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

<p>In re:</p> <p>FRANCISCO VALENCIANO SALAZAR and GABRIELLA VALENCIANO GUTIERREZ,</p> <p style="text-align: right;">Debtor(s).</p>	<p>CASE NO.: 6:12-bk-14062-MJ CHAPTER: 7</p> <p style="text-align: center;">NOTICE OF SALE OF ESTATE PROPERTY</p>
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<p>Sale Date: 12/10/2013</p>	<p>Time: 10:00 am</p>
<p>Location: Courtroom 301, 3420 Twelfth Street, Riverside, CA 92501</p>	

Type of Sale: Public Private **Last date to file objections:** 11/26/2013

Description of property to be sold: See attached Motion.

Terms and conditions of sale: See attached Motion.

Proposed sale price: \$ 600,000.00

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*): See attached Motion.

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

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

Ryan D. O'Dea
SHULMAN HODGES & BASTIAN LLP
8105 Irvine Center Drive, Suite 600
Telephone: (949) 340-3400
Facsimile: (949) 340-3000

Date: 11/15/2013

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6 Attorneys for R.L. Goodrich,
Chapter 7 Trustee

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

9 In re
10 **FRANCISCO VALENCIANO SALAZAR**
11 **and GABRIELLA VALENCIANO**
12 **GUTIERREZ**
13 Debtors.

Case No. 6:12-bk-14062-MJ

Chapter 7

CHAPTER 7 TRUSTEE’S MOTION FOR ORDER:

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

18 **MEMORANDUM OF POINTS AND AUTHORITIES AND DECLARATIONS OF R.L. GOODRICH, RICHARD HALDERMAN, AND LARRY MATHENA IN SUPPORT THEREOF**

19 [Property located at:11191 Catawba Ave.,
20 Fontana, California 92337]

21 **Hearing**

22 Date: December 10, 2013
23 Time: 10:00 A.M.
24 Place: Courtroom 301
3420 Twelfth Street
25 Riverside, CA 92501

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1 **TO THE HONORABLE MEREDITH A. JURY, UNITED STATES BANKRUPTCY**
2 **JUDGE, THE OFFICE OF THE UNITED STATES TRUSTEE, THE DEBTORS AND ALL**
3 **INTERESTED PARTIES AND THEIR COUNSEL OF RECORD:**

4 **I. INTRODUCTION**

5 R.L. Goodrich, the Chapter 7 Trustee (“Trustee”) for the bankruptcy estate (“Estate”) of
6 Francisco Valenciano Salazar and Gabriella Valenciano Gutierrez (“Debtors”), brings this Motion
7 for Order: (1) Approving the Sale of Real Property of the Estate Free and Clear of Certain Liens
8 Pursuant to Bankruptcy Code §§ 363(b)(1) and (f) and Subject to Overbids, Combined With
9 Notice of Bidding Procedures and Request for Approval of the Bidding Procedures Utilized; (2)
10 Approving Payment of Real Estate Commission; and (3) Granting Related Relief (“Motion”).

11 The Trustee has received an offer to purchase the real property located at 11191 Catawba
12 Ave., Fontana, California 92337 (the “Property”) for \$600,000.00, subject to overbids. The
13 Property is a single family residence, owned by the Debtors and utilized as their primary residence.
14 The Preliminary Title Report on the Property, a true and correct copy of which is attached as
15 **Exhibit 1** to Declaration of Robert L. Goodrich (“Goodrich Declaration”), indicates that the
16 Debtors owe \$223,250.00 pursuant to the first deed of trust held by EquiCredit Corporation of
17 America (“EquiCredit”).

18 The offer is the best offer the Estate has received for the Property. Through the sale, the
19 Trustee is expected to generate proceeds of approximately \$253,803.00 for the benefit of the Estate
20 and its creditors. Further, in the event the purchase price is increased by a successful overbid, the
21 estimated net proceeds will increase and provide greater distribution to creditors.

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

24 **II. RELEVANT FACTS**

25 **A. Case Commencement**

26 The Debtors filed their chapter 7 bankruptcy petition on February 17, 2012. R.L. Goodrich
27 is the duly appointed, qualified and acting chapter 7 trustee for the Estate of Francisco Valenciano
28 Salazar and Gabriella Valenciano Gutierrez.

1 **B. The Property**

2 The Debtors' Bankruptcy Schedule A lists a fee simple community property interest in the
3 Property, which is legally described as follows:

4 THE SOUTH 165 FEET OF THE WEST 1/2 OF FARM LOT 865, IN THE CITY OF
5 FONTANA, COUNTY OF SAN BERNARDINO STATE OF CALIFORNIA,
6 ACCORDING TO MAP SHOWING SUBDIVISION OF LANDS BELONGING TO
7 THE SEMI-TROPIC LAND AND WATER CO. AS PER MAP RECORDED IN BOOK
8 I 1, PAGE 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID
9 COUNTY.

10 APN: 0237-191-25-0-000.

11 Pursuant to Court order entered on June 18, 2012 (docket number 23), the Trustee was
12 authorized to employ Richard A. Halderman of Lido Pacific Asset Management (the "Broker"), to
13 assist the Trustee in the marketing and sale of the Property.

14 In the Debtors' Bankruptcy Schedule A the value of the Property was asserted to be
15 \$300,000.00. The Trustee's Broker reviewed the Property and believed that the Property had a
16 higher fair market value than the amount listed in the Debtors' Bankruptcy Schedule. The
17 Property was thus listed for the sale price of \$600,000.00. The Property was listed on the MLS
18 and advertised for sale since October 2013. The Trustee received an offer to purchase the Property
19 at its full list price. The \$600,000.00 offer that is the subject of this Motion represents the best
20 offer received by the Trustee. As set forth below, the Trustee believes the sale of the Property will
21 benefit the Estate and its creditors.

22 The Debtors have claimed a homestead exemption of \$75,000.00 in the Property.

23 **C. The Basis for Value of the Property**

24 The Debtors valued the Property in their Bankruptcy Schedule A at \$300,000.00. The
25 Broker believed the Property was worth approximately \$400,000.00 and prior to listing the
26 Property for sale the Trustee was contacted by the broker for Catawba IX, LLC (the "Buyer"). The
27 Buyer expressed an interest in purchasing the Property from the Estate for \$600,000.00. As such,
28 the Property was listed for sale at \$600,000.00.

D. Marketing of the Property

As of the hearing on this Motion, the Property will have been marketed for approximately

1 three months by the Trustee with the assistance of the Broker. The marketing by the Broker has
2 included listing the Property on the Multiple Listing Service for publication as well as on the
3 Court's website pursuant to the Notice of Sale of Estate Property on Local Bankruptcy Form 6004-
4 2 (the "Sale Notice").

5 **E. Liens and Encumbrances Against the Property and Their Proposed Treatment**
6 **Through the Sale**

7 The following chart sets forth the encumbrances against the Property, as detailed in the
8 Preliminary Title Report, a copy of which is attached as **Exhibit 1** to the Goodrich Declaration and
9 the proposed treatment of the encumbrance through the sale:

<u>Creditor</u>	<u>Description</u>	<u>Estimated Amount Owing</u>	<u>Treatment of Lien Through the Sale</u>
EquiCredit	First Priority Deed of Trust (estimated)	\$233,250	All amounts owed in relation to property taxes will be paid in full through escrow.
Cach, LLC	Abstract of Judgment	\$10,471.34	All amounts owed in relation to property taxes will be paid in full through escrow.
County of San Bernardino	Abstract of Judgment	\$2,157.10	All amounts owed in relation to property taxes will be paid in full through escrow.
Arrow Financial Services, LLC	Abstract of Judgment	\$10,662.04	All amounts owed in relation to property taxes will be paid in full through escrow.
State of California Franchise Tax Board	Tax Lien	\$14,656.47	All amounts owed in relation to property taxes will be paid in full through escrow.

22 All costs of sale including escrow fees and real estate commissions will be paid at closing.
23 In addition, all outstanding real property taxes will be paid through the sale.

24 **F. Tax Consequences**

25 The Trustee is informed that there will be no capital gains taxes associated with the sale of
26 the Property, as the Debtors have resided at the Property for at least two of the last five years and
27 the profit to be realized through the sale is below the \$500,000.00 capital gains tax exclusion
28

1 allowed for married couples.

2 **G. The Purchase Offer and Summary of the Sale Terms**

3 Through his Broker, the Trustee has received an offer from the “Buyer to purchase the
4 Property for \$600,000.00.” The purchase price includes a deposit of \$40,000.00. Attached as
5 **Exhibit 2** to the Goodrich Declaration is a true and correct copy of the purchase agreement and
6 addendum thereto (collectively, the “Agreement”).

7 A summary of the Agreement’s terms are discussed below, but the summary and discussion
8 are not meant to be a complete review of every provision of the Agreement. The Agreement itself
9 is the legally binding document the Trustee seeks approval of, and in the event of any
10 inconsistency between the terms, provisions or effect of the Agreement and the description of it in
11 these pleadings, the Agreement alone shall govern and not these pleadings or the descriptions
12 herein.

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

15 Buyer	Dr. Jason Wang
16 Purchase Price	\$600,000.00 subject to the Bidding Procedures set forth below. 17 \$40,000.00 paid as a deposit, balance of the purchase price to be paid at closing.
18 Escrow Holder and Escrow Closing Date	The escrow holder shall be Ambergate Escrow. Escrow is scheduled to close within fourteen (14) days after the Court’s entry of order approving the sale.
19 Escrow, Title and Other Costs	All real property taxes and assessments for the current tax year shown in the current county tax bill shall be prorated between Seller and the Buyer and charged as of the closing date to the applicable accounts of Seller and the Buyer. The sale shall be free and clear of any homeowner's association assessments and all real property taxes (other than those prorated as provided above) enforceable against the Property through the closing date of the sale. 22 Escrow fees shall be split between the Buyer and Seller in the manner customary in the County where the Property is located.
24 Bankruptcy Court Approval	The sale is subject to notice to creditors, approval by the Bankruptcy Court, and higher and better bids received by Seller through and including the Bankruptcy Court hearing to confirm the sale. Payment of any and all real estate brokers’ commissions is also subject to notice to creditors and approval by the Bankruptcy Court.

<p>1 Real Estate Agent Commission</p>	<p>Through escrow on the sale of the Property, and subject to Court approval, the Trustee shall pay compensation for real estate agent services to the Estate's agent in the amount of \$36,000 (6% of the purchase price) as follows:</p> <table border="0" style="width: 100%;"> <tr> <td style="text-align: center;"><u>Agent</u></td> <td style="text-align: center;"><u>Commission</u></td> </tr> <tr> <td>Richard Halderman, broker for the Trustee.</td> <td style="text-align: right;">\$18,000.00</td> </tr> <tr> <td>Colliers International, broker for the Buyer</td> <td style="text-align: right;">\$18,000.00</td> </tr> </table>	<u>Agent</u>	<u>Commission</u>	Richard Halderman, broker for the Trustee.	\$18,000.00	Colliers International, broker for the Buyer	\$18,000.00
<u>Agent</u>	<u>Commission</u>						
Richard Halderman, broker for the Trustee.	\$18,000.00						
Colliers International, broker for the Buyer	\$18,000.00						
<p>2 3 4 5 6 7 Purchase Without Warranties</p>	<p>The Buyer acknowledges and agrees that the sale of the Property shall be "as-is" and without any warranties whatsoever and the transfer of the Property to the Buyer shall be by a Bankruptcy Trustee's Deed or Quitclaim Deed.</p>						
<p>8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 Trustee's Liability</p>	<p>The Buyer acknowledges that the Trustee is acting in his official capacity only. No personal liability shall be sought or enforced against the Trustee with regard to the Agreement, including any addendums to the Agreement, the Property, the sale of the Property, or the physical condition of the Property. In the event that the Trustee fails or refuses to complete the transaction for any reason, then the limit of the Trustee's liability is only to return any money paid to the Trustee by the Buyer, without deduction. Prior to and after the closing of escrow, the United States Bankruptcy Court shall have and retain the sole and exclusive jurisdiction over the Property and the Agreement; and all disputes arising before and after closing shall be resolved in said Court. Further, the Trustee has agreed that if a dispute arises, such dispute may initially be resolved through the Mediation Program pending in the United States Bankruptcy Court for the Central District of California.</p>						
<p>Hold Harmless</p>	<p>The Buyer understands the terms and conditions of the entire purchase contract and hold the Estate and the realtors, brokers, agents, R.L. Goodrich, Trustee, and his attorneys including Shulman Hodges & Bastian LLP, agents and employees, harmless from any liabilities arising from this contact. All parties hereto further agree, jointly and severally, to pay on demand as well as to indemnify and hold Escrow harmless from and against all costs, damages, judgments, attorneys' fees, expenses, obligations and liabilities of any kind or nature which in good faith, Escrow may incur or sustain in connection with or arising out of this Escrow and Escrow is hereby given a lien upon all the rights, titles and interest of each of the undersigned in all escrow papers and other property and monies deposited in this escrow, to protect the rights of escrow and to indemnify and reimburse Escrow under this Addendum. In the event this Escrow is not completed for any reason, Escrow is authorized to deduct and pay its fee, plus costs incurred from any funds on deposit.</p>						
<p>Jurisdiction of the Bankruptcy Court</p>	<p>Any and all disputes which involve in any manner the Estate or R.L. Goodrich, Trustee, arising from the Agreement and/or its addendums or relating in any manner to the Property, shall be resolved only in the United States Bankruptcy Court, Central District of California.</p>						
<p>Sale Subject to Overbidding</p>	<p>The sale of the Property is subject to the Bidding Procedures described below.</p>						
<p>Outstanding Real Property Taxes</p>	<p>To be paid by through escrow.</p>						

1 2 Free and Clear of Liens and Encumbrances	The Property shall be delivered to the Buyer free and clear of all liens and encumbrances.
3 4 5 6 Good Faith Finding	The proposed sale has been brought in good faith and has been negotiated on an “arms-length” basis. The negotiations with the Buyer have resulted in an offer to sell the Estate’s interest in the Property that will have substantial benefit. Accordingly, the sale is in good faith and should be approved. The Trustee shall request such a finding pursuant to Bankruptcy Code Section 363(m) at the hearing on this Motion.

7 **H. Notice of Bidding Procedures**

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

13 1. Potential overbidder(s) must bid an initial amount of at least \$10,000.00 over the
14 Purchase Price, or \$610,000.00. Minimum bid increments thereafter shall be \$5,000.00. The
15 Trustee shall have sole discretion in determining which overbid is the best for the Estate and will
16 seek approval from the Court of the same.

17 2. Overbids must be in writing and be received by the Trustee and the Trustee’s
18 counsel, Shulman Hodges & Bastian LLP to the attention of Ryan D. O’Dea on or before **4:00**
19 **p.m. (California time) on the date which is three (3) days prior to the hearing on the Motion.**

20 3. Overbids must be accompanied by certified funds in an amount equal to six and one
21 half percent (6.5%) of the overbid purchase price.

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

27 5. The overbidder must seek to acquire the Property on terms and conditions not less
28 favorable to the Estate than the terms and conditions to which the Buyer has agreed to purchase the

1 Property as set forth in the Agreement attached as **Exhibit 2** to the Goodrich Declaration including
2 closing on the sale of the Property in the same time parameters as the Buyer.

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

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

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

25 9. In the event the Successful Bidder fails to close on the sale of the Property within
26 the time parameters approved by the Court, the Trustee shall retain the Successful Bidder’s
27 Deposit and will be released from his obligation to sell the Property to the Successful Bidder and
28

1 the Trustee may then sell the Property to the first back-up bidder approved by the Court at the
2 hearing on the Motion (“First Back-Up Bidder”).

3 10. In the event First Back-Up Bidder fails to close on the sale of the Property within
4 the time parameters approved by the Court, the Trustee shall retain the First Back-Up Bidder’s
5 Deposit and will be released from his obligation to sell the Property to the First Back-Up Bidder
6 and the Trustee may then sell the Property to the second back-up bidder approved by the Court at
7 the hearing on the Motion (“Second Back-Up Bidder”).

8 **III. LEGAL BASIS FOR THE RELIEF SOUGHT**

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

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

20 **1. Sound Business Purpose**

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

27 Whether the proffered business justification is sufficient depends on the case. As the
28 Second Circuit held in *Lionel*, the bankruptcy judge should consider all salient factors
pertaining to the proceeding and, accordingly, act to further the diverse interests of the

debtor, creditors and equity holders, alike. He might, for example, look to such relevant factors as the proportionate value of the assets to the estate 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.

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

Here, the facts surrounding the sale of the Property support the Trustee's business decision that the proposed sale is in the best interests of the Estate and its creditors. Through the sale of the Property the Trustee expects to generate net proceeds of approximately \$253,803.00 as follows (amounts are estimated):

Property Sale Price	\$ 600,000.00
Less amounts payable to EquiCredit	(\$ 233,250.00)
Less amounts payable to Arrow Financial	(\$ 10,662.04)
Less amounts payable to Cach, LLC	(\$ 10,471.34)
Less amounts payable to the County of San Bernardino	(\$ 2,157.10)
Less amounts payable to Franchise Tax Board	(\$ 14,656.47)
Less real estate commission and costs of sale for the Property (6%)	(\$ 36,000.00)
Less estimated claimed homestead exemption	(\$ 75,000.00)
Estimated Net Sale Proceeds for the benefit of the Estate and its creditors.	\$ 253,803.05

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

Furthermore, the Trustee believes that the proposed sale, subject to overbids, will be at fair market value because it is the best offer the Estate has received thus far for the Property after the inspection date. Given that the sale is subject to overbids, it is anticipated the Trustee will receive the best and highest value for the Property and therefore the proposed sale price of the Property is fair and reasonable.

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

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 significant as the proposed sale
4 will yield an estimated \$253,803.00 to the Estate. If the Motion is not approved, the Estate will
5 not receive the sale proceeds and will likely lose the Buyer. The Trustee does not want to lose this
6 beneficial business opportunity. Thus, the Trustee has made a business decision that it is in the
7 best interest of the creditors of the Estate that this Motion be approved.

8 **3. Accurate and Reasonable Notice**

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

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

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

22 **4. The Sale is Made in Good Faith**

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

26 ‘Good faith’ encompasses fair value, and further speaks to the integrity of the transaction.
27 Typical ‘bad faith’ or misconduct, would include collusion between the seller and buyer, or
28 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.

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

2 In the present case, the negotiation of the proposed sale was an arms-length transaction.
3 The negotiations with the Buyer resulted in a sale price for the Property that will have substantial
4 benefit to the Estate. As set forth in the Notice of the Motion, the creditors will have been
5 provided with sufficient notice of the sale. Accordingly, the sale is in good faith and should be
6 approved. The Trustee shall request such a finding pursuant to Bankruptcy Code Section 363(m)
7 at the hearing on this Motion.

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

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

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

19 11 U.S.C. § 363(f).

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

22 **1. Section 363(f)(3)**

23 The sale of the Property is proper pursuant to Section 363(f)(3) because the sale price is in
24 excess of all liens and encumbrances on the Property. Courts have approved sales under
25 Bankruptcy Code Section 363(f) even where the sale price did not exceed the value of the liens
26 asserted on the property so long as the sale is for fair market value. *In re Terrace Gardens Park*
27 *Partnership*, 96 B.R. 707 (Bankr. W.D. Tex. 1989); *In re Beker Indus. Corp.*, 63 B.R. 474, 477
28 (Bankr. S.D.N.Y. 1986).

