B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to, the right to: (i) inspect for lead-based paint and other lead-based paint hazards; (ii) inspect for wood destroying pests and organisms. Any inspection for wood destroying pests and organisms shall be prepared by a registered Structural Pest Control company; shall cover the main building and attached structures; may cover detached structures; shall NOT include water tests of shower pans on upper level units unless the owners of property below the shower consent; shall NOT include roof coverings; and, if the Property is a unit in a condominium or other common interest subdivision, the inspection shall include only the separate interest and any exclusive-use areas being transferred, and shall NOT include common areas; and shall include a report ("Pest Control Report") showing the findings of the company which shall be separated into sections for evident infestation or infections (Section 1) and for conditions likely to lead to infestation or infection (Section 2); (iii) review the registered sex offender database; (iv) confirm the insurability of Buyer and the Property including the availability and cost of flood and fire insurance; (v) review and seek approval of leases that may need to be assumed by Buyer; and (vi) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA). Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer Investigations except for minimally invasive testing required to prepare a Pest Control Report; or (ii) inspections by any governmental building or zoning inspector or government employee, unless required by Law.
- B.** Seller shall make the Property available for all Buyer Investigations. Buyer shall (i) as specified in paragraph 14B, complete Buyer Investigations and either remove the contingency or cancel this Agreement, and (ii) give Seller, at no cost, complete Copies of all such Investigation reports obtained by Buyer, which obligation shall survive the termination of this Agreement.
- C.** Seller shall have water, gas, electricity and all operable pilot lights on for Buyer's Investigations and through the date possession is made available to Buyer.
- D. Buyer indemnity and seller protection for entry upon property:** Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer Investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-Responsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination of this Agreement.
- 13. TITLE AND VESTING:**
- A.** Within the time specified in paragraph 14, Buyer shall be provided a current preliminary title report ("Preliminary Report"). The Preliminary Report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the Preliminary Report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 14B. The company providing the Preliminary Report shall, prior to issuing a Preliminary Report, conduct a search of the General Index for all Sellers except banks or other institutional lenders selling properties they acquired through foreclosure (REOs), corporations, and government entities. Seller shall within 7 Days After Acceptance, give Escrow Holder a completed Statement of Information.
- B.** Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except for: (i) monetary liens of record (which Seller is obligated to pay off) unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.
- C.** Within the time specified in paragraph 14A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.
- D.** At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.

Buyer's Initials (EA) (_____)
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Seller's Initials (_____) (_____)



CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 5 OF 10)