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

3 **C. The Court has the Authority to Approve the Bidding Procedures**

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

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

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

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

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

26 The Bidding Procedures are designed to encourage, not hamper bidding and are reasonable
27 under the circumstances. The Bidding Procedures are intended to provide potential overbidders
28

1 with adequate information to make an informed decision as to the amount of their bid and the
2 validity of their bid.

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

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

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

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

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

20 Finally, the most important benefit of the Bidding Procedures to the Estate is that their
21 implementation will enable the consummation of the proposed sale. The proposed sale will be the
22 best way to obtain the maximum and most expedient recovery for creditors of this Estate.
23 Implementation of the Bidding Procedures is an essential component of consummating the sale of
24 the Property and maximizing the value of the Property for the Estate and creditors.

25 The Bidding Procedures proposed by the Trustee are fair and provide for a “level playing
26 field” for all prospective bidders with respect to the Property. The proposed Bidding Procedures
27 establish a reasonable but expeditious timeline for allowing the Trustee to give notice of the
28 proposed sale and qualified bidders to conduct reasonable due diligence and submit competing

1 offers for the Property, thereby potentially generating additional value for the Property.
2 Furthermore, the notice that the Trustee proposes to provide to creditors and parties in interest in
3 connection with the Bidding Procedures and Motion is designed to attract the most interest in the
4 acquisition of the Property and is sufficient under the circumstances of this case. Thus, approval
5 of the Bidding Procedures will serve the best interests of the Estate and its creditors.

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

7 Bankruptcy Code Section 327 allows, with court approval, for the trustee to employ
8 professional persons, “that do not hold or represent an interest adverse to the estate, and that are
9 disinterested persons.” 11 U.S.C. § 327(a). By an Order entered on June 18, 2012, the Trustee
10 was authorized to employ the Broker to assist the Trustee in the marketing and sale of the
11 Property.

12 Bankruptcy Code Section 328 allows employment of a professional person under Section
13 327 “on any reasonable terms and conditions of employment, including on a retainer, on an hourly
14 basis, on a fixed or percentage fee basis, or on a contingent fee basis.” 11 U.S.C. § 328(a)
15 (emphasis added). Through this Motion, as provided in the Agreement, the Trustee seeks
16 authorization to pay a real estate broker commission in the amount of six percent (6%) of the
17 purchase price. Through escrow on the sale of the Property, and subject to Bankruptcy Court
18 approval, the Trustee shall pay a real estate broker’s commission as follows:

<u>Agent</u>	<u>Commission</u>
Trustee’s Broker Richard Halderman	Up to \$18,000.00
The Buyer’s Broker Colliers International	Up to \$18,000.00

23 **E. Turnover of the Property**

24 Bankruptcy Code Section 542(a) provides that a debtor “shall deliver to the trustee, and
25 account for, such property or the value of such property, unless such property is of inconsequential
26 value or benefit to the estate.” 11 U.S.C. § 542(a). The following must be established in order for
27 the Trustee to prevail in a turnover action: (1) that the asset in question is property of the Debtors’
28

1 bankruptcy estate; and (2) that the Trustee is entitled to use, sell, or lease the assets. *See In re*
2 *Sherry & O'Leary, Inc.*, 148 B.R. 248, 256 (Bankr. W.D. Pa. 1992); *see also, In re Weiss-Wolf,*
3 *Inc.*, 60 B.R. 969, 975 (Bankr. S.D.N.Y. 1986).

4 Bankruptcy Code section 541 is broadly construed to include all property interests, whether
5 reachable by state-law creditors or not, and whether vested or contingent. *United States v Rauer,*
6 963 F.2d 1332 (10th Cir. 1992); *In re Yonikus*, 996 F.2d 866 (7th Cir. 1993) (virtually all property
7 of debtor becomes property of estate; in fact, every conceivable interest of debtor, including future,
8 non-possessory, contingent, speculative, and derivative, is within the scope of Section 541).
9 Section 541(a)(1) is intended to include in the estate any property made available to the estate by
10 other provisions of the Bankruptcy Code.

11 In this case, it is clear that the Property is property of the Estate, as title to the Property is
12 held in the Debtors' name and the Property is listed on the Debtors' bankruptcy schedules.
13 Because the Property is property of the Estate, which the Trustee may use for the benefit of the
14 creditors, turnover of this asset to the Trustee is appropriate and in accordance with statutory and
15 case law authority. The Trustee seeks turnover of the Property no later than the fifteenth (15th) day
16 after the Court's entry of order approving the sale contemplated by this Motion.

17 **F. Request for Hearing Date to Hold Debtors in Contempt in the Event Debtors Fail to**
18 **Timely Turnover the Property**

19 The Trustee is not seeking waiver of the fourteen day stay period, and as such, the Trustee
20 seeks turnover of the Property on the fifteenth day after entry of Court order approving this sale.
21 Given the procedural history of this case and the Debtors' repeated failure to cooperate with the
22 Trustee in his efforts to administer property of the Estate, the Trustee wishes to obtain a holding
23 date for a hearing to hold Debtors in contempt if they fail to timely turnover the Property pursuant
24 to the order approving this sale. The Trustee contacted the Debtors' counsel approximately two
25 weeks before the filing of this Motion to ensure the Debtors are aware of the pending sale and the
26 timeframe in which they will need to vacate the Property. Based thereon, at the end of the fourteen
27 day stay period the Debtors will have had approximately two months notice of this pending sale
28 and the need for them to vacate the Property. Additionally, escrow will not close on the Property

1 until the Buyer has obtained possession of the Property. The Trustee does not want to lose the
2 Buyer due to the Debtors delaying the turnover of the Property. Therefore, the Trustee desires a
3 holding date to find the Debtors in contempt in the event they fail to timely turnover the Property
4 pursuant to Court order.

5 **IV. CONCLUSION**

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

- 8 1. Granting the Motion.
- 9 2. Approving the Bidding Procedures set forth above for the sale of the Property.
- 10 3. Authorizing the Trustee to sell the Property to the Buyer (or Successful Bidder)
11 pursuant to the terms and conditions as set forth in the Agreement attached as **Exhibit 2** to the
12 Goodrich Declaration.
- 13 4. Authorizing the sale of the Property free and clear of liens.
- 14 5. Authorizing the Trustee to sign any and all documents convenient and necessary in
15 pursuit of the sale as set forth above, including but not limited to any and all conveyances
16 contemplated by the Agreement attached as **Exhibit 2** to the Goodrich Declaration.
- 17 6. Approving the payment of the real estate commission in the total amount not to
18 exceed six (6%) percent of the purchase price.
- 19 7. Authorizing the Trustee to pay from the proceeds of the sale of the Property through
20 escrow all amounts owing in relation to all secured liens and encumbrances on the Property.
- 21 8. Authorizing the Trustee to pay from the proceeds of the sale of the Property all
22 ordinary and customary costs of sale, including escrow fees.
- 23 9. Finding that the Buyer is a good faith pursuant to Bankruptcy Code Section 363(m).
- 24 10. Ordering that the Debtors turnover the Property to the Trustee no later than the
25 fifteenth (15th) day after entry of court order approving sale of the Property.
- 26 11. Setting a hearing to hold the Debtors in contempt in the event they fail to timely
27 turnover the Property.

28 ///

DECLARATION OF R.L. GOODRICH

I, R.L. Goodrich, declare:

1. I am the duly appointed, qualified and acting Chapter 7 Trustee for the bankruptcy estate of In re Francisco Valenciano Salazar and Gabriella Valenciano Gutierrez, Case No. 6:12-bk-14062-MJ (“Debtors”). 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 Free and Clear of Certain Liens Pursuant to Bankruptcy Code § 363(b)(1) and (f) and Subject to Overbids, Combined With Notice of Bidding Procedures and Request for Approval of the Bidding Procedures Utilized; (2) Approving Payment of Real Estate Commission; and (3) Granting Related Relief (“Motion”). Unless otherwise noted, capitalized terms herein have the meaning as set forth in the Motion.

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

4. The Property that is the subject of the Motion is single family residence owned by the Debtors and utilized as their primary residence. The Preliminary Title Report on the Property (a true and correct copy of which is attached hereto as **Exhibit 1**) indicates that the debtor Francisco Valenciano Salazar, was the owner on Petition Date.

5. Pursuant to Court order entered on June 18, 2012 (docket number 23), the Trustee was authorized to employ Richard Halderman of Lido Pacific Asset Management (the “Broker”), to assist me in the marketing and sale of the Property.

6. In their Bankruptcy Schedule A, the Debtors listed the value of the Property at \$300,000.00. Further, Debtors’ schedules reflect a lien on the Property in favor of the EquiCredit in the amount of \$224,956.16. As such, I believe there is equity in the Property for the benefit of the Estate and creditors.

1 7. My Broker reviewed the Property and believed the Property had a higher fair
2 market value than the amount listed in the Debtor's Bankruptcy Schedule. The Property was
3 listed for sale at \$600,000.00. The Property has been listed on the MLS and advertised for sale
4 since October 2013. I received as offer of \$600,000.00 to purchase the Property which is the
5 subject of this Motion and represents the highest I received.

6 8. The Motion sets forth the proposed treatment of all the liens and encumbrances
7 against the Property as detailed in Preliminary Title Report, a true and correct copy of which is
8 attached hereto as **Exhibit 1**.

9 9. Through my Broker, I received an offer from the Buyer to purchase the Property
10 for \$600,000.00. The purchase price includes a deposit of \$40,000.00. Attached as **Exhibit 2** to
11 my declaration is a true and correct copy of the Residential Purchase Agreement and Joint
12 Escrow Instructions and Counter Offers and related addendum (collectively, the "Agreement").

13 10. The Buyer's offer for the purchase of the Property is the best offer the Estate has
14 received. Through the sale, I expect to generate proceeds of \$253,803.05, or more if overbids
15 are received.

16 11. I am seeking to sell the Estate's interest in the Property free and clear of all liens,
17 claims, and encumbrances and subject to the Bidding Procedures described in the Motion.

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

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

23 Executed on November 15, 2013, at Riverside, California.

24
25 
26 _____

27 R.L. Goodrich
28

DECLARATION OF RICHARD HALDERMAN

I, Richard Halderman, declare and state as follows:

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 salesperson, duly licensed in the State of California and am employed with Lido Pacific Asset Management located at 3857 Birch Street, Suite 480, Newport Beach, California; telephone (714) 664-0115. I make this declaration in support of the Trustee's Motion for Order Approving Sale of Real Property ("Motion") filed by R.L. Goodrich, the Chapter 7 trustee ("Trustee") for the bankruptcy estate ("Estate") of Francisco Valenciano Salazar and Gabriella Valenciano Gutierrez (collectively, "Debtors").

2. All capitalized terms not otherwise defined in this declaration shall have the definition ascribed in the Motion.

3. I have read the Motion and am familiar with the Property.

4. I have received an offer to purchase the Property for \$600,000.00 from the Buyer. This offer represents the best and highest offer to date and is a fair representative of the market value of the Property.

5. I have been informed and understand that no sale of the Property may be consummated until after the following: (1) notice to creditors with the opportunity for a hearing on the proposed sale, and (2) entry of a Court order approving the sale.

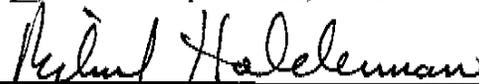
6. I have been informed and understand that the Property is being sold on an "as is – where as" basis with all faults and conditions then existing, and thus understand that: (a) the Trustee is not making any representations, warranties, either express or implied, as to the condition of the Property, uses (prior, present and future), or otherwise; (b) the Trustee shall not provide the buyer with any reports as to the use or condition of the Property; (c) the Trustee shall not provide the buyer with any warranty protection plan with any building permits or plans; and (d) the Trustee is selling the Property solely in his capacity as the Chapter 7 trustee of the Debtors' bankruptcy estate.

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

Executed on November 15th 2013 at Newport Beach, California.


Richard Haldermah

SHULMAN HODGES &
BASTIAN LLP
8105 Irvine Center Drive
Suite 600
Irvine, CA 92618

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4608-000

DECLARATION OF LARRY MATHENA

I, Larry Mathena, declare and state as follows:

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 make this declaration in support of the Trustee's Motion for Order Approving Sale of Real Property ("Motion") filed by R.L. Goodrich, the Chapter 7 trustee ("Trustee") for the bankruptcy estate ("Estate") of Francisco Valenciano Salazar and Gabriella Valenciano Gutierrez (collectively, "Debtors").

2. All capitalized terms not otherwise defined in this declaration shall have the definition ascribed in the Motion.

3. I am an authorized agent of the Buyer and have authority to make this declaration.

4. As set forth in the Motion, the Buyer has made an offer to purchase the Property for \$600,000.00.

5. The Buyer and its principals, agents, shareholders, or employees do not have a relationship with the Trustee. The Buyer does not intend to have a relationship with the Trustee after the sale.

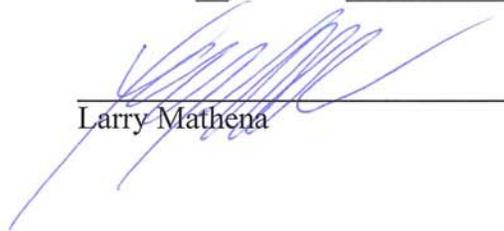
6. There is no consideration contemplated to be transferred to the Buyer or the Trustee as part of the sale beyond the price being paid for the Property.

7. The Buyer, including any of its employees, agents, officers, directors, or shareholders, has not contacted any of the other potential bidders for the purchase of the Property in an attempt to take unfair advantage of the other bidders.

8. As such, I am requesting that the Court make a finding that the Buyer is a buyer in good faith pursuant to Bankruptcy Code Section 363(m).

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

Executed on November 15, 2013 at Aliso Viejo, California.



Larry Mathena

EXHIBIT “1”

PRELIMINARY TITLE REPORT



Fidelity National Title Company

19000 MacArthur Blvd., Suite 300, Irvine, CA 92612
Phone: (949) 788-2800 • Fax: (949) 341-0251

PRELIMINARY REPORT

Title Officer: **Debbie Tognetti**
Phone: (949) 788-2825
Fax: (949) 341-0251
Email: debbie.tognetti@fnf.com

ORDER NO.: **00049406-997-OC1-DT**

LOAN NO.:

Lido Pacific
225 N. Broadway
Santa Ana, CA 99999

ATTN: Richard
YOUR REF:

PROPERTY: **11191 Catawba Avenue, Fontana, CA**

EFFECTIVE DATE: October 9, 2013 at 7:30 a.m.

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

ALTA Homeowner's Policy (2-3-10)
ALTA Extended Coverage Loan Policy (6-17-06)

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

A Fee

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

Francisco Valenciano, a married man, as his sole and separate property

3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

See Exhibit A attached hereto and made a part hereof.

DT/pn1 October 16, 2013

PRELIMINARY REPORT
YOUR REFERENCE:

Fidelity National Title Company
ORDER NO.: 00049406-997-OCI-DT

EXHIBIT A

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

THE SOUTH 165 FEET OF THE WEST 1/2 OF FARM LOT 865, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO STATE OF CALIFORNIA, ACCORDING TO MAP SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER CO. AS PER MAP RECORDED IN BOOK 11, PAGE 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 0237-191-25-0-000

PRELIMINARY REPORT
YOUR REFERENCE:

Fidelity National Title Company
ORDER NO.: 00049406-997-OC1-DT

AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2013-2014.

2. Property taxes, including any personal property taxes and any assessments collected with taxes, are as follows:

Code Area:	010-251
Tax Identification No.:	0237-191-25-0-000
Fiscal Year:	2013-2014
1st Installment:	\$1,691.64 Open
2nd installment:	\$1,691.62 Open
Exemption:	\$7,000.00
Land:	\$142,767.00
Improvements:	\$151,168.00
Personal Property:	\$0.00
Bill No.:	130152462

3. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (Commencing with Section 75) of the Revenue and Taxation Code of the State of California.

Note: If said supplementals (if any) are not posted prior to the date of closing, this company assumes no liability for payment thereof.

4. Rights of the Public over any portion of said land lying within the Boundaries of any road, street or highway.

5. Easement(s) for the purpose(s) shown below and rights incidental thereto as granted in a document:

Purpose:	Pipe Lines and Incidental Purposes
Recorded:	in Book 540, Page 125, of Deeds
Affects:	A portion of said land

The exact location and extent of said easement is not disclosed of record.

6. Easement(s) for the purpose(s) shown below and rights incidental thereto as granted in a document:

Purpose:	Pipe Lines and Incidental Purposes
Recorded.:	in Book 334, Page 197, of Official Records
Affects:	A portion of said land

and recorded , Book 935, Page 9, of Official Records

The exact location and extent of said easement is not disclosed of record.

7. Easement(s) for the purpose(s) shown below and rights incidental thereto as granted in a document:

Purpose:	Poles Lines, Conduits and Incidental Purposes
Recorded.:	in Book 1840, Page 44, of Official Records
Affects:	A portion of said land as described therein

PRELIMINARY REPORT
YOUR REFERENCE:

Fidelity National Title Company
ORDER NO.: 00049406-997-OCI-DT

EXCEPTIONS
(Continued)

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

Amount: \$223,250.00
Dated: June 14, 2000
Trustor/Grantor: Francisco Valenciano, a married man, as his sole and separate property
Trustee: Unitrusco Corporation
Beneficiary: EquiCredit
Loan No.: 8012032861
Recording Date: June 22, 2000
Recording No.: Instrument No. 2000-0223791, of Official Records.

Assignment of the beneficial interest under said deed of trust which names:

Assignee: EquiCredit Corporation of America
Recording Date: March 21, 2013
Recording No.: Instrument No. 2013-0116991, of Official Records

9. A Notice of Judgment

Plaintiff: County of San Bernardino, a political subdivision of the State of California, and the
People of the State of California
Defendant: Francisco Valenciano, and Does 1 - 20
Judgment Entered: January 31, 2006
County: San Bernardino
Court: Superior
Case No. SCVSS 126483
Recording Date: February 6, 2006
Recording No.: Instrument No. 2006-85136, of Official Records

10. A pending Court Action as disclosed by a recorded notice:

Plaintiff: City of Fontana, a California Municipal Corporation, on Behalf of the People of the State
of California
Defendant: Jose Francisco Valenciano Salazar
County: San Bernardino
Court: Superior Court of the State of California County of San Bernardino Fontana District
Case No.: 5892
Nature of Action: To Enforce the Fontana City Code
Recorded: April 23, 2010
Recording No.: Instrument No. 2010-0157512, of Official Records

A Correction to Notice of Pendency of Judicial Action (Lis Pendens)

Recorded: August 13, 2013
Recording No.: Instrument No. 2010-330213, of Official Records

PRELIMINARY REPORT
YOUR REFERENCE:

Fidelity National Title Company
ORDER NO.: 00049406-997-OC1-DT

EXCEPTIONS
(Continued)

11. A pending Court Action as disclosed by a recorded notice:

Plaintiff: City of Fontana, a California Municipal Corporation, on Behalf of the People of the State of California
Defendant: Gabriela Valenciano
County: San Bernardino
Court: Superior Court of the State of California County of San Bernardino Fontana District
Case No.: 5891
Nature of Action: To Enforce the Fontana City Code
Recorded: April 23, 2010
Recording No.: Instrument No. 2010-0157513, of Official Records

A Correction to Notice of Pendency of Judicial Action (Lis Pendens)

Recorded: August 13, 2013
Recording No. Instrument No. 2010-330215, of Official Records

12. A notice that said Land is included within a project area of the Redevelopment Agency shown below, and that proceedings for the redevelopment of said project have been instituted under the Redevelopment Law (such redevelopment to proceed only after the adoption of the redevelopment plan) as disclosed by a document

Recording Date: June 24, 2010
Recording No.: Instrument No. 2010-253396, of Official Records
Redevelopment Agency: Fontana Redevelopment Agency; Ordinance No. 1619

about 500 pages

13. A tax lien for the amount shown and any other amounts due, in favor of the United States of America, assessed by the District Director of Internal Revenue.

Federal Serial No.: 330194468
Taxpayer: Francisco Valenciano d/b/a Valenciano Auto & Truck Repair
Amount: \$16,199.05
Recording Date: June 13, 2001
Recording No.: Instrument No. 2001-229775, of Official Records

To be eliminated by Fidelity

14. An abstract of judgment for the amount shown below and any other amounts due:

Amount: \$10,662.04
Debtor: Gabriela Gutierrez, Francisco Valenciano
Creditor: Arrow Financial Services, LLC
Date Entered: October 12, 2010
County: San Bernardino
Court: Superior
Case No. CIVDS 1009873
Recording Date: January 4, 2011
Recording No: Instrument No. 2011-0004666, of Official Records

PRELIMINARY REPORT
YOUR REFERENCE:

Fidelity National Title Company
ORDER NO.: 00049406-997-OC1-DT

EXCEPTIONS
(Continued)

15. An abstract of judgment for the amount shown below and any other amounts due:

Amount: \$10,471.34
Debtor: Francisco Valenciano, Et Al.
Creditor: Cach, LLC
Date Entered: October 21, 2010
County: San Bernardino
Court: Superior
Case No. CIVDS 1008587
Recording Date: January 4, 2011
Recording No: Instrument No. 2011-0004672, of Official Records

16. An abstract of judgment for the amount shown below and any other amounts due:

Amount: \$2,157.10
Debtor: Francisco Valenciano
Creditor: County of San Bernardino
Date Entered: February 6, 1944
County: San Bernardino
Court: Superior
Case No. 232468
Recording Date: March 10, 2011
Recording No: Instrument No. 2011-0100470, of Official Records

17. A tax lien for the amount shown and any other amounts due,

State Identification No.: 11193327871
Filed By: State of California Franchise Tax Board
Taxpayer: Francisco Valenciano Gabriela Valenciano
Amount: \$14,656.47
Recording Date: July 12, 2011
Recording No.: Instrument No. 2011-0283998, of Official Records

18. We find various Liens and Judgments that are of record against persons with similar or the same name as that of the vestee(s) shown herein. In order to complete this report, the Company requires a Statement of Information to be provided for the following vestee(s), which may allow and assist in the elimination of some or all of the said liens and judgments. After review of the requested Statement of Information, the Company reserves the right to add additional items or make further requirements prior to the issuance of any Policy of Title Insurance.

Vestee(s): Francisco Valenciano and Gabriela Valenciano

NOTE: The Statement of Information is necessary to complete the search and examination of title under this order. Any title search includes matters that are indexed by name only, and having a completed Statement of Information assists the Company in the elimination of certain matters which appear to involve the parties but in fact affect another party with the same or similar name. Be assured that the Statement of Information is essential and will be kept strictly confidential to this file.

19. In order to complete this report, the Company requires a Statement of Information to be completed by the following party(s),

Party(s): All Parties

PRELIMINARY REPORT
YOUR REFERENCE:

Fidelity National Title Company
ORDER NO.: 00049406-997-OC1-DT

EXCEPTIONS
(Continued)

The Company reserves the right to add additional items or make further requirements after review of the requested Statement of Information.

NOTE: The Statement of Information is necessary to complete the search and examination of title under this order. Any title search includes matters that are indexed by name only, and having a completed Statement of Information assists the Company in the elimination of certain matters which appear to involve the parties but in fact affect another party with the same or similar name. Be assured that the Statement of Information is essential and will be kept strictly confidential to this file.

20. Your application for title insurance was placed by reference to only a street address or tax identification number. Based on our records, we believe that the legal description in this report covers the parcel(s) of Land that you requested. If the legal description is incorrect, the seller/borrower must notify the Company and/or the settlement company in order to prevent errors and to be certain that the correct parcel(s) of Land will appear on any documents to be recorded in connection with this transaction and on the policy of title insurance.

END OF ITEMS

PRELIMINARY REPORT
YOUR REFERENCE:

Fidelity National Title Company
ORDER NO.: 00049406-997-OC1-DT

NOTES

1. Note: The current owner does NOT qualify for the \$20.00 discount pursuant to the coordinated stipulated judgments entered into actions filed by both the Attorney General and private class action plaintiff for the herein described Land.
2. None of the items shown in this report will cause the Company to decline to attach CLTA Endorsement Form 100 to an Extended Coverage Loan Policy, when issued.
3. Note: The Company is not aware of any matters which would cause it to decline to attach CLTA Endorsement Form 116 indicating that there is located on said Land, A Single Family Dwelling, known as 11191 Catawba Avenue, Fontana, California to an Extended Coverage Loan Policy.
4. Unless this company is in receipt of WRITTEN instructions authorizing a particular policy, Fidelity Title will AUTOMATICALLY issue the American Land Title Association Homeowner's Policy (02/03/2010) for all qualifying residential 1-4 properties/transactions to insure the buyer at the close of escrow.
5. If a county recorder, title insurance company, escrow company, real estate broker, real estate agent or association provides a copy of a declaration, governing document or deed to any person, California law requires that the document provided shall include a statement regarding any unlawful restrictions. Said statement is to be in at least 14-point bold face type and may be stamped on the first page of any document provided or included as a cover page attached to the requested document. Should a party to this transaction request a copy of any document reported herein that fits this category, the statement is to be included in the manner described.
6. Any documents being executed in conjunction with this transaction must be signed in the presence of an authorized Company employee, an authorized employee of an agent, an authorized employee of the insured lender, or by using Bancserv or other approved third party service. If the above requirements cannot be met, please call the Company at the number provided in this report
7. Amended Civil Code Section 2941, which becomes effective on January 1, 2002, sets the fee for the processing and recordation of the reconveyance of each Deed of Trust being paid off through this transaction at \$45.00. The reconveyance fee must be clearly set forth in the Beneficiary's Payoff Demand Statement ("Demand"). In addition, an assignment or authorized release of that fee, from the Beneficiary to the Trustee of record, must be included. An example of the required language is as follows:

The Beneficiary identified above hereby assigns, releases or transfers to the Trustee of record, the sum of \$45.00, included herein as 'Reconveyance Fees', for the processing and recordation of the Reconveyance of the Deed of Trust securing the indebtedness covered hereby, and the escrow company or title company processing this pay-off is authorized to deduct the Reconveyance Fee from this Demand and forward said fee to the Trustee of record or the successor Trustee under the Trust Deed to be paid off in full.

In the event that the reconveyance fee and the assignment, release or transfer are not included within the demand statement, then Fidelity National Title Insurance Company and its Underwritten Agent may decline to process the reconveyance and will be forced to return all documentation directly to the Beneficiary for compliance with the requirements of the revised statute.
8. The RESPA Rule to Simplify and Improve the Process of Obtaining Mortgages and Reduce Consumer Settlement Cost includes a provision for average charges, allowing settlement service providers to establish an average recording fee. Transactions opening after August 1, 2013; the average recording charge for all residential loan transactions (including refinances) is \$78.00 and the charge for all residential sale transactions with a purchase money loan is \$91.00. Divide the average between the buyer and seller as per contract or local custom. The average charge is applied regardless of the number of documents recorded in the transaction, the number of pages in each document or the actual recording charges. If your transaction is not a residential loan or sale with a new loan, please contact your title professional for the actual recording charges.

PRELIMINARY REPORT
YOUR REFERENCE:

Fidelity National Title Company
ORDER NO.: 00049406-997-OC1-DT

NOTES
(Continued)

9. Note: Part of the RESPA Rule to simplify and Improve the Process of Obtaining Mortgages and Reduce Consumer Settlement Costs requires the settlement agent to disclose the agent and underwriter split of title premiums, including endorsements as follows:

Line 1107 is used to record the amount of the total title insurance premium, including endorsements, that is retained by the title agent. Fidelity National Title Company retains 88% of the total premium and endorsements.

Line 1108 used to record the amount of the total title insurance premium, including endorsements, that is retained by the title underwriter. Fidelity National Title Insurance Company retains 12% of the total premium and endorsements.

WIRING INSTRUCTIONS

WIRING INSTRUCTIONS for Fidelity National Title Company, are as follows:

Receiving Bank:

US Bank
535 Westminster Mall
Westminster, CA 92683

ABA Routing Number: 122235821
Account No.: 153495874445

Credit Account Name: Fidelity National Title Company

ORDER NUMBERS ARE REQUIRED ON ALL WIRING

PLEASE NOTE: OUR OFFICE DOES NOT ACCEPT ACH TRANSFERS. THESE INSTRUCTIONS ARE FOR THE PURPOSE OF SENDING WIRE TRANSFERS ONLY.

ALL INCOMING WIRE TRANSFERS MUST CONTAIN OUR ORDER NUMBER, PROPERTY ADDRESS OR PRINCIPAL'S NAME FOR IDENTIFICATION PURPOSES.

IN THE EVENT THIS INFORMATION IS NOT PROVIDED YOUR WIRE TRANSFER MAY BE SUBJECT TO RETURN.

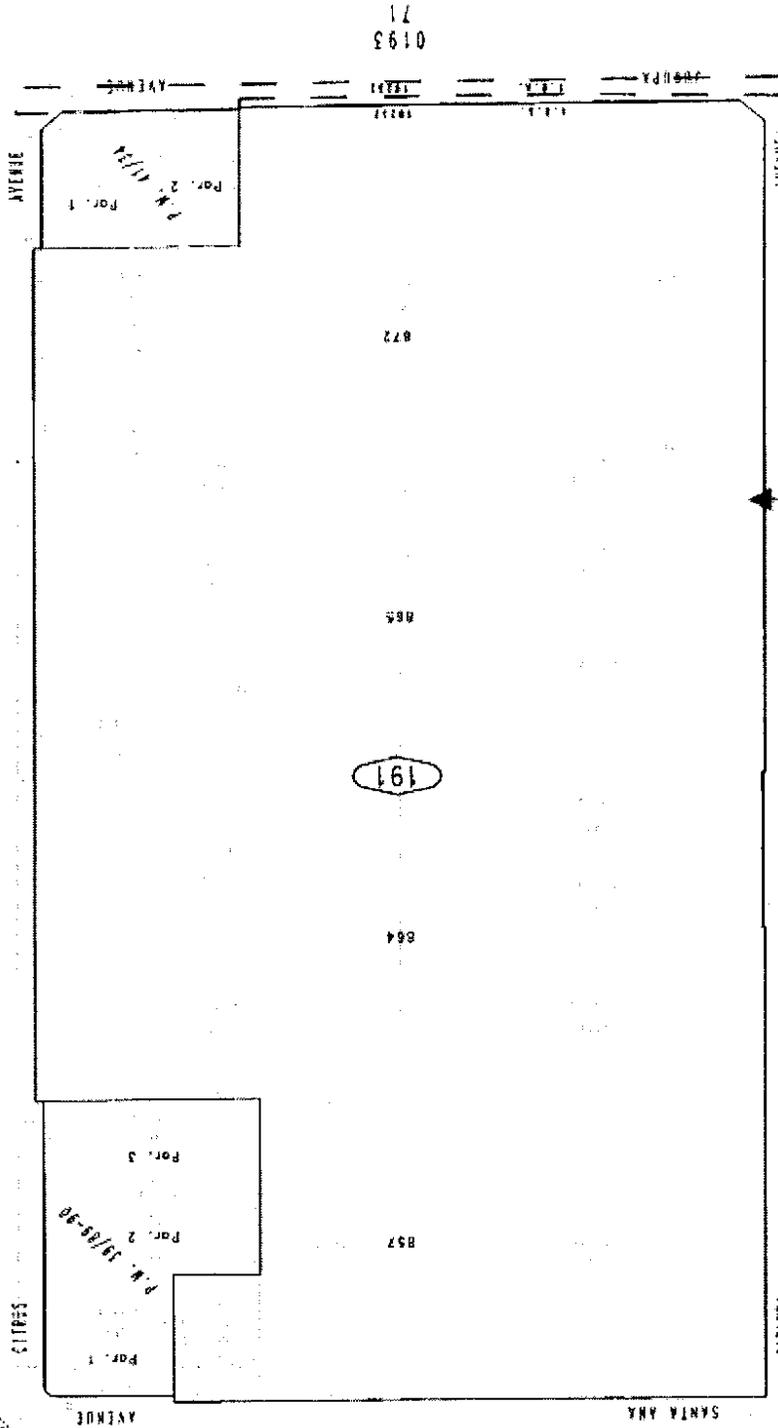
END OF NOTES

City of Fontana
Tax Rate Area
10232 10233

Pin. Semi-Tropic Land & Water Co. Sub., S.B.L.
M.B. 11/12

0237-19

07
0255



PIQ

Assessor's Map
Book 0237 Page 19
San Bernardino County

Pin. S.E.1/4, Sec. 25
T.1S., R.6W.



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



Cover Page Non-Order Search

Searched By: DTOGNETTI
Created On: 10/17/2013 3:29:07 PM

Company: FIDELITY NATIONAL TITLE/IRVINE/01

CRN: 0003600010

	State / County	Req. Pages	Copies	Status/Comment
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ORDER NON-ORDER SEARCH

INFO

IMAGE: SB:2006 00085136 ✓	CA / SAN BERNARDINO	All	1	
IMAGE: SB:2010 00157512 ✓	CA / SAN BERNARDINO	All	1	
IMAGE: SB:2010 00157513 ✓	CA / SAN BERNARDINO	All	1	
IMAGE: SB:2010 00330213 ✓	CA / SAN BERNARDINO	All	1	
IMAGE: SB:2011 00004666 ✓	CA / SAN BERNARDINO	All	1	
IMAGE: SB:2011 00004672 ✓	CA / SAN BERNARDINO	All	1	
IMAGE: SB:2011 00100470 ✓	CA / SAN BERNARDINO	All	1	
IMAGE: SB:2011 00283998 ✓	CA / SAN BERNARDINO	All	1	

Recorded In Official Records, County of San Bernardino

2/06/2006
8:25 AM
LM



LARRY WALKER
Auditor/Controller - Recorder

P Counter

Doc#: 2006-0085136



Titles: 1 Pages: 12
Fees 0.00
Taxes 0.00
Other 0.00
PAID \$0.00

RECORDING REQUESTED BY
Paymon Z. Bidari, CA Bar Number 194399
Office of the County Counsel
385 North Arrowhead Avenue, Fourth Floor
San Bernardino, CA 92415-0140

WHEN RECORDED MAIL TO
NAME Paymon Z. Bidari
Deputy County Counsel
MAILING Office of the County Counsel
ADDRESS 385 North Arrowhead Avenue,
Fourth Floor
CITY, STATE San Bernardino, CA
ZIP CODE 92415-0140

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

TITLE(S)

NOTICE OF JUDGMENT

Legal
Solutions
Co. Plus LS-201

Public Record

ORIGINAL

1 PAYMON Z. BIDARI, CA Bar No. 194399
Deputy County Counsel
2 RONALD D. REITZ, CA Bar No. 064511
County Counsel
3 385 North Arrowhead Avenue, 4th Floor
San Bernardino, CA 92415-0140
4 Telephone: (909) 387-4064
Fax: (909) 387-4069

FILED-Central District
SUPERIOR COURT
SAN BERNARDINO COUNTY

JAN 31 2006

By Crystal K. Damico
Deputy

5 Attorneys for Plaintiffs
6 COUNTY OF SAN BERNARDINO and
PEOPLE OF THE STATE OF CALIFORNIA

[Exempt from filing per G.C. 6103]

9 SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN BERNARDINO
10 SAN BERNARDINO DIVISION

11 COUNTY OF SAN BERNARDINO, a
12 political subdivision of the State of
California, and the PEOPLE OF THE
13 STATE OF CALIFORNIA

CASE NO. **SCVSS 126483**

NOTICE OF JUDGMENT

14 Plaintiffs,

15 vs.

APN: 0237-191-25

16 VALENCIANO, FRANCISCO; and DOES
1-20

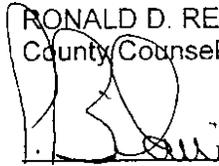
17 Defendants.
18

19
20 NOTICE IS HEREBY GIVEN that the attached Judgment is an order in an action
21 for breach of San Bernardino County Codes and Declaratory relief, affecting real
22 property as described herein has been brought by plaintiffs, County of San Bernardino
23 and the People of the State of California, in the Superior Court, County of San
24 Bernardino, San Bernardino District, against the above named defendants for the
25 property located at 11191 Catawba Ave, Fontana, CA, APN 0237-191-25 to enjoin and
26 abate the operation of a commercial business, in a manner in violation of the San
27 Bernardino County Code in order to bring the Property into compliance as well as abate
28 the presence of public nuisances.

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A copy of said current operative Judgment, is attached hereto and incorporated
herein as Exhibit "1."

DATED: January 30, 2006

RONALD D. REITZ
County Counsel

PAYMON Z. BIDARI
Deputy County Counsel
Attorneys for Plaintiffs

273706/PZB:jl
0165.233 1/30/2006

EXHIBIT "1"

Public Record

COPY

FILED
SUPERIOR COURT
COUNTY OF SAN BERNARDINO
SAN BERNARDINO DISTRICT

OCT 06 2005

BY *Jander Soto*
DEPUTY

1 PAYMON Z. BIDARI, CA Bar No. 194399
Deputy County Counsel
2 RONALD D. REITZ, CA Bar No. 064511
County Counsel
3 385 North Arrowhead Avenue, 4th Floor
San Bernardino, CA 92415-0140
4 Phone: 909-387-4064
Fax: 909-387-4069
5

Exempt per Gov. Code, § 6103

6 Attorney for Plaintiffs
COUNTY OF SAN BENARDINO and
7 PEOPLE OF THE STATE OF CALIFORNIA

8 **SUPERIOR COURT OF CALIFORNIA**

9 **COUNTY OF SAN BERNARDINO**

10 **CENTRAL JUDICIAL DISTRICT**

11 COUNTY OF SAN BERNARDINO, a
political subdivision of the State of California
12 and the PEOPLE OF THE STATE OF
CALIFORNIA,

Case No. SCVSS 126483

STIPULATED JUDGMENT

14 Plaintiffs,

15 vs.

16 VALENCIANO, FRANCISCO and DOES 1-
17 20,

18 Defendants.
19 _____/

20 **INTRODUCTION**

21 The subject litigation involves the un-permitted land use of operating a commercial trucking
22 business. The violations noted occurred at property identified as APN 0237-191-25 (property)
23 located in a land use district of Single-Residential. Defendants have been the owners of property.