- E. Buyer shall receive a CLTA/ALTA "Homeowner's Policy of Title Insurance", if applicable to the type of property and buyer. If not, Escrow Holder shall notify Buyer. A title company can provide information about the availability, coverage, and cost of other title policies and endorsements. If the Homeowner's Policy is not available, Buyer shall choose another policy, instruct Escrow Holder in writing and shall pay any increase in cost.
- 14. TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS:** The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph by either Buyer or Seller must be exercised in good faith and in writing (C.A.R. Form CR or CC).
- A. SELLER HAS: 7 (or ___) Days After Acceptance** to Deliver to Buyer all Reports, disclosures and information for which Seller is responsible under paragraphs 5, 6, 7, 8B(4), 10A, B, C, and F, 11A and 13A. If, by the time specified, Seller has not Delivered any such item, Buyer after first Delivering to Seller a Notice to Seller to Perform (C.A.R. Form NSP) may cancel this Agreement.
- B. (1) BUYER HAS: 17 (or ___) Days After Acceptance**, unless otherwise agreed in writing, to:
- (i) complete all Buyer Investigations; review all disclosures, reports, lease documents to be assumed by Buyer pursuant to paragraph 8B(5), and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property; and (ii) Deliver to Seller Signed Copies of Statutory and Lead Disclosures and other disclosures Delivered by Seller in accordance with paragraph 10A.
 - (2) Within the time specified in paragraph 14B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to (C.A.R. Form RRRR) Buyer's requests.
 - (3) By the end of the time specified in paragraph 14B(1) (or as otherwise specified in this Agreement), Buyer shall Deliver to Seller a removal of the applicable contingency or cancellation (C.A.R. Form CR or CC) of this Agreement. However, if any report, disclosure or information for which Seller is responsible is not Delivered within the time specified in paragraph 14A, then Buyer has 5 (or ___) Days After Delivery of any such items, or the time specified in paragraph 14B(1), whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement.
 - (4) **Continuation of Contingency:** Even after the end of the time specified in paragraph 14B(1) and before Seller cancels, if at all, pursuant to paragraph 14C, Buyer retains the right, in writing, to either (i) remove remaining contingencies, or (ii) cancel this Agreement based on a remaining contingency. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to paragraph 14C(1).
- C. SELLER RIGHT TO CANCEL:**
- (1) **Seller right to Cancel; Buyer Contingencies:** If, by the time specified in this Agreement, Buyer does not Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement, then Seller, after first Delivering to Buyer a Notice to Buyer to Perform (C.A.R. Form NBP), may cancel this Agreement. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.
 - (2) **Seller right to Cancel; Buyer Contract Obligations:** Seller, after first delivering to Buyer a NBP, may cancel this Agreement if, by the time specified in this Agreement, Buyer does not take the following action(s): (i) Deposit funds as required by paragraph 3A, or 3B or if the funds deposited pursuant to paragraph 3A or 3B are not good when deposited; (ii) Deliver a notice of FHA or VA costs or terms as required by paragraph 3D(3) (C.A.R. Form FVA); (iii) Deliver a letter as required by paragraph 3J(1); (iv) Deliver verification, or a satisfactory verification if Seller reasonably disapproves of the verification already provided, as required by paragraph 3C or 3H; (v) In writing assume or accept leases or liens specified in 8B5; (vi) Return Statutory and Lead Disclosures as required by paragraph 10A(5); or (vii) Sign or initial a separate liquidated damages form for an increased deposit as required by paragraphs 3B and 21B; or (viii) Provide evidence of authority to sign in a representative capacity as specified in paragraph 19. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.
- D. NOTICE TO BUYER OR SELLER TO PERFORM:** The NBP or NSP shall: (i) be in writing; (ii) be signed by the applicable Buyer or Seller; and (iii) give the other Party at least 2 (or ___) Days After Delivery (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A NBP or NSP may not be Delivered any earlier than 2 Days Prior to the expiration of the applicable time for the other Party to remove a contingency or cancel this Agreement or meet an obligation specified in paragraph 14.
- E. EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES:** If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in writing, Buyer shall conclusively be deemed to have: (i) completed all Buyer Investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections pertaining to that contingency or cancellation right, or for the inability to obtain financing.
- F. CLOSE OF ESCROW:** Before Buyer or Seller may cancel this Agreement for failure of the other Party to close escrow pursuant to this Agreement, Buyer or Seller must first Deliver to the other Party a demand to close escrow (C.A.R. Form DCE). The DCE shall: (i) be signed by the applicable Buyer or Seller; and (ii) give the other Party at least 3 (or ___) Days After Delivery to close escrow. A DCE may not be Delivered any earlier than 3 Days Prior to the scheduled close of escrow.
- G. EFFECT OF CANCELLATION ON DEPOSITS:** If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, the Parties agree to Sign mutual instructions to cancel the sale and escrow and release deposits, if any, to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Except as specified below, **release of funds will require mutual Signed release instructions from the Parties, judicial decision or arbitration award.** If either Party fails to execute mutual instructions to cancel escrow, one Party may make a written demand to Escrow Holder for the deposit. (C.A.R. Form BDRD or SDRD). Escrow Holder, upon receipt, shall promptly deliver notice of the demand to the other Party. If, within 10 Days After Escrow Holder's notice, the other Party does not object to the demand, Escrow Holder shall disburse the deposit to the Party making the demand. If Escrow Holder complies with the preceding process, each Party shall be deemed to have released Escrow Holder from any and all claims or liability related to the disbursement of the deposit. Escrow Holder, at its discretion, may nonetheless require mutual cancellation instructions. **A Party may be subject to a civil penalty of up to \$1,000 for refusal to sign cancellation instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).**
- 15. FINAL VERIFICATION OF CONDITION:** Buyer shall have the right to make a final verification of the Property within 5 (or ___) Days Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 11; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement (C.A.R. Form VP).