24 From on or about May 22, 2003, to the present, Defendants have permitted the operation of
25 commercial trucking business and parking on the property. There was (has been abated since the
26 filing) an accumulation of junk and trash and inoperable vehicles on the property. In addition,
27 hazardous waste (motor oil, etc.) was dumped in the ground and into the storm water system.

28

1
STIPULATED JUDGMENT

1 Defendants have applied for a zoning change (GPA) and conditional use permits.
2 Furthermore, this property is due to be annexed in to the City of Fontana by 2007.

3 The parties herein stipulate to the following terms and having such terms entered as a
4 judgment of the court in this matter:

5 **STIPULATION**

6 Defendants acknowledge that their use of the property as a commercial truck parking
7 business is an illegal use of the subject property. Defendants are in receipt of a copy of the
8 Development Code Section 84.0220 and agree that the subject property (which is in a Residential
9 Land Use Type District) cannot be used except in accordance with section 84.0220 or other
10 permitted uses in the event that zoning designation may later be amended.

11 As a result, the Court orders a permanent injunction with the following terms:

12 1. Defendants and their agents will not conduct, or permit the conduct of, a commercial
13 truck parking business on the property;

14 2. Defendants and their agents will not park, or the permit the parking of, commercial
15 trucks on the property;

16 3. Defendants and their agents will use the property in accordance with the Development
17 Code Section 84.0105 or other permitted uses in the event zoning designation may later be amended.

18 4. Defendants and their agents will maintain the property in accordance with San
19 Bernardino County Code;

20 5. Defendants and their agents will remove any and all junk and trash from property (this
21 provision shall be effective immediately despite a stay on the other provisions until February 1,
22 2006);

23 6. Defendants and their agents will not dump hazardous waste material on the property
24 (this provision shall be effective immediately despite a stay on the other provisions until February
25 1, 2006);

26 7. Defendants and their agents will not dump hazardous waste material in the storm
27 water system (this provision shall be effective immediately despite a stay on the other provisions
28

1 until February 1, 2006);

2 8. Defendants and their agents will not park or allow the parking of inoperable vehicles
3 on the property;

4 9. Defendants and their agents will remove all cargo containers from property;

5 10. Plaintiffs will not pursue any fines so long as the above conditions are met and
6 maintained;

7 11. Plaintiffs will not pursue any monetary damages against Defendants so long as the
8 above conditions are met and maintained;

9 12. Plaintiffs will waive all administrative costs, expert and attorneys fees;

10 13. Plaintiffs will dismiss the subject Complaint without prejudice;

11 14. Defendant understands that any violation of this order by themselves or their agents
12 will be the subject of a contempt of court citation;

13 15. The parties agree that this Court will retain jurisdiction over the parties and the
14 subject matter for purposes of enforcement, as set forth below;

15 16. Should Defendants violate this judgment, they agree to pay a fine of \$2,000 per day
16 for each day they violate said judgment in addition to fines, fees and monetary damages the County
17 would be entitled to under the subject complaint;

18 17. Should the Defendants violate this judgment, Plaintiffs will file a Motion to set an
19 OSC in re Contempt.

20 18. Plaintiff stipulates to have this order stayed until February 1, 2006, at which time it
21 will enforce this order (Excluding paragraphs 5, 6, 7 and 10). (This is to give Defendants time to
22 relocate their business to a proper site.)

23 19. Should the zoning of the property change between now and February 1, 2006, to
24 accommodate the existing business, this agreement is void and Defendants can operate accordingly
25 so long as they have obtained the proper land use and business permits.

26 20. However, under no circumstances are the Defendants are to create and/or maintain
27 a public nuisance on the property.

28

1 21. Defendant will obtain a field investigation from the County Building and Safety
2 Department in getting the "truck terminals" currently on the property inspected. Once the inspection
3 is completed, Defendant will bring the terminals up to code by obtaining the appropriate permits and
4 rehabilitating them pursuant to the Uniform Building and Safety Code. A picture of the "truck
5 terminals" in question is attached hereto.

6 22. Plaintiff will withdraw the Notice of Action currently on file at the County Recorders'
7 Office.

8 23. Plaintiff stipulates to set aside the Default filed on the subject lawsuit.

9 24. Defendant will notify any and all prospective buyers of this property of this stipulated
10 judgment.

11 **OTHER PROVISIONS**

12 1. The parties agree that no party has been coerced, forced or intimidated to execute this
13 document by another party or its representatives. Each person of his or her own volition enters into
14 the document. Each party has sought the advice of counsel.

15 2. This document sets forth the entire agreement between the parties and may not be
16 altered, amended or modified in any respect, except by a writing duly executed by the parties
17 affected. All other understandings, oral agreements and writings are expressly superseded hereby and
18 are of no further force or effect.

19
20
21 September ____, 2005


Randy Rogers
Code Enforcement Division Chief

22
23
24
25 September 21, 2005


FRANCISCO VALENCIANO
Owner

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ORDER

Pursuant to the above stated stipulation, and good cause appearing therein, the contents of the above stipulation, including injunctive order, shall be the order and judgment of this court.

OCT 06 2005
September ____, 2005

MARY E. FULLER

Mary Fuller
Judge of the Superior Court

5
STIPULATED JUDGMENT

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PROOF OF SERVICE BY MAIL

STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO } ss:

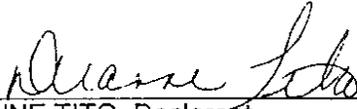
I, the undersigned, declare:

I am employed in the County of San Bernardino, State of California; I am over the age of 18 years and not a party to this action; my business address is 385 North Arrowhead Avenue, San Bernardino, California 92415-0140. I am familiar with this office's practice for collection and processing of documents for mailing with the United States Postal Service. The documents are deposited with the United States Postal Service on the same day in the ordinary course of business. On the date written below, I served the document named below on the parties indicated by placing a true copy thereof enclosed in a sealed envelope for collection and mailing from 385 North Arrowhead Avenue, San Bernardino, CA following ordinary business practice, addressed as follows, and declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on **October 17**, 2005, at San Bernardino, California.

DOCUMENT: CONFORMED COPY OF STIPULATED JUDGMENT

PARTIES SERVED:

Francisco Valenciano
11191 Catawba Ave.
Fontana, CA 92337



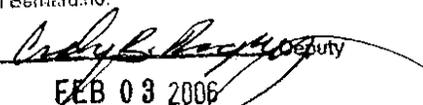
DIANNE TITO, Declarant

68313



THE DOCUMENT TO WHICH THIS CERTIFICATION IS
ATTACHED IS A FULL TRUE AND CORRECT COPY OF
THE ORIGINAL ON FILE AND OF RECORD IN MY OFFICE.
TRESSA KENTNER

ATTEST
Clerk of the Superior Court of the State of
California, in and for the County of
San Bernardino.

By  Deputy

FEB 03 2006

Public Record

Recorded in Official Records, County of San Bernardino

4/23/2010
12:49 PM
NC



LARRY WALKER
Auditor/Controller - Recorder

P Counter

RECORDING REQUESTED BY:
Matthew R. Silver, Esq.
BEST BEST & KRIEGER LLP
5 Park Plaza, Suite 1500
Irvine, CA 92614

Doc#: 2010-0157512

Titles: 1 Pages: 8



Fees	0.00
Taxes	0.00
Other	0.00
PAID	00.00

AND WHEN RECORDED MAIL TO:

Matthew R. Silver, Esq.
BEST BEST & KRIEGER LLP
5 Park Plaza, Suite 1500
Irvine, CA 92614

No recording fee pursuant to Gov. Code, § 6103

NOTICE OF PENDENCY OF JUDICIAL ACTION

[LIS PENDENS]

Public Record

1 MATTHEW R. SILVER, Bar No. 245528
2 BEST BEST & KRIEGER LLP
3 5 Park Plaza, Suite 1500
4 Irvine, California 92614
5 Telephone: (949) 263-2600
6 Telecopier: (949) 260-0972
7
8
9 Attorneys for Plaintiff CITY OF FONTANA on
10 behalf of THE PEOPLE OF THE STATE OF
11 CALIFORNIA

EXEMPT FROM FILING FEE PURSUANT TO
GOVERNMENT CODE SECTION 6103

When recorded please mail to:
Matthew R. Silver, Esq.
Best Best & Krieger, LLP
5 Park Plaza, Ste. 1500
Irvine, CA 92614

9 SUPERIOR COURT OF THE STATE OF CALIFORNIA
10 COUNTY OF SAN BERNARDINO
11 FONTANA DISTRICT

BEST BEST & KRIEGER LLP
ATTORNEYS AT LAW
IRVINE

13 CITY OF FONTANA, a California
14 municipal corporation, on behalf of THE
15 PEOPLE OF THE STATE OF
16 CALIFORNIA,

Case No.: 5892

**NOTICE OF PENDENCY OF JUDICIAL
ACTION [LIS PENDENS]**

16 Plaintiff,

17 v.

18 JOSE FRANCISCO VALENCIANO
19 SALAZAR,

20 Defendant.

21 NOTICE IS HEREBY GIVEN that in the above-entitled action, now pending in the
22 above-entitled Court, Plaintiff, the People of the State of California have instituted a judicial
23 action to enforce the Fontana City Code. This action concerns the real property located at 11191
24 Catawba Avenue, Fontana, CA 92337, legally described as:
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ORANGEHNGUYEN67476.1

NOTICE OF PENDENCY OF ACTION

Public Record

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THE SOUTH 165 FEET OF THE WEST 1/2 OF FARM LOT 865, IN THE COUNTY OF SAN BERNARDINO STATE OF CALIFORNIA, ACCORDING TO MAP SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER CO. AS PER MAP RECORDED IN BOOK 11, PAGE 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

Said property is commonly known as 11191 Catawba Avenue, Fontana, CA 92337, assessor's parcel number 0237-191-25-0000.

Dated: April 21, 2010

BEST BEST & KRIEGER LLP

By: 
MATTHEW R. SILVER
Deputy City Attorney
Attorneys for Plaintiff
City of Fontana

BEST BEST & KRIEGER LLP
ATTORNEYS AT LAW
IRVINE

ORANGE\HNGUYEN\67476.1

- 2 -

NOTICE OF PENDENCY OF ACTION

STATE OF CALIFORNIA)
COUNTY OF ORANGE)

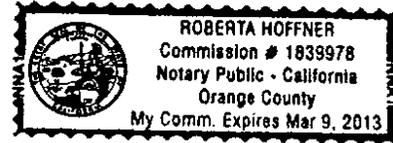
On April 21, 2010 before me, Roberta Hoffner, Notary Public, personally appeared Matthew Silver, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: *Roberta Hoffner*

(seal)



ORANGEMSILVER\59787.1

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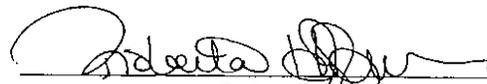
PROOF OF SERVICE BY MAIL

I am a citizen of the United States and employed in Orange County, California. I am over the age of eighteen years and not a party to the within-entitled action. My business address is 5 Park Plaza, Suite 1500, Irvine, California 92614. I am readily familiar with this firm's practice for collection and processing of correspondence for mailing with the United States Postal Service. On April 22, 2010, I placed with this firm at the above address for deposit with the United States Postal Service (Certified Mail – Return Receipt Requested) a true and correct copy of the within document(s): NOTICE OF PENDENCY OF JUDICIAL ACTION [LIS PENDENS] in a sealed envelope, postage fully paid, addressed as follows:

See Attached Service List

Following ordinary business practices, the envelope was sealed and placed for collection and mailing on this date, and would, in the ordinary course of business, be deposited with the United States Postal Service on this date.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on April 22, 2010, at Irvine, California.



Roberta Hoerner

NOTICE OF PENDENCY OF JUDICIAL ACTION [LIS PENDENS]

LAW OFFICES OF
BEST BEST & KRIEGER LLP
5 PARK PLAZA, SUITE 1500
IRVINE, CALIFORNIA 92614

PROOF OF SERVICE LIST

- 1
- 2 Moises A. Aviles
- 3 Aviles & Associates
- 4 On behalf of Francisco Valenciano
- 5 The Law Building
- 6 560 N. Arrowhead Ave., Ste. 2A
- 7 San Bernardino, CA 92401
- 8
- 9 First American Title Company
- 10 323 Court Street
- 11 P.O. Box 6327 (92412)
- 12 San Bernardino, CA 92401
- 13
- 14 Timothy P. Sullivan
- 15 1 First American Way
- 16 Santa Ana, CA 92707
- 17
- 18 EquiCredit Corporation of America
- 19 401 N. Tryon St.; NC1-021-02-20
- 20 Charlotte, NC 28255
- 21
- 22 CT Corporation System
- 23 818 West Seventh Street
- 24 Los Angeles, CA 90017
- 25
- 26 Select Portfolio Servicing, Inc.
- 27 On behalf of EquiCredit
- 28 P.O. Box 65567
- Salt Lake City, UT 84165-0567
- Credit Suisse (USA)
- 19200 Von Karman Avenue
- Irvine, CA 92612
- Corporation Service Company
- Lawyers Incorporating Service
- 2730 Gateway Oaks Drive, Ste. 100
- Sacramento, CA 95833
- Credit Suisse First Boston Realty, Inc.
- 11 Madison Ave.
- New York, NY 10010

LAW OFFICES OF
BEST BEST & KRIEGER LLP
5 PARK PLAZA, SUITE 1500
IRVINE, CALIFORNIA 92614

NOTICE OF PENDENCY OF JUDICIAL ACTIN [LIS PENDENS]

Recorded in Official Records, County of San Bernardino

4/23/2010
12:49 PM
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LARRY WALKER
Auditor/Controller - Recorder

P Counter

RECORDING REQUESTED BY:
Matthew R. Silver, Esq.
BEST BEST & KRIEGER LLP
5 Park Plaza, Suite 1500
Irvine, CA 92614

Doc#: 2010-0157513

Titles: 1 Pages: 6



Fees 0.00
Taxes 0.00
Other 0.00

PAID \$0.00

AND WHEN RECORDED MAIL TO:

Matthew R. Silver, Esq.
BEST BEST & KRIEGER LLP
5 Park Plaza, Suite 1500
Irvine, CA 92614

No recording fee pursuant to Gov. Code, § 6103

NOTICE OF PENDENCY OF JUDICIAL ACTION

[LIS PENDENS]

MATTHEW R. SILVER, Bar No. 245528
BEST BEST & KRIEGER LLP
5 Park Plaza, Suite 1500
Irvine, California 92614
Telephone: (949) 263-2600
Telecopier: (949) 260-0972

EXEMPT FROM FILING FEE PURSUANT TO
GOVERNMENT CODE SECTION 6103

When recorded please mail to:
Matthew R. Silver, Esq.
Best Best & Krieger, LLP
5 Park Plaza, Ste. 1500
Irvine, CA 92614

Attorneys for Plaintiff CITY OF FONTANA on
behalf of THE PEOPLE OF THE STATE OF
CALIFORNIA

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO
FONTANA DISTRICT

CITY OF FONTANA, a California
municipal corporation, on behalf of THE
PEOPLE OF THE STATE OF
CALIFORNIA,

Case No.: 5891

**NOTICE OF PENDENCY OF JUDICIAL
ACTION [LIS PENDENS]**

Plaintiff,

v.

GABRIELA VALENCIANO,

Defendant.

NOTICE IS HEREBY GIVEN that in the above-entitled action, now pending in the
above-entitled Court, Plaintiff, the People of the State of California have instituted a judicial
action to enforce the Fontana City Code. This action concerns the real property located at 11191
Catawba Avenue, Fontana, CA 92337, legally described as:

ORANGEHNGUYEN67476.1

NOTICE OF PENDENCY OF ACTION

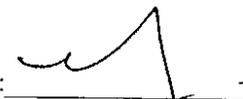
BEST BEST & KRIEGER LLP
ATTORNEYS AT LAW
IRVINE

1 THE SOUTH 165 FEET OF THE WEST 1/2 OF FARM LOT 865, IN THE COUNTY
2 OF SAN BERNARDINO STATE OF CALIFORNIA, ACCORDING TO MAP SHOWING
3 SUBDIVISION OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER CO.
4 AS PER MAP RECORDED IN BOOK 11, PAGE 12 OF MAPS, IN THE OFFICE OF THE
5 COUNTY RECORDER OF SAID COUNTY.

6 Said property is commonly known as 11191 Catawba Avenue, Fontana, CA 92337,
7 assessor's parcel number 0237-191-25-0000.
8

9 Dated: April 20, 2010

BEST BEST & KRIEGER LLP

11 By: 
12 MATTHEW R. SILVER
13 Deputy City Attorney
14 Attorneys for Plaintiff
15 City of Fontana

BEST BEST & KRIEGER LLP
ATTORNEYS AT LAW
IRVINE

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NOTICE OF PENDENCY OF ACTION

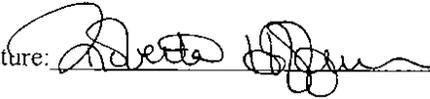
Public Record

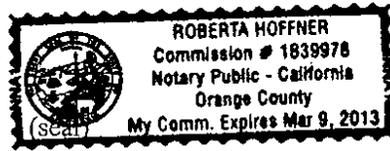
STATE OF CALIFORNIA)
COUNTY OF ORANGE)

On April 21, 2010 before me, Roberta Hoffner, Notary Public, personally appeared Matthew Silver, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: 



ORANGE\MSILVER\59787.1

Public Record

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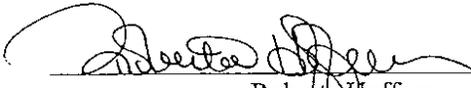
PROOF OF SERVICE BY MAIL

I am a citizen of the United States and employed in Orange County, California. I am over the age of eighteen years and not a party to the within-entitled action. My business address is 5 Park Plaza, Suite 1500, Irvine, California 92614. I am readily familiar with this firm's practice for collection and processing of correspondence for mailing with the United States Postal Service. On April 22, 2010, I placed with this firm at the above address for deposit with the United States Postal Service (Certified Mail – Return Receipt Requested) a true and correct copy of the within document(s): NOTICE OF PENDENCY OF JUDICIAL ACTION [LIS PENDENS] in a sealed envelope, postage fully paid, addressed as follows:

See Attached Service List

Following ordinary business practices, the envelope was sealed and placed for collection and mailing on this date, and would, in the ordinary course of business, be deposited with the United States Postal Service on this date.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on April 22, 2010, at Irvine, California.