Buyer's Initials (EA) (_____)
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Seller's Initials (_____) (_____)



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

- 16. **REPAIRS:** Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all Repairs may not be possible. Seller shall: (i) obtain invoices and paid receipts for Repairs performed by others; (ii) prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and (iii) provide Copies of invoices and paid receipts and statements to Buyer prior to final verification of condition.
- 17. **PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS:** Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, HOA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are now a lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after Close Of Escrow, by Buyer; and (ii) for periods prior to Close Of Escrow, by Seller (see C.A.R. Form SPT or SBSA for further information). TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.
- 18. **BROKERS:**
 - A. **COMPENSATION:** Seller or Buyer, or both, as applicable, agree to pay compensation to Broker as specified in a separate written agreement between Broker and that Seller or Buyer. Compensation is payable upon Close Of Escrow, or if escrow does not close, as otherwise specified in the agreement between Broker and that Seller or Buyer.
 - B. **SCOPE OF DUTY:** Buyer and Seller acknowledge and agree that Broker: (i) Does not decide what price Buyer should pay or Seller should accept; (ii) Does not guarantee the condition of the Property; (iii) Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) Does not have an obligation to conduct an inspection of common areas or areas off the site of the Property; (v) Shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Broker; (vi) Shall not be responsible for inspecting public records or permits concerning the title or use of Property; (vii) Shall not be responsible for identifying the location of boundary lines or other items affecting title; (viii) Shall not be responsible for verifying square footage, representations of others or information contained in Investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; (ix) Shall not be responsible for determining the fair market value of the Property or any personal property included in the sale; (x) Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (xi) Shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.
- 19. **REPRESENTATIVE CAPACITY:** If one or more Parties is signing this Agreement in a representative capacity and not for him/herself as an individual then that Party shall so indicate in paragraph 31 or 32 and attach a Representative Capacity Signature Disclosure (C.A.R. Form RCSD). Wherever the signature or initials of the representative identified in the RCSD appear on this Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. The Party acting in a representative capacity (i) represents that the entity for which that party is acting already exists and (ii) shall Deliver to the other Party and Escrow Holder, within 3 Days After Acceptance, evidence of authority to act in that capacity (such as but not limited to: applicable portion of the trust or Certification Of Trust (Probate Code §18100.5), letters testamentary, court order, power of attorney, corporate resolution, or formation documents of the business entity).
- 20. **JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:**
 - A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: paragraphs 1, 3, 4B, 5A, 6, 7, 10C, 13, 14G, 17, 18A, 19, 20, 26, 29, 30, 31, 32 and paragraph D of the section titled Real Estate Brokers on page 10. If a Copy of the separate compensation agreement(s) provided for in paragraph 18A, or paragraph D of the section titled Real Estate Brokers on page 10 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions, if any, directly from Escrow Holder and will execute such provisions within the time specified in paragraph 7C(1)(c). To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow and, as directed by Escrow Holder, within 3 (or ___) Days, shall pay to Escrow Holder or HOA or HOA management company or others any fee required by paragraphs 7, 10 or elsewhere in this Agreement.
 - B. A Copy of this Agreement including any counter offer(s) and addenda shall be delivered to Escrow Holder within 3 Days After Acceptance (or _____). Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement. Escrow Holder shall provide Seller's Statement of Information to Title company when received from Seller. If Seller delivers an affidavit to Escrow Holder to satisfy Seller's FIRPTA obligation under paragraph 10C, Escrow Holder shall deliver to Buyer a Qualified Substitute statement that complies with federal Law.
 - C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraph 18A and paragraph D of the section titled Real Estate Brokers on page 10. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraph 18A, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Buyer and Seller shall release and hold harmless Escrow Holder from any liability resulting from Escrow Holder's payment to Broker(s) of compensation pursuant to this Agreement.

Buyer's Initials (CA) (_____)
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Seller's Initials (_____) (_____)



- D. Upon receipt, Escrow Holder shall provide Seller and Seller's Broker verification of Buyer's deposit of funds pursuant to paragraph 3A and 3B. Once Escrow Holder becomes aware of any of the following, Escrow Holder shall immediately notify all Brokers: (i) if Buyer's initial or any additional deposit or down payment is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder; or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.
- E. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 3 Days after mutual execution of the amendment.

21. REMEDIES FOR BUYER'S BREACH OF CONTRACT:

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

Buyer's Initials EA / _____

Seller's Initials _____ / _____

22. DISPUTE RESOLUTION:

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

B. ARBITRATION OF DISPUTES:

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

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

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

Buyer's Initials EA / _____

Seller's Initials _____ / _____

C. ADDITIONAL MEDIATION AND ARBITRATION TERMS:

- (1) **EXCLUSIONS:** The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; and (iii) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court.
- (2) **PRESERVATION OF ACTIONS:** The following shall not constitute a waiver nor violation of the mediation and arbitration provisions: (i) the filing of a court action to preserve a statute of limitations; (ii) the filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies; or (iii) the filing of a mechanic's lien.
- (3) **BROKERS:** Brokers shall not be obligated nor compelled to mediate or arbitrate unless they agree to do so in writing. Any Broker(s) participating in mediation or arbitration shall not be deemed a party to this Agreement.