Roberta Hoffner

NOTICE OF PENDENCY OF JUDICIAL ACTION [LIS PENDENS]

LAW OFFICES OF
BEST, BEST & KRIEGER LLP
5 PARK PLAZA, SUITE 1500
IRVINE, CALIFORNIA 92614

PROOF OF SERVICE LIST

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Moises A. Aviles
Aviles & Associates
On behalf of Francisco Valenciano
The Law Building
560 N. Arrowhead Ave., Ste. 2A
San Bernardino, CA 92401

First American Title Company
323 Court Street
P.O. Box 6327 (92412)
San Bernardino, CA 92401

Timothy P. Sullivan
1 First American Way
Santa Ana, CA 92707

EquiCredit Corporation of America
401 N. Tryon St.; NC1-021-02-20
Charlotte, NC 28255

CT Corporation System
818 West Seventh Street
Los Angeles, CA 90017

Select Portfolio Servicing, Inc.
On behalf of EquiCredit
P.O. Box 65567
Salt Lake City, UT 84165-0567

Credit Suisse (USA)
19200 Von Karman Avenue
Irvine, CA 92612

Corporation Service Company
Lawyers Incorporating Service
2730 Gateway Oaks Drive, Ste. 100
Sacramento, CA 95833

Credit Suisse First Boston Realty, Inc.
11 Madison Ave.
New York, NY 10010

LAW OFFICES OF
BEST BEST & KRIEGER LLP
5 PARK PLAZA, SUITE 1500
IRVINE, CALIFORNIA 92614

NOTICE OF PENDENCY OF JUDICIAL ACTIN [LIS PENDENS]

Recorded in Official Records, County of San Bernardino

8/13/2010
9:32 AM
AC



LARRY WALKER
Auditor/Controller - Recorder

R Regular Mail

RECORDING REQUESTED BY:
Matthew R. Silver, Esq.
BEST BEST & KRIEGER LLP
5 Park Plaza, Suite 1500
Irvine, CA 92614

Doc#: 2010-0330213

Titles: 1 Pages: 10



Fees 0.00
Taxes 0.00
Other 0.00
PAID \$0.00

AND WHEN RECORDED MAIL TO:

Matthew R. Silver, Esq.
BEST BEST & KRIEGER LLP
5 Park Plaza, Suite 1500
Irvine, CA 92614

No recording fee pursuant to Gov. Code, § 6103

CORRECTION TO NOTICE OF PENDENCY OF JUDICIAL ACTION [LIS PENDENS]

This document serves as a CORRECTION to document number 2010-0157512, recorded in the Official Records, County of San Bernardino on 4/23/2010. This Correction revises the mailing addresses for the following adverse parties and includes supplemental proof of service as to those parties. The corrected adverse parties and their addresses are as follows:

Moises A. Aviles
Aviles & Associates
On behalf of Francisco Valenciano
The Law Building
560 N. Arrowhead Ave., Ste. 2A
San Bernardino, CA 92401

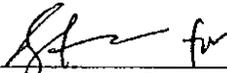
First American Title Company
323 W. Court Street
San Bernardino, CA 92401

CT Corporation System
On behalf of EquiCredit
Corporation of America
818 West Seventh Street
Los Angeles, CA 90017

Corporation Service Company
Lawyers Incorporating Service
On behalf of Credit Suisse (USA)
2730 Gateway Oak Drive, Ste. 100
Sacramento, CA 95833

Dated: August 5, 2010

BEST BEST & KRIEGER LLP

By: 
MATTHEW R. SILVER
Deputy City Attorney
Attorneys for Plaintiff
City of Fontana

Public Record

Recorded in Official Records, County of San Bernardino

4/23/2010
12:49 PM
NC



LARRY WALKER
Auditor/Controller - Recorder

P Counter

RECORDING REQUESTED BY:
Matthew R. Silver, Esq.
BEST BEST & KRIEGER LLP
5 Park Plaza, Suite 1500
Irvine, CA 92614

Doc#: 2010-0157512

Titles:	1	Pages:	6
Fees		0.00	
Taxes		0.00	
Other		0.00	
<hr/>		PAID	\$0.00

AND WHEN RECORDED MAIL TO:

Matthew R. Silver, Esq.
BEST BEST & KRIEGER LLP
5 Park Plaza, Suite 1500
Irvine, CA 92614

No recording fee pursuant to Gov. Code, § 6103

NOTICE OF PENDENCY OF JUDICIAL ACTION

[LIS PENDENS]

5/12/10
F4 A

Public Record



THE DOCUMENT TO WHICH THIS CERTIFICATION IS ATTACHED IS A FULL, TRUE AND CORRECT COPY OF THE ORIGINAL ON FILE AND OF RECORD IN MY OFFICE.

ATTEST Tressa Kentner

Clerk of the Superior Court of the State of California, in and for the County of San Bernardino

Date JUL 08 2010

By [Signature] Deputy
[Signature]

1 MATTHEW R. SILVER, Bar No. 245528
2 BEST BEST & KRIEGER LLP
3 5 Park Plaza, Suite 1500
4 Irvine, California 92614
5 Telephone: (949) 263-2600
6 Telecopier: (949) 260-0972

7 Attorneys for Plaintiff CITY OF FONTANA on
8 behalf of THE PEOPLE OF THE STATE OF
9 CALIFORNIA

EXEMPT FROM FILING FEE PURSUANT TO
GOVERNMENT CODE SECTION 6103

When recorded please mail to:
Matthew R. Silver, Esq.
Best Best & Krieger, LLP
5 Park Plaza, Ste. 1500
Irvine, CA 92614

FILED
SUPERIOR COURT
COUNTY OF SAN BERNARDINO
FONTANA DISTRICT

APR 27 2010

BY 
MARICELA LOPEZ, DEPUTY

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA
11 COUNTY OF SAN BERNARDINO
12 FONTANA DISTRICT

13 CITY OF FONTANA, a California
14 municipal corporation, on behalf of THE
15 PEOPLE OF THE STATE OF
16 CALIFORNIA,

Plaintiff,

v.

17 JOSE FRANCISCO VALENCIANO
18 SALAZAR,

Defendant.

Case No.: 5892

**NOTICE OF PENDENCY OF JUDICIAL
ACTION [LIS PENDENS]**

21 NOTICE IS HEREBY GIVEN that in the above-entitled action, now pending in the
22 above-entitled Court, Plaintiff, the People of the State of California have instituted a judicial
23 action to enforce the Fontana City Code. This action concerns the real property located at 11191
24 Catawba Avenue, Fontana, CA 92337, legally described as:
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28 ORANGE\HNGUYEN\67476.1

NOTICE OF PENDENCY OF ACTION

BEST BEST & KRIEGER LLP
ATTORNEYS AT LAW
IRVINE

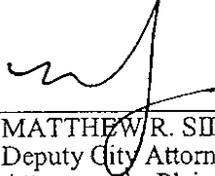
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THE SOUTH 165 FEET OF THE WEST 1/2 OF FARM LOT 865, IN THE COUNTY OF SAN BERNARDINO STATE OF CALIFORNIA, ACCORDING TO MAP SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER CO. AS PER MAP RECORDED IN BOOK 11, PAGE 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

Said property is commonly known as 11191 Catawba Avenue, Fontana, CA 92337, assessor's parcel number 0237-191-25-0000.

Dated: April 21, 2010

BEST BEST & KRIEGER LLP

By: 
MATTHEW R. SILVER
Deputy City Attorney
Attorneys for Plaintiff
City of Fontana

BEST BEST & KRIEGER LLP
ATTORNEYS AT LAW
IRVINE

ORANGEHNGUYEN67476.1

- 2 -

NOTICE OF PENDENCY OF ACTION

Public Record

STATE OF CALIFORNIA)
COUNTY OF ORANGE)

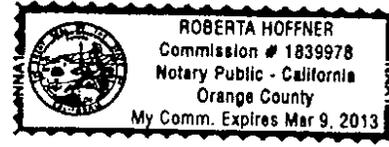
On April 21, 2010 before me, Roberta Hoffner, Notary Public, personally appeared Matthew Silver, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: 

(seal)



ORANGEMSILVER\59787.1

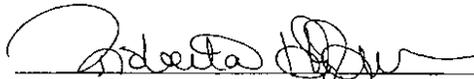
PROOF OF SERVICE BY MAIL

I am a citizen of the United States and employed in Orange County, California. I am over the age of eighteen years and not a party to the within-entitled action. My business address is 5 Park Plaza, Suite 1500, Irvine, California 92614. I am readily familiar with this firm's practice for collection and processing of correspondence for mailing with the United States Postal Service. On April 22, 2010, I placed with this firm at the above address for deposit with the United States Postal Service (Certified Mail - Return Receipt Requested) a true and correct copy of the within document(s): NOTICE OF PENDENCY OF JUDICIAL ACTION [LIS PENDENS] in a sealed envelope, postage fully paid, addressed as follows:

See Attached Service List

Following ordinary business practices, the envelope was sealed and placed for collection and mailing on this date, and would, in the ordinary course of business, be deposited with the United States Postal Service on this date.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on April 22, 2010, at Irvine, California.



Roberta Hoffner

NOTICE OF PENDENCY OF JUDICIAL ACTION [LIS PENDENS]

LAW OFFICES OF
BEST BEST & KRIEGER LLP
5 PARK PLAZA, SUITE 1500
IRVINE, CALIFORNIA 92614

PROOF OF SERVICE LIST

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Moises A. Aviles
Aviles & Associates
On behalf of Francisco Valenciano
The Law Building
560 N. Arrowhead Ave., Ste. 2A
San Bernardino, CA 92401

First American Title Company
323 Court Street
P.O. Box 6327 (92412)
San Bernardino, CA 92401

Timothy P. Sullivan
1 First American Way
Santa Ana, CA 92707

EquiCredit Corporation of America
401 N. Tryon St.; NC1-021-02-20
Charlotte, NC 28255

CT Corporation System
818 West Seventh Street
Los Angeles, CA 90017

Select Portfolio Servicing, Inc.
On behalf of EquiCredit
P.O. Box 65567
Salt Lake City, UT 84165-0567

Credit Suisse (USA)
19200 Von Karman Avenue
Irvine, CA 92612

Corporation Service Company
Lawyers Incorporating Service
2730 Gateway Oaks Drive, Ste. 100
Sacramento, CA 95833

Credit Suisse First Boston Realty, Inc.
11 Madison Ave.
New York, NY 10010

NOTICE OF PENDENCY OF JUDICIAL ACTIN [LIS PENDENS]

LAW OFFICES OF
BEST BEST & KRIEGER LLP
5 PARK PLAZA, SUITE 1500
IRVINE, CALIFORNIA 92614

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SUPPLEMENTAL PROOF OF SERVICE

At the time of service I was over 18 years of age and not a party to this action. My business address is 5 Park Plaza, Suite 1500, Irvine, California 92614. On May 11, 2010, I served the following document(s):

**NOTICE OF PENDENCY OF JUDICIAL ACTION
[LIS PENDENS]**

By United States Certified Mail – Return Receipt Requested. I enclosed the documents in a sealed envelope or package addressed to the persons at the addresses listed below (specify one):

Deposited the sealed envelope with the United States Postal Service, with the postage fully prepaid.

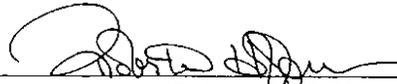
Placed the envelope for collection and mailing, following our ordinary business practices. I am readily familiar with this business's practice for collecting and processing correspondence for mailing. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, in a sealed envelope with postage fully prepaid.

I am a resident or employed in the county where the mailing occurred. The envelope or package was placed in the mail at Irvine, California.

See attached list.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on May 11, 2010, at Irvine, California.



Roberta E. Hoffner

ORANGEMSILVER\68091.1

LAW OFFICES OF
BEST BEST & KRIEGER LLP
5 PARK PLAZA, SUITE 1500
IRVINE, CALIFORNIA 92614

PROOF OF SERVICE LIST

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Moises A. Aviles
Aviles & Associates
On behalf of Francisco Valenciano
The Law Building
560 N. Arrowhead Ave., Ste. 2A
San Bernardino, CA 92401

CT Corporation System
On behalf of EquiCredit
Corporation of America
818 West Seventh Street
Los Angeles, CA 90017

First American Title Company
323 W. Court Street
San Bernardino, CA 92401

Corporation Service Company
Lawyers Incorporating Service
On behalf of Credit Suisse (USA)
2730 Gateway Oaks Drive, Ste. 100
Sacramento, CA 95833

LAW OFFICES OF
BEST BEST & KRIEGER LLP
5 PARK PLAZA, SUITE 1500
IRVINE, CALIFORNIA 92614

ORANGEVMSILVER68091.1

- 2 -

TO BE RECORDED IN:
SAN BERNARDINO COUNTY

Recorded In Official Records, County of San Bernardino

1/04/2011
12:40 PM
MP



DENNIS DRAEGER
ASSESSOR - RECORDER - CLERK

R Regular Mail

FILE NO. 10-01252-0
RECORDING REQUESTED BY:
DONALD G. NELSON
WHEN RECORDED MAIL TO:
NELSON & KENNARD
P.O. BOX 13807
SACRAMENTO, CA 95853

Doc#: 2011-0004666



Titles: 1 Pages: 3
Fee 27.00
Taxes 0.00
Other 0.00
PAID \$27.00

SPACE ABOVE THIS LINE IS RESERVED FOR RECORDER'S USE

TITLE(S)

ABSTRACT OF JUDGMENT

ARROW FINANCIAL SERVICES LLC v. GABRIELA GUTIERREZ , et al.

ARC.FRM

27

Public Record

EJ-001

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, address, State Bar number, and telephone number):
Recording requested by and return to:
Donald G. Nelson, S.B.N. 72086
NELSON & KENNARD (916) 920-2295
2180 Harvard Street, Suite 160
Sacramento, CA 95815
File No. 10-01252-0

ATTORNEY FOR JUDGMENT CREDITOR ASSIGNEE OF RECORD

SUPERIOR COURT OF CALIFORNIA, SAN BERNARDINO COUNTY
STREET ADDRESS: 303 West 3rd Street
MAILING ADDRESS: 303 West 3rd Street
CITY AND ZIP CODE: San Bernardino, CA 92415
BRANCH NAME: SAN BERNARDINO DISTRICT - LIMITED CIVIL CASE

FOR RECORDER'S USE ONLY

PLAINTIFF: ARROW FINANCIAL SERVICES LLC
DEFENDANT: GABRIELA GUTIERREZ, et al.

CASE NUMBER:
CIVDS1009873

ABSTRACT OF JUDGMENT—CIVIL AND SMALL CLAIMS Amended

FOR COURT USE ONLY

1. The judgment creditor assignee of record applies for an abstract of judgment and represents the following:
a. Judgment debtor's

LN

Name and last known address
GABRIELA GUTIERREZ
11191 Catawba Ave
Fontana, California 92337-7370

b. Driver's license no. [last 4 digits] and state: Unknown
c. Social security no. [last 4 digits]: ***-**-7643 Unknown
d. Summons or notice of entry of sister-state judgment was personally served or mailed to (name and address):

GABRIELA GUTIERREZ, 11191 Catawba Ave, Fontana, California 92337-7370

2. [X] Information on additional judgment debtors is shown on page 2.

4. Information on additional judgment creditors is shown on page 2.

3. Judgment creditor (name and address):

ARROW FINANCIAL SERVICES LLC,
c/o NELSON & KENNARD P.O. Box 13807, Sacramento, CA 95853
Date: November 1, 2010
Donald G. Nelson

5. Original abstract recorded in this county:

a. Date:
b. Instrument No.:

(TYPE OR PRINT NAME)

(SIGNATURE OF APPLICANT OR ATTORNEY)

6. Total amount of judgment as entered or last renewed: \$ 10,662.04
7. All judgment creditors and debtors are listed on this abstract.
8. a. Judgment entered on (date): October 12, 2010
b. Renewal entered on (date):
9. This judgment is an installment judgment.

10. An execution lien attachment lien is endorsed on the judgment as follows:
a. Amount: \$
b. In favor of (name and address):

11. A stay of enforcement has
a. not been ordered by the court.

b. been ordered by the court effective until (date):
12. a. I certify that this is a true and correct abstract of the judgment entered in this action.
b. A certified copy of the judgment is attached.



This abstract issued on (date):
DEC 09 2010

Clerk, by Christine Lockman, Deputy
Christine Lockman

Form Adopted for Mandatory Use
Judicial Council of California
EJ-001 (Rev. January 1, 2008)

ABSTRACT OF JUDGMENT—CIVIL AND SMALL CLAIMS

Page 1 of 2
Code of Civil Procedure, §§ 486.480,
674, 700.190

Public Record

PLAINTIFF: ARROW FINANCIAL SERVICES LLC DEFENDANT: GABRIELA GUTIERREZ, et al.	CASE NUMBER: CIVDS1009873
--	------------------------------

NAMES AND ADDRESSES OF ADDITIONAL JUDGMENT CREDITORS:

13. Judgment creditor (name and address): 14. Judgment creditor (name and address):

15. Continued on Attachment 15.

INFORMATION ON ADDITIONAL JUDGMENT DEBTORS:

LW

16. Name and last known address	17. Name and last known address
FRANCISCO VALENCIANO	
8117 Cole St Downey, California 90242	

Driver's license no. [last 4 digits] and state:	<input checked="" type="checkbox"/> Unknown	Driver's license no. [last 4 digits] and state:	<input type="checkbox"/> Unknown
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Social security no. [last 4 digits]: ***--**--8133	<input type="checkbox"/> Unknown	Social security no. [last 4 digits]:	<input type="checkbox"/> Unknown
--	----------------------------------	--------------------------------------	----------------------------------

Summons was personally served at or mailed to (address): FRANCISCO VALENCIANO 8117 Cole St Downey, California 90242	Summons was personally served at or mailed to (address):
--	--

18. Name and last known address	19. Name and last known address

Driver's license no. [last 4 digits] and state:	<input type="checkbox"/> Unknown	Driver's license no. [last 4 digits] and state:	<input type="checkbox"/> Unknown
---	----------------------------------	---	----------------------------------

Social security no. [last 4 digits]:	<input type="checkbox"/> Unknown	Social security no. [last 4 digits]:	<input type="checkbox"/> Unknown
Summons was personally served at or mailed to (address):		Summons was personally served at or mailed to (address):	

20. Continued on Attachment 20.

TO BE RECORDED IN:
SAN BERNARDINO COUNTY

Recorded In Official Records, County of San Bernardino

1/04/2011
12:40 PM
MP



DENNIS DRAEGER
ASSESSOR - RECORDER - CLERK

R Regular Mail

FILE NO. 10-08741-0
RECORDING REQUESTED BY:
DONALD G. NELSON
WHEN RECORDED MAIL TO:
NELSON & KENNARD
P.O. BOX 13807
SACRAMENTO, CA 95853

Doc#: 2011-0004672

Titles: 1 Pages: 3



Fees 24.00
Taxes 0.00
Other 0.00
PAID \$24.00

SPACE ABOVE THIS LINE IS RESERVED FOR RECORDER'S USE

TITLE(S)
ABSTRACT OF JUDGMENT

CACH, LLC v. FRANCISCO VALENCIANO , et al.

ARC.FRM

24

Public Record

EJ-001

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, address, State Bar number, and telephone number):
Recording requested by and return to:
Donald G. Nelson, S.B.N. 72086
NELSON & KENNARD (916) 920-2295
2180 Harvard Street, Suite 160
Sacramento, CA 95815
File No. 10-08741-0
 ATTORNEY FOR JUDGMENT CREDITOR ASSIGNEE OF RECORD

SUPERIOR COURT OF CALIFORNIA, SAN BERNARDINO COUNTY
STREET ADDRESS: 303 West 3rd Street
MAILING ADDRESS: 303 West 3rd Street
CITY AND ZIP CODE: San Bernardino, CA 92415
BRANCH NAME: SAN BERNARDINO DISTRICT - LIMITED CIVIL CASE

FOR RECORDER'S USE ONLY

PLAINTIFF: CACH, LLC
DEFENDANT: FRANCISCO VALENCIANO, et al.

CASE NUMBER:
CIVDS1008587

FOR COURT USE ONLY

ABSTRACT OF JUDGMENT—CIVIL AND SMALL CLAIMS Amended

1. The judgment creditor assignee of record applies for an abstract of judgment and represents the following:
a. Judgment debtor's

Name and last known address

FRANCISCO VALENCIANO
11191 Catawba Ave
Fontana, California 92337-7370

b. Driver's license no. (last 4 digits) and state: Unknown
c. Social security no. (last 4 digits): ***-**-8133 Unknown
d. Summons or notice of entry of sister-state judgment was personally served or mailed to (name and address):

FRANCISCO VALENCIANO, 11191 Catawba Ave, Fontana, California 92337-7370

2. Information on additional judgment debtors is shown on page 2.

4. Information on additional judgment creditors is shown on page 2.

3. Judgment creditor (name and address):

CACH, LLC,
c/o NELSON & KENNARD P.O. Box 13907, Sacramento, CA 95853
Date: November 8, 2010
Donald G. Nelson

5. Original abstract recorded in this county:

a. Date:
b. Instrument No.

(TYPE OR PRINT NAME)

(SIGNATURE OF APPLICANT OR ATTORNEY)

6. Total amount of judgment as entered or last renewed:
\$ 10,471.34
7. All judgment creditors and debtors are listed on this abstract.
8. a. Judgment entered on (date): October 21, 2010
b. Renewal entered on (date):
9. This judgment is an installment judgment.

10. An execution lien attachment lien is endorsed on the judgment as follows:
a. Amount: \$
b. In favor of (name and address):

11. A stay of enforcement has
a. not been ordered by the court.

b. been ordered by the court effective until (date):

12. a. I certify that this is a true and correct abstract of the judgment entered in this action.

b. A certified copy of the judgment is attached.



This abstract issued on (date):
DEC 14 2010

Clerk, by Robert Brucato Robert Brucato, Deputy

Form Adopted for Mandatory Use
Judicial Council of California
EJ-001 (Rev. January 1, 2008)

ABSTRACT OF JUDGMENT—CIVIL AND SMALL CLAIMS

Page 1 of 2
Code of Civil Procedure, §§ 488.480,
674, 700.190

Public Record

PLEASE COMPLETE THIS INFORMATION

RECORDING REQUESTED BY:

County of San Bernardino

AND WHEN RECORDED MAIL TO:

Central Collections
157 W. 5th St., 3rd Floor
San Bernardino, Ca 92415-
0465

Recorded in Official Records, County of San Bernardino



DENNIS DRAEGER
ASSESSOR - RECORDER - CLERK

3/10/2011
3:52 PM
NC

R Regular Mail

Doc#: 2011-0100470



Titles:	1	Pages:	3
Fees			0.00
Taxes			0.00
Other			0.00
PAID			00.00

SPACE ABOVE FOR RECORDER'S USE ONLY

Abstract of Judgment

Title of Document

THIS AREA FOR
RECORDER'S
USE ONLY

THIS COVER SHEET ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION
(\$3.00 Additional Recording Fee Applies)

(Rev. 9/27/07-c:dt)

(Word/S./Doc Exam/Cover Sheet)

28191651-29

Public Record

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name and Address) TEL NO.:
 Recording requested by and return to: (909) 387-8303
 COUNTY OF SAN BERNARDINO
 CENTRAL COLLECTIONS
 157 W. 5TH ST, 3RD FLOOR
 SAN BERNARDINO, CA 92415-0465
 ATTORNEY FOR JUDGEMENT CREDITOR ASSIGNEE OF RECORD

SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN BERNARDINO
 STREET ADDRESS: 900 EAST GILBERT STREET
 MAILING ADDRESS:
 CITY AND ZIP CODE: SAN BERNARDINO, CA, 92415-0942
 BRANCH NAME: JUVENILE DIVISION

FOR RECORDER'S USE ONLY

PLAINTIFF: COUNTY OF SAN BERNARDINO
 DEFENDANT: FRANCISCO VALENCIANO et al

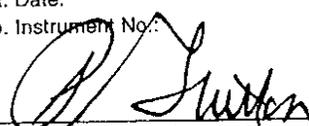
ABSTRACT OF JUDGMENT--CIVIL AND SMALL CLAIMS Amended CASE NUMBER: 232468

FOR COURT USE ONLY

1. The judgment creditor assignee of record applies for an abstract of judgment and represents the following:
 a. Judgment debtor's Name and last known address
 FRANCISCO VALENCIANO
 11191 CATAWBA AVE
 FONTANA, CA 92337
 b. Driver's licence No. [last 4 digits] and state: CA
 c. Social Security No. [last 4 digits]: 8133
 d. Summons or notice of entry of sister-state judgment was personally served or mailed to (name and address):
 FRANCISCO VALENCIANO
 11191 CATAWBA AVE, FONTANA, CA 92337

Unknown
 Unknown

2. Information on additional judgment debtors is shown on page 2.
 3. Judgment creditor (name and address):
 COUNTY OF SAN BERNARDINO, CENTRAL COLLECTIONS
 157 W. 5th Street, 3rd Flr
 San Bernardino, CA 92415-0465
 Date: 22 FEB 2011
 P. GUILLEN, Supervising Collections Officer
 (Type or Print Name)

4. Information on additional judgment creditors is shown on page 2.
 5. Original abstract recorded in this county:
 a. Date:
 b. Instrument No.:

 (Signature of Applicant or Attorney)

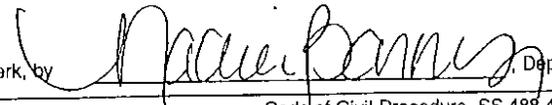
6. Total amount of judgment as entered or last renewed:
 \$ 2157.10
 7. All judgment creditors and debtors are listed on this abstract.
 8. a. Judgment entered on (date): 09-28-10
 b. Renewal entered on (date):
 9. This judgment is an installment judgment.

10. An execution lien attachment lien is endorsed on the judgment as follows:
 a. Amount: \$
 b. In favor of (name and address):

11. A stay of enforcement has
 a. not been ordered by the court.
 b. been ordered by the court effective until (date):
 12. a. I certify that this is a true and correct abstract of the judgement entered in this action.
 b. A certified copy of the judgment is attached.



This abstract issued on (date): FEB 25 2011

Clerk, by  Deputy

Form Adopted for Mandatory Use
 Judicial Council of California
 EJ-001 (Rev. January 1, 2008)

ABSTRACT OF JUDGMENT--CIVIL AND SMALL CLAIMS

Code of Civil Procedure, SS 488.480.
 674.700.190
 ABST/ABST1 Account # 28191651 - 29

Public Record

PLAINTIFF: COUNTY OF SAN BERNARDINO DEFENDANT FRANCISCO VALENCIANO et al	CASE NUMBER: 232468
---	------------------------

NAMES AND ADDRESSES OF ADDITIONAL JUDGMENT CREDITORS:

13. Judgment creditor (name and address):
14. Judgment creditor (name and address):

15. Continued on Attachment 15.

INFORMATION ON ADDITIONAL JUDGMENT DEBTORS:

16. Name and last known address

GABRIELA VALENCIANO

11191 CATAWBA AVE
FONTANA, CA 92337

Driver's licence No. & state (last 4 digits): Unknown CA XX

Social Security No. (last 4 digits): Unknown

Summons was personally served at or mailed to (address):
11191 CATAWBA AVE, FONTANA, CA 92337

17. Name and last known address

Driver's licence No. & state (last 4 digits): Unknown

Social Security No. (last 4 digits): Unknown

Summons was personally served at or mailed to (address):

18. Name and last known address

Driver's licence No. & state (last 4 digits): Unknown

Social Security No. (last 4 digits): Unknown

Summons was personally served at or mailed to (address):

19. Name and last known address

Driver's licence No. & state (last 4 digits): Unknown

Social Security No. (last 4 digits): Unknown

Summons was personally served at or mailed to (address):

20. Name and last known address

Driver's licence No. & state (last 4 digits): Unknown

Social Security No. (last 4 digits): Unknown

Summons was personally served at or mailed to (address):

21. Name and last known address

Driver's licence No. & state (last 4 digits): Unknown

Social Security No. (last 4 digits): Unknown

Summons was personally served at or mailed to (address):

22. Continued on attachment 20.

Recording Requested by

STATE OF CALIFORNIA
FRANCHISE TAX BOARD
Sacramento CA 95812-2952

And When Recorded Mail to

Special Procedures Section
PO BOX 2952
Sacramento CA 95812-2952

Electronically Recorded in Official Records, County of San Bernardino 7/12/2011
02:00 PM
FV



DENNIS DRAEGER
ASSESSOR - RECORDER - CLERK
654 Franchise Tax Board - MS A346

Doc #: 2011-0283998

Titles: 1 Pages: 1



Fees .00
Taxes .00
Other .00
PAID .00



Notice of State Tax Lien

Filed With: SAN BERNARDINO

Certificate Number: 11193327871

The Franchise Tax Board of the State of California hereby certifies that the following named taxpayer(s) is liable under parts 10 or 11 of Division 2 of the Revenue and Taxation Code to the State of California for amount due and required to be paid by said taxpayer(s) as follows:

Name of Taxpayer(s) : FRANCISCO VALENCIANO
GABRIELA VALENCIANO

FTB Account Number : 1116414276

Social Security Number(s) : XXX-XX-8133 XXX-XX-1596

Last Known Address : 11191 CATAWBA AVE
: FONTANA CA 92337-7370

For Taxable Years : 2005

Total Lien Amount * : \$14,658.47

Further interest and fees will accrue at the rate prescribed by law until paid; that the Franchise Tax Board of the State of California complied with all of the provisions of parts 10 or 11 of Division 2 of the Revenue and Taxation Code of the State of California in computing, levying, determining and assessing the tax; the said amounts are due and payable and have not been paid. Said lien attaches to all property and rights to such property now owned or later acquired by the taxpayer.

IN WITNESS WHEREOF, the Franchise Tax Board of the State of California has duly authorized the undersigned to execute this Notice in its name.

Dated: 07/15/11

FRANCHISE TAX BOARD
of the State of California

Collection Bureau
Telephone Number: (916) 845-4350

By:

Authorized facsimile signature.

*Additional interest is accruing at the rate prescribed by law.

FTB 2930E V1 ARCS (REV 03-2011)

Public Record

EXHIBIT “2”

SALE AGREEMENT AND COUNTER OFFER



CALIFORNIA ASSOCIATION OF REALTORS®

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

For Use With Single Family Residential Property -- Attached or Detached (C.A.R. Form RPA-CA, Revised 4/13)

In re Salazar, Jose/Gutierrez, Gabriella Chapter 7 Bk. #6:12-14062 MJ.

Date October 15, 2013

1. OFFER:
 - A. THIS IS AN OFFER FROM CATAWBA IX LLC, a Delaware Limited Liability Company, or assignee
 - B. THE REAL PROPERTY TO BE ACQUIRED is described as 11191 Catawba Ave. Fontana, CA 92337, Assessor's Parcel No. 0237-191-25, situated in _____, County of San Bernardino, California, ("Property").
 - C. THE PURCHASE PRICE offered is Six Hundred Thousand and no/100 Dollars \$ 600,000.00
 - D. CLOSE OF ESCROW shall occur on see Addendum One to this (date) (or _____ Days After Acceptance) offer
2. AGENCY:
 - A. DISCLOSURE: Buyer and Seller each acknowledge prior receipt of a "Disclosure Regarding Real Estate Agency Relationships" (C.A.R. Form AD).
 - B. POTENTIALLY COMPETING BUYERS AND SELLERS: Buyer and Seller each acknowledge receipt of a disclosure of the possibility of multiple representation by the Broker representing that principal. This disclosure may be part of a listing agreement, buyer representation agreement or separate document (C.A.R. Form DA). Buyer understands that Broker representing Buyer may also represent other potential buyers, who may consider, make offers on or ultimately acquire the Property. Seller understands that Broker representing Seller may also represent other sellers with competing properties of interest to this Buyer.
 - C. CONFIRMATION: The following agency relationships are hereby confirmed for this transaction:
 - Listing Agent Richard Halderman Jr. (Print Firm Name) is the agent of (check one):
 - the Seller exclusively; or both the Buyer and Seller.
 - Selling Agent Colliers International Greater Los Angeles (Print Firm Name) (if not the same as the Listing Agent) is the agent of (check one) the Buyer exclusively; or the Seller exclusively; or both the Buyer and Seller. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.
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 \$ 40,000.00
 - (1) Buyer shall deliver deposit directly to Escrow Holder by personal check, electronic funds transfer, other _____ within 3 business days after acceptance (or Other _____);
 - OR (2) (if checked) Buyer has given the deposit by personal check (or _____) to the agent submitting the offer (or to _____), made payable to _____ The deposit shall be held uncashed until Acceptance and then deposited with Escrow Holder (or into Broker's trust account) within 3 business days after Acceptance (or Other _____).
 - B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of \$ -0- within _____ Days After Acceptance, or _____ If a liquidated damages clause is incorporated into this Agreement, Buyer and Seller shall sign a separate liquidated damages clause (C.A.R. Form RID) for any increased deposit at the time it is Delivered.
 - C. LOAN(S):
 - (1) FIRST LOAN: In the amount of \$ -0- This loan will be conventional financing or, if checked, FHA, VA, Seller (C.A.R. Form SFA), assumed financing (C.A.R. Form PAA), 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 \$ -0- This loan will be conventional financing or, if checked, Seller (C.A.R. Form SFA), assumed financing (C.A.R. Form PAA), Other _____. This loan shall be at a fixed rate not to exceed _____% or, an adjustable rate loan with initial rate not to exceed _____%. Regardless of the type of loan, Buyer shall pay points not to exceed _____% of the loan amount.
 - (3) FHA/VA: For any FHA or VA loan specified above, Buyer has 17 (or _____) Days After Acceptance to Deliver to Seller written notice (C.A.R. Form FVA) of any lender-required repairs or costs that Buyer requests Seller to pay for or otherwise correct. Seller has no obligation to pay or satisfy lender requirements unless otherwise agreed in writing.
 - D. ADDITIONAL FINANCING TERMS: _____
 - E. BALANCE OF DOWN PAYMENT OR PURCHASE PRICE In the amount of \$ 560,000.00 to be deposited with Escrow Holder within sufficient time to close escrow.
 - F. PURCHASE PRICE (TOTAL): \$ 600,000.00

Buyer's Initials (_____) (_____)

Seller's Initials ABG/TE (_____)

© 2013, California Association of REALTORS®, Inc.

RPA-CA REVISED 4/13 (PAGE 1 OF 8) Print Date Apr 13

Reviewed by _____ Date _____



Property Address: 11191 Catawba Ave., Fontana, CA 92337

Date: 10/15/13

- G. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS: Buyer (or Buyer's lender or loan broker pursuant to 3F(1) shall, within 7 (or _____) Days After Acceptance, Deliver to Seller written verification of Buyer's down payment and closing costs. (If checked, verification attached.)
- H. LOAN TERMS:
 - (1) LOAN APPLICATIONS: Within 7 (or _____) Days After Acceptance, Buyer shall Deliver to Seller a letter from lender or loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any NEW loan specified in 3C above. (If checked, letter attached.)
 - (2) LOAN CONTINGENCY: Buyer shall act diligently and in good faith to obtain the designated loan(s). Obtaining the loan(s) specified above is a contingency of this Agreement unless otherwise agreed in writing. Buyer's contractual obligations to obtain and provide deposit, balance of down payment and closing costs are not contingencies of this Agreement.
 - (3) LOAN CONTINGENCY REMOVAL:
 - (i) Within 17 (or _____) Days After Acceptance, Buyer shall, as specified in paragraph 14, in writing remove the loan contingency or cancel this Agreement;
 - OR (ii) (If checked) the loan contingency shall remain in effect until the designated loans are funded.
 - (4) ~~NO~~ NO LOAN CONTINGENCY (If checked): Obtaining any loan specified above is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result Buyer does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.
- I. APPRAISAL CONTINGENCY AND REMOVAL: This Agreement is (or, if checked, is NOT) contingent upon a written appraisal of the Property by a licensed or certified appraiser at no less than the specified purchase price. If there is a loan contingency, Buyer's removal of the loan contingency shall be deemed removal of this appraisal contingency (or, if checked, Buyer shall, as specified in paragraph 14B(3), in writing remove the appraisal contingency or cancel this Agreement within 17 (or _____) Days After Acceptance). If there is no loan contingency, Buyer shall, as specified in paragraph 14B(3), in writing remove the appraisal contingency or cancel this Agreement within 17 (or _____) Days After Acceptance.
- J. ~~ALL~~ CASH OFFER (If checked): Buyer shall, within 7 (or _____) Days After Acceptance, Deliver to Seller written verification of sufficient funds to close this transaction. (If checked, verification attached.)
- K. BUYER STATED FINANCING: Seller has relied on Buyer's representation of the type of financing specified (including but not limited to, as applicable, amount of down payment, contingent or non contingent loan, or all cash). If Buyer seeks alternate financing, (i) Seller has no obligation to cooperate with Buyer's efforts to obtain such financing, and (ii) Buyer shall also pursue the financing method specified in this Agreement. Buyer's failure to secure alternate financing does not excuse Buyer from the obligation to purchase the Property and close escrow as specified in this Agreement.
- 4. ALLOCATION OF COSTS (If checked): Unless otherwise specified here, in writing, this paragraph only determines who is to pay for the inspection, test or service ("Report") mentioned; it does not determine who is to pay for any work recommended or identified in the Report.
 - A. INSPECTIONS AND REPORTS:
 - (1) Buyer Seller shall pay for an inspection and report for wood destroying pests and organisms ("Wood Pest Report") prepared by _____ n/a _____ a registered structural pest control company.
 - (2) Buyer Seller shall pay to have septic or private sewage disposal systems inspected _____ n/a _____.
 - (3) Buyer Seller shall pay to have domestic wells tested for water potability and productivity _____ n/a _____.
 - (4) Buyer Seller shall pay for a natural hazard zone disclosure report prepared by _____ n/a _____.
 - (5) Buyer Seller shall pay for the following inspection or report _____ n/a _____.
 - (6) Buyer Seller shall pay for the following inspection or report _____ n/a _____.
 - B. GOVERNMENT REQUIREMENTS AND RETROFIT:
 - n/a (1) Buyer Seller shall pay for smoke detector installation and/or water heater bracing, if required by Law. Prior to Close Of Escrow, Seller shall provide Buyer written statement(s) of compliance in accordance with state and local Law, unless exempt.
 - n/a (2) Buyer Seller shall pay the cost of compliance with any other minimum mandatory government retrofit standards, inspections and reports if required as a condition of closing escrow under any Law. _____.
 - C. ESCROW AND TITLE:
 - (1) Buyer Seller shall pay escrow fee 50/50
Escrow Holder shall be Ambergate Escrow, Riverside
 - (2) Buyer Seller shall pay for owner's title insurance policy specified in paragraph 12E _____
Owner's title policy to be issued by Fidelity Title Insurance
(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 _____ n/a _____
 - (3) Buyer Seller shall pay Homeowner's Association ("HOA") transfer fee _____ n/a _____
 - (4) Buyer Seller shall pay HOA document preparation fees _____ n/a _____
 - (5) Buyer Seller shall pay for any private transfer fee _____ n/a _____
 - (6) Buyer Seller shall pay for the cost, not to exceed \$ _____ n/a _____, of a one-year home warranty plan, issued by _____, with the following optional coverages:
 Air Conditioner Pool/Spa Code and Permit upgrade Other: _____

Buyer is informed that home warranty plans have many optional coverages in addition to those listed above. Buyer is advised to investigate these coverages to determine those that may be suitable for Buyer.