Buyer's Initials (EA) (_____)

Seller's Initials (_____) (_____)

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- 23. **SELECTION OF SERVICE PROVIDERS:** Brokers do not guarantee the performance of any vendors, service or product providers ("Providers"), whether referred by Broker or selected by Buyer, Seller or other person. Buyer and Seller may select ANY Providers of their own choosing.
- 24. **MULTIPLE LISTING SERVICE ("MLS"):** Brokers are authorized to report to the MLS a pending sale and, upon Close Of Escrow, the sales price and other terms of this transaction shall be provided to the MLS to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS.
- 25. **ATTORNEY FEES:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorney fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 22A.
- 26. **ASSIGNMENT:** Buyer shall not assign all or any part of Buyer's interest in this Agreement without first having obtained the separate written consent of Seller to a specified assignee. Such consent shall not be unreasonably withheld. Any total or partial assignment shall not relieve Buyer of Buyer's obligations pursuant to this Agreement unless otherwise agreed in writing by Seller. (C.A.R. Form AOOA).
- 27. **EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
- 28. **TERMS AND CONDITIONS OF OFFER:**

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

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

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

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

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

Date 8/27/15 BUYER *Elias Alba*
(Print name) Elias Alba

Date _____ BUYER _____
(Print name) _____

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

Seller's Initials (_____) (_____)



Property Address: 3356 Debbie Lane, Riverside, CA 92501

Date: August 27, 2015

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

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

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

Date SELLER (Print name) Karl T. Anderson, Chapter 7 Trustee

Date SELLER (Print name)

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

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

REAL ESTATE BROKERS:

- A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.
B. Agency relationships are confirmed as stated in paragraph 2.
C. If specified in paragraph 3A(2), Agent who submitted the offer for Buyer acknowledges receipt of deposit.
D. COOPERATING BROKER COMPENSATION: Listing Broker agrees to pay Cooperating Broker (Selling Firm) and Cooperating Broker agrees to accept, out of Listing Broker's proceeds in escrow, the amount specified in the MLS, provided Cooperating Broker is a Participant of the MLS in which the Property is offered for sale or a reciprocal MLS.

Real Estate Broker (Selling Firm) Grand Avenue Realty & Lending Inc. CalBRE Lic. # 01873127
By Karen E Doss CalBRE Lic. # 0102876 Date 08/27/2015
Address 4420 E Miraloma Ave Ste-M City Ahaneim State Ca Zip 92807
Real Estate Broker (Listing Firm) Sky Realty Services CalBRE Lic. # 01891298
By Eric Brown CalBRE Lic. # 01772504 Date 08/28/2015
Address 11748 Magnolia Ave, Unit C2 City Riverside State Ca Zip 92503

ESCROW HOLDER ACKNOWLEDGMENT:

Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked, a deposit in the amount of \$ counter offer numbers Seller's Statement of Information and 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 By Escrow # Address Date Phone/Fax/E-mail

Escrow Holder has the following license number # Department of Business Oversight, Department of Insurance, Bureau of Real Estate.

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

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

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Buyer's Acknowledge that page 10 is part of this Agreement () ()

Reviewed by Broker or Designee



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



DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP

(Selling Firm to Buyer) (As required by the Civil Code) (C.A.R. Form AD, Revised 12/14)

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

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

SELLER'S AGENT

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

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

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

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

BUYER'S AGENT

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

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

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

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

AGENT REPRESENTING BOTH SELLER AND BUYER

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

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

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

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

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction. This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on page 2. Read it carefully. I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE PRINTED ON THE BACK (OR A SEPARATE PAGE)

Buyer Seller Landlord Tenant Elias Alha Date 08/27/2015

Buyer Seller Landlord Tenant Date

Agent Grand Avenue Realty & Lending Inc BRE Lic. # 01873127

By Karen E Doss Real Estate Broker (Firm) BRE Lic. # 0102876 Date 08/27/2015

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

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Reviewed by Date



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EXHIBIT "3"

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

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

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

2079.16 Reproduced on Page 1 of this AD form.

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

(DO NOT COMPLETE. SAMPLE ONLY) _____ is the agent of (check one): the seller exclusively; or both the buyer and seller.

(Name of Listing Agent) _____ is the agent of (check one): the buyer exclusively; or the seller exclusively; or both the buyer and seller.

(Name of Selling Agent if not the same as the Listing Agent) _____ both the buyer and seller.

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

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

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

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

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

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

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

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

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