Buyer's Initials _____

Seller's Initials (Albert) _____

Reviewed by _____ Date _____



Property Address: 1191 Catawba Ave., Fontana, CA 92337

Date: 10/15/13

5. CLOSING AND POSSESSION:

- A. Buyer intends (or ~~XXX~~ does not intend) to occupy the Property as Buyer's primary residence.
 - B. Seller-occupied or vacant property: Possession shall be delivered to Buyer at 5 PM or (AM / PM) on the date of Close Of Escrow; on _____; or no later than _____ Days After Close Of Escrow. If transfer of title and possession do not occur at the same time, Buyer and Seller are advised to: (i) enter into a written occupancy agreement (C.A.R. Form PAA, paragraph 2.); and (ii) consult with their insurance and legal advisors.
 - C. Tenant-occupied property: (i) 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 (ii) (if checked) Tenant to remain in possession. (C.A.R. Form PAA, paragraph 3.)
- D. At Close Of Escrow, (i) Seller assigns to Buyer any assignable warranty rights for items included in the sale, and (ii) Seller shall Deliver to Buyer available Copies of warranties. Brokers cannot and will not determine the assignability of any warranties.
 - E. At Close Of Escrow, unless otherwise agreed in writing, Seller shall provide keys and/or means to operate all locks, mailboxes, security systems, alarms and garage door openers. If Property is a condominium or located in a common interest subdivision, Buyer may be required to pay a deposit to the Homeowners' Association ("HOA") to obtain keys to accessible HOA facilities.

~~6. STATUTORY DISCLOSURES (INCLUDING LEAD-BASED PAINT HAZARD DISCLOSURES) AND CANCELLATION RIGHTS:~~

- A. (1) Seller shall, within the time specified in paragraph 14A, Deliver to Buyer, If required by Law: (i) Federal Lead-Based Paint Disclosures (C.A.R. Form FLD) and pamphlet ("Lead Disclosures"); and (ii) disclosures or notices required by sections 1102 et. seq. and 1103 et. seq. of the Civil Code ("Statutory Disclosures"). Statutory Disclosures include, but are not limited to, a Real Estate Transfer Disclosure Statement ("TDS"), Natural Hazard Disclosure Statement ("NHD"), notice of actual knowledge of release of illegal controlled substance, notice of special tax and/or assessments (or, if allowed, substantially equivalent notice regarding the Mello-Roos Community Facilities Act and Improvement Bond Act of 1915) and, If Seller has actual knowledge, of industrial use and military ordnance location (C.A.R. Form SPQ or SSD).
 (2) Buyer shall, within the time specified in paragraph 14B(1), return Signed Copies of the Statutory and Lead Disclosures to Seller.
 (3) In the event Seller, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer, 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.
 (4) If any disclosure or notice specified in 6A(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.
 (5) Note to Buyer and Seller: Waiver of Statutory and Lead Disclosures is prohibited by Law.
- B. NATURAL AND ENVIRONMENTAL HAZARDS: Within the time specified in paragraph 14A, Seller shall, If required by Law: (i) Deliver to Buyer earthquake guides (and questionnaire) and environmental hazards booklet; (ii) even if exempt from the obligation to provide a NHD, disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; Seismic Hazard Zone; and (iii) disclose any other 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.

7. CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES:

- A. SELLER HAS: 7 (or _____) Days After Acceptance to disclose to Buyer whether the Property is a condominium, or is located in a planned development or other common interest subdivision (C.A.R. Form SPQ or SSD).
- B. If 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 HOA): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the HOA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of HOA minutes for regular and special meetings; and (v) the names and contact information of all HOAs governing the Property (collectively, "CI Disclosures"). Seller shall 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).

8. ITEMS INCLUDED IN AND EXCLUDED FROM PURCHASE PRICE:

- 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 8B or C.
- B. ITEMS INCLUDED IN SALE:
 - (1) All EXISTING fixtures and fittings that are attached to the Property;
 - (2) EXISTING electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fans, fireplace inserts, gas logs and grates, solar systems, built-in appliances, window and door screens, awnings, shutters, window coverings, attached floor coverings, television antennas, satellite dishes, private integrated telephone systems, air coolers/conditioners, pool/spa equipment, garage door openers/remote controls, mailbox, in-ground landscaping, trees/shrubs, water softeners, water purifiers, security systems/alarms; (if checked) stove(s), refrigerator(s);

Buyer's Initials (_____) (_____)

Seller's Initials (RLB, JMK) (_____)



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(3) The following additional items: n/a

(4) Seller represents that all items included in the purchase price, unless otherwise specified, are owned by Seller.

(5) All items included shall be transferred free of liens and without Seller warranty.

C. ITEMS EXCLUDED FROM SALE: Unless otherwise specified, audio and video components (such as flat screen TVs and speakers) are excluded if any such item is not itself attached to the Property, even if a bracket or other mechanism attached to the component is attached to the Property; and

8. CONDITION OF PROPERTY: Unless otherwise agreed: (i) the Property is sold (a) in its PRESENT physical ("as-is") condition as of the date of Acceptance and (b) subject to Buyer's investigation rights; (ii) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as 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 inspect the Property and, as specified in paragraph 14B, based upon information discovered in those inspections: (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.

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

A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 14B. Within the time specified in paragraph 14B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to, the right to: (i) inspect for lead-based paint and other lead-based paint hazards; (ii) inspect for wood destroying pests and organisms; (iii) review the registered sex offender database; (iv) confirm the insurability of Buyer and the Property; and (v) 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; 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 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 indemnify 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.

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

A. Seller Disclosures (if checked): Seller shall, within the time specified in paragraph 14A, complete and provide Buyer with a:

Seller Property Questionnaire (C.A.R. Form SPQ) OR Supplemental Contractual and Statutory Disclosure (C.A.R. Form SSD)

B. Addenda (if checked): Addendum # (C.A.R. Form ADM)

Wood Destroying Pest Inspection and Allocation of Cost Addendum (C.A.R. Form WPA)

Purchase Agreement Addendum (C.A.R. Form PAA) Septic Well and Property Monument Addendum (C.A.R. Form SWPI)

Short Sale Addendum (C.A.R. Form SSA) Other

C. Advisories (if checked): Buyer's Inspection advisory (C.A.R. Form BIA) n/a

Probate Advisory (C.A.R. Form PAK) Statewide Buyer and Seller Advisory (C.A.R. Form SBSA)

Trust Advisory (C.A.R. Form TA) REO Advisory (C.A.R. Form REO)

D. Other Terms:

12. TITLE AND VESTING:

A. Within the time specified in paragraph 14, Buyer shall be provided a current preliminary title report, which shall include a search of the General Index. Seller shall within 7 Days After Acceptance, give Escrow Holder a completed Statement of Information. The preliminary report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the preliminary report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 14B.

B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except: (i) monetary liens of record unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.

C. Within the time specified in paragraph 14A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.

D. At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.

E. Buyer shall receive a CLTA/ALTA Homeowner's Policy of Title Insurance. A title company, at Buyer's request, can provide information about the availability, desirability, coverage, and cost of various title insurance coverages and endorsements. If Buyer desires title coverage other than that required by this paragraph, Buyer shall instruct Escrow Holder in writing and pay any increase in cost.

Buyer's Initials () ()

Seller's Initials (ALB) ()



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13. SALE OF BUYER'S PROPERTY:

A. This Agreement is NOT contingent upon the sale of any property owned by Buyer.

OR B. (If checked): The attached addendum (C.A.R. Form COF) regarding the contingency for the sale of property owned by Buyer is incorporated into this Agreement.

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 4, 6A, B and C, 7A, 9A, 11A and B and 12A. Buyer may give Seller a Notice to Seller to Perform (C.A.R. Form NSP) if Seller has not Delivered the items within the time specified.

B. (1) BUYER HAS: 17 (or []) Days After Acceptance, unless otherwise agreed in writing, to: (i) complete all Buyer Investigations; approve all disclosures, reports and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property; and

(ii) Deliver to Seller Signed Copies of Statutory and Lead Disclosures Delivered by Seller in accordance with paragraph 6A. (2) Within the time specified in 14B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to Buyer's requests.

(3) By the end of the time specified in 14B(1) (or 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 14A, then Buyer has 5 (or []) Days After Delivery of any such items, or the time specified in 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 14B(1) and before Seller cancels, if at all, pursuant to 14C, Buyer retains the right to either (i) in writing 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 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 return of Buyer's deposit.

(2) Seller right to Cancel; Buyer Contract Obligations: Seller, after first Delivering to Buyer a NBP may cancel this Agreement for any of the following reasons: (i) if Buyer fails to deposit funds as required by 3A or 3B; (ii) if the funds deposited pursuant to 3A or 3B are not good when deposited; (iii) if Buyer fails to Deliver a notice of FHA or VA costs or terms as required by 3C(3) (C.A.R. Form FVA); (iv) if Buyer fails to Deliver a letter as required by 3H; (v) if Buyer fails to Deliver verification as required by 3G or 3J; (vi) if Seller reasonably disapproves of the verification provided by 3G or 3J; (vii) if Buyer fails to return Statutory and Lead Disclosures as required by paragraph 6A(2); or (viii) if Buyer fails to sign or initial a separate liquidated damages form for an increased deposit as required by paragraphs 3B and 25. In such event, Seller shall authorize return of Buyer's deposit.

(3) Notice To Buyer To Perform: The NBP shall: (i) be in writing; (ii) be signed by Seller; and (iii) give Buyer at least 2 (or []) Days After Delivery (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A NBP may not be Delivered any earlier than 2 Days Prior to the expiration of the applicable time for Buyer to remove a contingency or cancel this Agreement or meet an obligation specified in 14C (2).

D. EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES: If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in a separate written agreement between Buyer and Seller, Buyer shall 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 inability to obtain financing.

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

F. EFFECT OF CANCELLATION ON DEPOSITS: If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, Buyer and Seller agree to Sign mutual instructions to cancel the sale and escrow and release deposits, if any, to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Release of funds will require mutual signed release instructions from Buyer and Seller, judicial decision or arbitration award. A Buyer or Seller may be subject to a civil penalty of up to \$1,000 for refusal to sign such instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).

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

16. FINAL VERIFICATION OF CONDITION: Buyer shall have the right to make a final inspection of the Property within 5 (or []) Days Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 9; (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).

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.

Buyer's Initials ()

Seller's Initials ()



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- 18. **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.
- 19. **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.
- 20. **EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
- 21. **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 26A.
- 22. **DEFINITIONS:** As used in this Agreement:
 - A. "Acceptance" means the time the offer or final counter offer is accepted in writing by a party and is delivered to and personally received by the other party or that party's authorized agent in accordance with the terms of this offer or a final counter offer.
 - B. "C.A.R. Form" means the specific form referenced or another comparable form agreed to by the parties.
 - C. "Close Of Escrow" means the date the grant deed, or other evidence of transfer of title, is recorded.
 - D. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
 - E. "Days" means calendar days. However, after Acceptance, the last Day for performance of any act required by this Agreement (including Close Of Escrow) shall not include any Saturday, Sunday, or legal holiday and shall instead be the next Day.
 - F. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59PM on the final day.
 - G. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
 - H. "Deliver", "Delivered" or "Delivery" means and shall be effective upon (i) personal receipt by Buyer or Seller or the individual Real Estate Licensee for that principal as specified in paragraph D of the section titled Real Estate Brokers on page 8, regardless of the method used (i.e. messenger, mail, email, fax, other); OR (ii) if checked, per the attached addendum (C.A.R. Form RDN).
 - I. "Electronic Copy" or "Electronic Signature" means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other.
 - J. "Law" means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
 - K. "Repairs" means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
 - L. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.
- 23. **BROKER COMPENSATION:** Seller or Buyer, or both, as applicable, agrees to pay compensation to Broker as specified in a separate written agreement between Broker and that Seller or Buyer. Compensation is payable upon Close Of Escrow, or if escrow does not close, as otherwise specified in the agreement between Broker and that Seller or Buyer.
- 24. **JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:**
 - A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: 1, 3, 4, 6C, 11B and D, 12, 13B, 14F, 17, 22, 23, 24, 28, 30 and paragraph D of the section titled Real Estate Brokers on page 8. If a Copy of the separate compensation agreement(s) provided for in paragraph 23, or paragraph D of the section titled Real Estate Brokers on page 8 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions directly from Escrow Holder and will execute such provisions upon Escrow Holder's request. To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow.
 - B. A Copy of this Agreement shall be delivered to Escrow Holder within 3 business days after Acceptance (or _____). Escrow Holder shall provide Seller's Statement of Information to Title company when received from Seller. Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement.
 - C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraph 23 and paragraph D of the section titled Real Estate Brokers on page 8. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraph 23, respectively, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Buyer and Seller shall release and hold harmless Escrow Holder from any liability resulting from Escrow Holder's payment to Broker(s) of compensation pursuant to this Agreement. Escrow Holder shall immediately notify Brokers: (i) if Buyer's initial or any additional deposit is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder; or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.
 - D. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 2 business days after mutual execution of the amendment.

Buyer's Initials (_____) (_____)

Seller's Initials (ALG) (TOS)



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25. LIQUIDATED DAMAGES: If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. If the Property is a dwelling with no more than four units, one of which Buyer intends to occupy, then the amount retained shall be no more than 3% of the purchase price. Any excess shall be returned to Buyer. Release of funds will require mutual, Signed/Release Instructions from both Buyer and Seller, judicial decision or arbitration award. AT TIME OF THE INCREASED DEPOSIT BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION FOR ANY INCREASED DEPOSIT (C.A.R. FORM RID)

Buyer's Initials _____ / _____ Seller's Initials _____ / _____

26. DISPUTE RESOLUTION:

A. MEDIATION: Buyer and Seller agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action. Buyer and Seller also agree to mediate any disputes or claims with Broker(s), who, in writing, agree to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. Mediation fees, if any, shall be divided equally among the parties involved. If, for any dispute or claim to which this paragraph applies, any party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED. Exclusions from this mediation agreement are specified in paragraph 26C.

B. ARBITRATION OF DISPUTES:

Buyer and Seller agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration. Buyer and Seller also agree to arbitrate any disputes or claims with Broker(s), who, in writing, agree to such arbitration prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of residential real estate Law experience, unless the parties mutually agree to a different arbitrator. The parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this agreement to arbitrate shall be governed by the Federal Arbitration Act. Exclusions from this arbitration agreement are specified in paragraph 26C.

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

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

Buyer's Initials _____ / _____ Seller's Initials _____ / _____

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; (iii) the filing or enforcement of a mechanic's lien; and (iv) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver nor violation of the mediation and arbitration provisions.

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

27. 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. Buyer has read and acknowledges receipt of a Copy of the offer and agrees to the above 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.

28. 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.

Buyer's Initials (_____) (_____)

Seller's Initials (RLB) (JUL) _____



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

Date October 21, 2013 Date _____
 BUYER [Signature] BUYER [Signature]
CATAWBA IX, LLC, a Delaware Limited Liability Company, or Assignee
 (Print name) (Print name)
65 Enterprise, Aliso Viejo, CA 92654
 (Address)

30. ACCEPTANCE OF OFFER: Seller warrants that Seller is the owner of the Property, or has the authority to execute this Agreement. Seller accepts the above offer, agrees to sell the Property on the above terms and conditions, and agrees to the above confirmation of agency relationships. Seller has read and acknowledges receipt of a Copy of this Agreement, and authorizes Broker to Deliver a Signed Copy to Buyer.
 (If checked) SUBJECT TO ATTACHED COUNTER OFFER (C.A.R. Form CO) DATED: _____

Date October 25, 2013 Date _____
 SELLER R.L. Goodrich, Trustee SELLER _____
R.L. Goodrich, Chapter 7 Trustee
 (Print name) (Print name)
22365 Barton Rd., Suite 220, Grand Terrace, CA 92313
 (Address)

(Initials) 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, 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: (I) the amount specified in the MLS, provided Cooperating Broker is a Participant of the MLS in which the Property is offered for sale or a reciprocal MLS; or (II) (if checked) the amount specified in a separate written agreement (C.A.R. Form CBC) between Listing Broker and Cooperating Broker. Declaration of License and Tax (C.A.R. Form DLT) may be used to document that tax reporting will be required or that an exemption exists.

Real Estate Broker (Selling Firm) Colliers International Greater Los Angeles DRE Lic. # _____
 By _____ DRE Lic. # _____ Date _____
 Address 2855 E. Guasti Rd., Suite 401 City Ontario State CA Zip 91761
 Telephone 909/605-9400 Fax 909/937-6330 E-mail _____
 Real Estate Broker (Listing Firm) Richard Halderman Jr. DRE Lic. # _____
 By _____ DRE Lic. # 00529557 Date 10/15/2013
 Address 3857 Birch St., Ste. 480 City Newport Beach State CA Zip 92660
 Telephone 714/664-0115 Fax 714/664-0995 E-mail lido.pacngt@aol.com

ESCROW HOLDER ACKNOWLEDGMENT:

Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked, a deposit in the amount of \$ _____), counter offer numbers _____ Seller's Statement of Information and _____, and agrees to act as Escrow Holder subject to paragraph 24 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.

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

Escrow Holder _____ Escrow # _____
 By _____ Date _____
 Address _____
 Phone/Fax/E-mail _____
 Escrow Holder is licensed by the California Department of Corporations, Insurance, Real Estate. License # _____

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

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

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CALIFORNIA ASSOCIATION OF REALTORS®

ADDENDUM

No. ONE

(C.A.R. Form ADM, Revised 10/01)

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

dated October 15, 2013, on property known as 11191 Catawba Ave., Fontana, CA 92337

In which CATAWBA IX, LLC, a Delaware Limited Liability Company, or assignee is referred to as ("Buyer/Tenant") and R. L. Goodrich, Chapter 7 Trustee is referred to as ("Seller/Landlord").

1. Deposit of \$40,000 to be tendered to Ambergate Escrow upon opening of escrow. \$10,000 of said deposit shall become non-refundable immediately and be passed through so Seller with no signature approvals by Buyer or Seller.
2. Commission, payable upon close of escrow, to be six per cent, split 50/50 between Buyer and Seller agents.
3. Trustee, Trustee's counsel or Trustee's agent does not have in their possession any reports, permits, tax bills or any other documents that may or may not pertain to the property.
4. Buyer has right to assign their interest in the escrow up to 14 days prior to the sale hearing date in the Bankruptcy Court.
5. The exact form of the title transfer document will be determined by Trustee/Trustee's counsel, with approval by Buyer. Trustee anticipates title transfer document will be Bankruptcy Trustee's Deed, a blank copy of which is attached to this Addendum as Exhibit "A".
6. Buyer to have twenty(20) day contingency period. Said contingency period to commence from day of opening escrow. Buyer will be entitled to receive \$30,000 of \$40,000 deposit returned if Buyer cancels escrow within the 20 days.
7. Seller will be responsible for ensuring the subject property is vacant upon closing.
8. Escrow to close the later of 30 days after opening of escrow or 14 days after entry of court order approving sale and vacation of property.
9. Subject property is sold in AS IS condition with no expressed/implied warranties.
10. Sale subject to Bankruptcy Court approval and overbid. Should Buyer be overbid at sale hearing, Buyer deposit will be returned in full.
11. Trustee/Trustee's counsel to provide Addendum Two to this offer, said addendum to be separately provided. Buyer to read and sign Addendum Two when provided, as part of this offer.

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

Date <u>10/24/13</u>	Date <u>10/25/13</u>
Buyer/Tenant <u>[Signature]</u>	Seller/Landlord <u>[Signature]</u>
Buyer/Tenant <u>CATAWBA IX, LLC, a Delaware Limited Liability Company, or Assignee</u>	Seller/Landlord <u>R.L. Goodrich, Chapter 7 Trustee</u>

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Reviewed by _____ Date _____



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ADDENDUM TO PURCHASE AGREEMENT

This addendum ("Addendum") to the California Residential Purchase Agreement and Joint Escrow Instructions (hereinafter called the "Sale Agreement") is entered into on this ___ day of October, 2013, by and between Catawba IX LLC, a Delaware limited liability company, or assignee (the "Buyer") and R.L. Goodrich, as Chapter 7 Trustee ("Trustee") for the estate of Francisco Valenciano Salazar and Gabriella Valenciano Gutierrez, pursuant to the terms and conditions as follows:

RECITALS

WHEREAS: Francisco Valenciano Salazar and Gabriella Valenciano Gutierrez (collectively, the "Debtors") in the bankruptcy proceeding entitled *In re Francisco Valenciano Salazar and Gabriella Valenciano Gutierrez*, Case No. 6:12-bk-14062-MJ, are the owners of certain real property commonly known as: 11191 Catawba., Ave., Fontana, California 92337 (the "Property").

WHEREAS: On February 17, 2012, the Debtors filed a voluntary petition under Chapter 7 of the United States Bankruptcy Code.

WHEREAS: R.L. Goodrich is the duly appointed, qualified, and acting Chapter 7 Trustee for the Debtors' bankruptcy estate ("Estate") to administer the assets of the Estate, one of which is the Debtors' interest in the Property.

WHEREAS: Pursuant to 11 U.S.C. Section 363, the Trustee and/or his attorneys will seek a Court Order authorizing the sale of the Property (the "Sale Motion").

NOW THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

CONDITIONS OF SALE

1. Purchase Price. The purchase price for the Property shall be \$600,000.00, subject to the bidding procedures set forth in the Sale Motion. The Buyer shall deposit \$40,000.00 (the "Initial Deposit") with Ambergate Escrow, Riverside ("Escrow") and shall pay the balance of the purchase price at closing. The Buyers' right to a refund of any portion of the Initial Deposit shall be governed by the terms of the Sale Agreement.
2. Termite Report and Repairs. The Buyer has agreed to waive the requirements and costs for a termite report.
3. Escrow Holder and Closing. The escrow holder shall be Ambergate Escrow, Riverside. The Trustee may extend the escrow closing date stated in the Sale Agreement and/or any previous

ALB [Signature]

addendum to the Sale Agreement under his sole discretion and based on his business judgment.

4. Escrow and Title Costs. All real property taxes and assessments for the current tax year shown in the current county tax bill shall be prorated between the Trustee and the Buyer and charged as of the closing date to the applicable accounts of the Trustee and the Buyer. The sale shall be free and clear of any homeowner's association assessments and all real property taxes (other than those prorated as provided above) enforceable against the Property through the closing date of the sale. Escrow fees shall be split between the Buyer and the Trustee in the manner customary in the County where the Property is located.
5. Other Costs. The Trustee shall be responsible for County and City transfer taxes or transfer fees.
6. Bankruptcy Court Approval. The sale is expressly conditioned on approval of the United States Bankruptcy Court for the Central District of California, Riverside Division and entry of final order approving the Sale Agreement. The sale is subject to notice to creditors, approval by the Bankruptcy Court, and higher and better bids received by the Trustee through and including the Bankruptcy Court hearing to confirm the sale. Payment of any and all real estate brokers' commissions is also subject to notice to creditors and approval by the Bankruptcy Court
7. Real Estate Agent Commission. Through escrow on the sale of the Property, and subject to Bankruptcy Court approval, the Trustee shall pay compensation for real estate agent services to the Estate's agents in an amount of \$36,000.00 (six percent (6%) of the purchase price) as follows: Richard Halderman, broker for the Trustee shall be paid \$18,000.00, and, Colliers International, brokers for the Buyer, shall be paid \$18,000.00.
8. Assignment. The Sale Agreement allows the Buyer to assign its interest in the escrow up to fourteen (14) days prior to the sale hearing date in the Bankruptcy Court. The Buyer must provide notice to the Trustee and Trustee's counsel of such a transfer no later than fourteen (14) days before the sale hearing date.
9. Title Insurance. The title insurance policy shall be subject only to liens, encumbrances, clouds and other matters as may appear on the preliminary title report, that are not to be removed at the close of Escrow, and have not been objected to by the Buyer. Should the Trustee be unwilling or unable to eliminate those title matters disapproved by the Buyer as above, the Trustee may terminate the Sale Agreement or, should the Trustee fail to deliver good and marketable title as provided above, the Trustee and the Buyer may terminate the Sale Agreement. In either case, the Buyer's deposit shall be returned to the Buyer, and the Buyer shall have no recourse against the Trustee as Trustee, R.L. Goodrich as Bankruptcy Trustee, individually, or the law firm of Shulman Hodges & Bastian LLP, the Estate or the Debtors, or any real estate agent, broker or attorney involved in the transaction.

10. Limitations of Sale. The parties acknowledge that the operation of the law has placed the Trustee in a unique role as the Trustee of the Property. Due to the nature of the Trustee's role in administering the Estate, there are limitations as to the extent, type and character of the Sale Agreement under which the Trustee can convey the Property. The Trustee proposes to sell the Property pursuant to certain limitations. The Buyer acknowledges that he understands the terms under which the Property is to be conveyed may vary substantially from the normal customs and trade within the real estate industry. Except where expressly mandated by operation of law, the Buyer consents to any such modifications and amendments.
11. Purchase without Warranties. The Buyer acknowledges that it is purchasing the Property from the Trustee "AS IS and WHERE-AS" without warranties of any kind, expressed or implied, being given by the Trustee, concerning the condition of the Property or the quality of the title thereto, or any other matters relating to the Property. The Buyer represents and warrants that it is purchasing the Property as a result of his own investigations and is 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 Trustee. The Buyer acknowledges that it has inspected the Property, and upon closing of Escrow governed by this Addendum, the Buyer forever waives, for itself, his heirs, successors and assigns, all claims against the Debtors, their attorneys, agents and employees, the Debtors' Estate, R.L. Goodrich as Trustee and individually, and his attorneys, agents and employees, arising or which might otherwise arise in the future concerning the Property.
12. Trustee's Liability. The Buyer acknowledges that the Trustee is acting in his official capacity only. No personal liability shall be sought or enforced against the Trustee with regard to the Sale Agreement, including the Addendum, the assets, the sale of the Property, or the physical condition of the Property. In the event that the Trustee fails or refuses to complete the transaction for any reason, then the limit of the Trustee's liability is only to return any money paid to the Trustee by the Buyer, without deduction. Prior to and after the closing of escrow, the United States Bankruptcy Court shall have and retain the sole and exclusive jurisdiction over the Property and the Sale Agreement, and all disputes arising before and after closing shall be resolved in said Court. Further, the Trustee has agreed that if a dispute arises, such dispute may initially be resolved through the Mediation Program pending in the United States Bankruptcy Court for the Central District of California.
13. Hold Harmless:
 - (a) The Buyer understands the terms and conditions of the entire Sale Agreement and this Addendum and holds the Estate and the realtors, brokers, agents, R.L. Goodrich individually and as Trustee, and his attorneys including Shulman Hodges & Bastian LLP, agents and employees, harmless from any liabilities arising from the Sale Agreement and/or this Addendum.

R.L. Goodrich


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

14. Jurisdiction of the Bankruptcy Court. Any and all disputes which involve any matter of the Estate or R.L. Goodrich, Trustee, arising from the Sale Agreement and/or its Addendums or relating in any manner to the Property, shall be resolved only in the United States Bankruptcy Court, Central District of California.
15. Sale Subject to Overbidding. The sale of the Property is subject to the bidding procedures described below:
 - a. The Trustee has determined that it would benefit the Estate to permit all interested parties to receive information and bid for the Property instead of selling the Property to the Buyer on an exclusive basis. Accordingly, in order to obtain the highest and best offer for the benefit of the creditors of this Estate, the Trustee also seeks Court approval of the following bidding procedures ("Bidding Procedures"):
 - b. Potential overbidder(s) must bid an initial amount of at least \$10,000.00 over the Purchase Price, or \$610,000.00. Minimum bid increments thereafter shall be \$5,000.00. The 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.
 - c. Overbids must be in writing and be received by the Trustee and the Trustee's counsel, Shulman Hodges & Bastian LLP to the attention of Ryan D. O'Dea on or before 4:00 p.m. (California time) on the date which is three (3) calendar days prior to the hearing on the Sale Motion.
 - d. Overbids must be accompanied by certified funds in an amount equal to six and one-half percent (6.5%) of the overbid purchase price.
 - e. The overbidder must also provide evidence of having sufficient specifically committed 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 to close the sale and immediately and unconditionally pay the winning bid purchase price at closing.

- f. The overbidder must seek to acquire the Property on terms and conditions not less favorable to the Estate than the terms and conditions to which the Buyer has agreed to purchase the Property as set forth in the Sale Agreement, including closing on the sale of the Property in the same time parameters as the Buyer.
- g. 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 Trustee, 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 Trustee. The competing bidder must acknowledge that he/she has inspected the Property, and upon closing of Escrow governed by the Sale Agreement, the competing buyer forever waives, for himself/herself, their heirs, successors and assigns, all claims against the Debtors, their attorneys, agents and employees, the Debtors' Estate, R.L. Goodrich as Trustee and individually, and his attorneys, agents and employees, arising or which might otherwise arise in the future concerning the Property.
- h. If overbids are received, the final bidding round for the Property shall be held at the hearing on the Sale Motion in order to allow all potential bidders the opportunity to overbid and purchase the Property. At the final bidding round, the Trustee or his counsel will, in the exercise of their business judgment and subject to Court approval, accept the bidder who has made the highest and best offer to purchase the Property, consistent with the Bidding Procedures ("Successful Bidder").
- i. 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.
- j. 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 at the hearing on the Sale Motion ("First Back-Up Bidder").

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

ACG [Signature]

k. 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 at the hearing on the Sale Motion ("Second Back-Up Bidder").

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

Dated: 10/24/13 [Signature]
Larry Mathews, on behalf of
Catawba IX LLC, or assignee, as Buyer

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

Dated: 10/25/13 By: [Signature]
R.L. Goodrich, in his sole capacity as
Chapter 7 Trustee for the Bankruptcy Estate of
Francisco Valenciano Salazar and Gabriella
Valenciano Gutierrez

SO AGREED.

Dated: _____
Richard Halderman, Broker for Chapter 7 Trustee,
R.L. Goodrich

Dated: 10/24/13 [Signature]
SUMNER (D.D.) Buyer's Agent FOR
COMMERCIAL REAL ESTATE

k. 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 at the hearing on the Sale Motion ("Second Back-Up Bidder").

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

Dated: 10/24/13

[Signature]
on behalf of
Larry Mathena, on behalf of
Catawba IX LLC, or assignee, as Buyer

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

Dated: _____

By: _____
R.L. Goodrich, in his sole capacity as
Chapter 7 Trustee for the Bankruptcy Estate of
Francisco Valenciano Salazar and Gabriella
Valenciano Gutierrez

SO AGREED.

Dated: 10/24/2013

[Signature]
Richard Halderman, Broker for Chapter 7 Trustee,
R.L. Goodrich

Dated: ~~10/24/2013~~

_____, Buyer's Agent

PROOF OF SERVICE OF DOCUMENT

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

A true and correct copy of the foregoing document entitled: **NOTICE OF SALE OF ESTATE PROPERTY** will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

1. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF)**: Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On *(date)* 11/15/2013, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Service information continued on attached page

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

On *(date)* 11/15/2013, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

3. **SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on *(date)* 11/15/2013, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Judge's Copy - Via Messenger: Honorable Meredith A. Jury U.S. Bankruptcy Court, Riverside Division 3420 Twelfth Street, Bin Outside Courtroom 301 Riverside, CA 92501-3819

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.

11/15/2013
Date

Christina Miranda
Printed Name

/s/ Christina Miranda
Signature

TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):

Jared D Bissell wdk@wolffirm.com
Lynda T Bui lbui@shbllp.com
Robert L Goodrich (TR) office@rlgoodrichlaw.com, rgoodrich@ecf.epiqsystems.com
Ryan D ODea rodea@shbllp.com, cmiranda@shbllp.com
Avi Schild bk@atlasacq.com
Leonard M Shulman lshulman@shbllp.com
Ramesh Singh claims@recoverycorp.com
Brian H Tran btran@mileslegal.com
United States Trustee (RS) ustpregion16.rs.ecf@usdoj.gov
Robert M Yaspan court@yaspanlaw.com, tmenachian@yaspanlaw.com

SERVED BY UNITED STATES MAIL

DEBTOR

JOSE FRANCISCO VALENCIANO
SALAZAR
11191 CATAWBA AVE
FONTANA, CA 92337

INTERESTED PARTY

UNITED STATES TRUSTEE (RS)
3685 MAIN STREET, SUITE 300
RIVERSIDE, CA 92501

CREDITOR LISTING

ASSET ACCEPTANCE LLC
PO BOX 2036
WARREN, MI 48090

CREDITOR LISTING

BANK OF AMERICA N.A.
PO BOX 515503
LOS ANGELES, CA 90051

CREDITOR LISTING

CMRE FINANCIAL SERVICES INC
3075 E. IMPERIAL HWY SUITE 200
BREA, CA 92821

CREDITOR LISTING

CAPITAL ONE BANK
PO BOX 71083
CHARLOTTE, NC 28272

DEBTOR

GABRIELLA VALENCIANO GUTIERREZ
11191 CATAWBA AVE
FONTANA, CA 92337

CREDITOR LISTING

AMERICAN INFOSOURCE LP AS AGENT
FOR
TARGET
PO BOX 248866
OKLAHOMA CITY, OK 73124-8866

CREDITOR LISTING

ATLAS ACQUISITIONS LLC
294 UNION ST.
HACKENSACK, NJ 07601

CREDITOR LISTING

BERMAN & RABIN PA
15280 METCALF AVE
OVERLAND PARK, KS 66223

CREDITOR LISTING

CACH LLC
C/O NELSON & KENNARD
PO BOX 13807
SACRAMENTO, CA 95853

CREDITOR LISTING

CENTRAL COLLECTIONS
157 W. FIFTH STREET, 3RD FLR
SAN BERNARDINO, CA 92415

ATTORNEYS FOR THE DEBTORS

ROBERT M YASPAN
LAW OFFICES OF ROBERT M YASPAN
21700 OXNARD ST STE 1750
WOODLAND HILLS, CA 91367

CREDITOR LISTING

AMERICAN MEDICAL RESPONSE
PO BOX 30250
LOS ANGELES, CA 90030

CREDITOR LISTING

BANK OF AMERICA
SO. CAL OPS - LEVIES #20476
PO BOX 54660
LOS ANGELES, CA 90054

CREDITOR LISTING

CIR LAW OFFICES
PO BOX 23189
SAN DIEGO, CA 92193

CREDITOR LISTING

CAPITAL MANAGEMENT SERVICES LP
726 EXCHANGE STREET, SUITE 700
BUFFALO, NY 14210

CREDITOR LISTING

COUNTY OF SAN BERNARDINO
DEPARTMENT OF BEHAVIORAL HEALTH
268 W. HOSPITAL LANE, SUITE 400
SAN BERNARDINO, CA 92415

CREDITOR LISTING

CREDITOR IUSTUS ET REMEDIUM LLP
8665 GIBBS DRIVE, STE 150
SAN DIEGO, CA 92123

CREDITOR LISTING

FIRST DATA MERCHANT SERVICES
5251 WESTHEIMER RD.
HOUSTONE TX 770056

CREDITOR LISTING

LAW OFFICES OF ANDREA SHEARER
9381 E. STOCKTON BLVD., SUITE 116
ELK GROVE, CA 95624

CREDITOR LISTING

LOMA LINDA UNIV GROUP 3
PO BOX 945
LOMA LINDA CA 92354

CREDITOR LISTING

METRO REPUBLIC COMMERCIAL
SERVICES
PO BOX 1357
CORONA CA 92878

CREDITOR LISTING

NORTHLAND GROUP
PO BOX 390846
MINNEAPOLIS MN 55439

CREDITOR LISTING

RIVERSIDE SUPERIOR COURT
46-200 OASIS ST
INDIO CA 92201

CREDITOR LISTING

SELECT PORFOLIO SERVICING INC
PO BOX 65450
SALT LAKE CITY, UT 84165-0450

CREDITOR LISTING

SUPERIOR COURT OF CALIFORNIA
COUNTY OF RIVERSIDE
BLYTHE COURT
265 N. BROADWAY
BLYTHE, CA 92225

CREDITOR LISTING

DONALD NELSON
NELSON & KENNARD
2180 HARVARD STREET, SUITE 160
PO BOX 13807
SACRAMENTO, CA 95853

CREDITOR LISTING

INTERNAL REVENUE SERVICE
PO BOX 145566
STOP 814G/CDP
CINCINNATI, OH 45201

CREDITOR LISTING

LEGAL RECOVERY LAW OFFICES
PO BOX 84060
SAN DIEGO CA 92138

CREDITOR LISTING

LOMA LINDA UNIVERSITY
BEHAVIORAL MEDICAL CENTER
PO BOX 0
LOMA LINDA CA 92354

CREDITOR LISTING

NCO FINANCIAL
10540 WHITE ROCK RD., SUITE 250
RANCHO CORDOVA CA 95670

CREDITOR LISTING

PORTFOLIO INVESTMENTS II LLC
C/O RECOVERY MANAGEMENT SYSTEMS
CORPORAT
25 SE 2ND AVENUE SUITE 1120
MIAMI FL 33131-1605

CREDITOR LISTING

ROBERT KENNARD
2180 HARVARD STRE STE 160
SACRAMENTO, CA 95853

CREDITOR LISTING

STATE OF CALIFORNIA
FRANCHISE TAX BOARD
PO BOX 942840
SACRAMENTO, CA 94240

CREDITOR LISTING

TARGET NATIONAL BANK
PO BOX 59317
MINNEAPOLIS, MN 55459

CREDITOR LISTING

EMPLOYMENT DEVELOPMENT
DEPARTMENT
PO BOX 826215 MIC 3A
SACRAMENTO CA 94230

CREDITOR LISTING

LLU BEHAVIORAL MED CENTER
1710 BARTON ROAD
REDLANDS, CA 92373

CREDITOR LISTING

LIEB SOLUTIONS LLC
20 EAST CLEMENTON ROAD
SUITE 100 SOUTH
GIBBSBORO, NJ 08026

CREDITOR LISTING

LOMA LINDA UNIVERSITY HEALTH CARE
11165 MOUNTAIN VIEW AVE UNIT 228
LOMA LINDA, CA 92354

CREDITOR LISTING

NCO FINANCIAL SYSTEMS INC
PO BOX 15537
WILMINGTON DE 19850

CREDITOR LISTING

RECOVERY MANAGEMENT SYSTEMS
CORPORATION
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