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| <p>Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address</p> <p>Leonard M. Shulman – Bar No. 126349 Ryan D. O’Dea – Bar No. 273478 SHULMAN HODGES & BASTIAN LLP 8105 Irvine Center Drive, Suite 600 Irvine, California 92618 Telephone: (949) 340-3400 Facsimile: (949) 340-3000 Email: lshulman@shbllp.com; rodea@shbllp.com</p> <p><input type="checkbox"/> Individual appearing without attorney <input checked="" type="checkbox"/> Attorney for: Karl T. Anderson, Chapter 7 Trustee</p> | <p>FOR COURT USE ONLY</p> |
|--|---------------------------|

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

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| <p>In re:</p> <p>SOPHIA CHARLENE ROMERO,</p> <p style="text-align: right;">Debtor(s).</p> | <p>CASE NO.: 6:12-bk-28431-WJ CHAPTER: 7</p> <p style="text-align: center;">NOTICE OF SALE OF ESTATE PROPERTY</p> |
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| | |
|---|------------------------------|
| <p>Sale Date: 04/01/2014</p> | <p>Time: 10:30 am</p> |
| <p>Location: Courtroom 302, 3420 Twelfth Street, Riverside, CA 92501</p> | |

Type of Sale: Public Private **Last date to file objections:** 03/17/2014

Description of property to be sold: See attached Motion.

Terms and conditions of sale: See attached Motion.

Proposed sale price: \$ 70,000.00

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
Irvine, California 92618
Telephone: (949) 340-3400
Facsimile: (949) 340-3000
Email: rodea@shbllp.com

Date: 03/07/2014

EXHIBIT A

1 Leonard M. Shulman – Bar No. 126349
Ryan D. O’Dea – Bar No. 273478
2 **SHULMAN HODGES & BASTIAN LLP**
8105 Irvine Center Drive, Suite 600
3 Irvine, California 92618
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5 Attorneys for Karl T. Anderson
6 Chapter 7 Trustee

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

9 In re
10 **SOPHIA CHARLENE ROMERO,**
11 Debtor.

Case No. 6:12-bk-28431-WJ

Chapter 7

CHAPTER 7 TRUSTEE’S MOTION FOR ORDER:

- (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;**
- (2) **APPROVING PAYMENT OF REAL ESTATE COMMISSION;**
- (3) **TURNOVER OF PROPERTY; AND**
- (4) **GRANTING RELATED RELIEF;**

MEMORANDUM OF POINTS AND AUTHORITIES AND DECLARATIONS OF KARL T. ANDERSON, RICHARD HALDERMAN, PETER YONG KOO YOUN, AND MANUEL EDEZA IN SUPPORT THEREOF

[Property: 9725 Fifth Street, Victorville, CA]

Hearing

Date: April 1, 2014
Time: 10:30 AM
Place: Courtroom 302
3420 Twelfth Street
Riverside, CA 92501

TABLE OF CONTENTS

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

- I. INTRODUCTION 4
- II. RELEVANT FACTS 5
- III. LEGAL BASIS FOR THE RELIEF SOUGHT 11
 - A. The Court May Authorize the Sale When There is a Good Faith Purchaser 11
 - 1. Sound Business Purpose** 12
 - 2. The Sale Serves the Best Interests of the Estate and Creditors** 13
 - 3. Accurate and Reasonable Notice** 13
 - 4. The Sale is Made in Good Faith** 14
 - B. The Proposed Sale Should be Allowed Free and Clear of Liens 14
 - 1. Section 363(f)(2)** 15
 - 2. Section 363(f)(3)** 16
 - C. The Court has the Authority to Approve the Bidding Procedures 16
 - 1. The Overbid Procedures are Untainted by Self-Dealing** 17
 - 2. The Overbid Procedures Encourage Bidding and are Fair in Amount** 17
 - 3. The Overbid Procedures are Fair, Reasonable and Serve the Best Interests of the Estate** 17
 - D. Request for Payment of Real Estate Commission 18
 - E. Turnover of the Property 19
- IV. CONCLUSION 20
- DECLARATION OF KARL T. ANDERSON 22
- DECLARATION OF RICHARD HALDERMAN 24
- DECLARATION OF RYAN D. O’DEA 27
- DECLARATION OF PETER YONG KOO YOUN 29

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

TABLE OF AUTHORITIES

CASES

In re Beker Indus. Corp., 63 B.R. 474, 477 (Bankr. S.D.N.Y. 1986)..... 14
In re Continental Air Lines, Inc., 780 F.2d 1223 (5th Cir. 1986)..... 11
In re Crown Corporation, 679 F.2d 774 (9th Cir. 1982)..... 15
In re Crowthers McCall Pattner, Inc., 114 B.R. 877, 885 (Bankr. S.D.N.Y. 1990) 11
In re Lionel Corp., 722 F.2d 1063, 1069 (2d Cir. 1983) 11, 12
In re Terrace Gardens Park Partnership, 96 B.R. 707 (Bankr. W.D. Tex. 1989)..... 14
In re Walter, 83 B.R. 14 (B.A.P. 9th Cir. 1988)..... 11, 12
In re Wilde Horse Enterprises, Inc., 136 B.R. 830, 841 (Bankr. C.D. Cal. 1991) 11, 13

STATUTES

Bankruptcy Code Section 102(1)..... 13
Bankruptcy Code Section 105(a)..... 15
Bankruptcy Code Section 327 17
Bankruptcy Code Section 328 17
Bankruptcy Code Section 363(b)..... 11, 15
Bankruptcy Code Section 363(f) 14
Federal Rules of Bankruptcy Procedure 2002(c)(1) 13

1 **TO THE HONORABLE WAYNE JOHNSON, UNITED STATES BANKRUPTCY**
2 **JUDGE, THE OFFICE OF THE UNITED STATES TRUSTEE, DEBTOR AND ALL**
3 **INTERESTED PARTIES AND THEIR COUNSEL OF RECORD:**

4 **I. INTRODUCTION**

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

11 The Trustee has received an offer to purchase the real property located at 9725 5th Street,
12 Victorville, California (the “Property”) for \$70,000.00, subject to overbids, from Peter Yong Koo
13 Youn (the “Buyer”). The Property is a single family residence, half owned by Debtor and half
14 owned by Debtor’s ex-boyfriend, Manuel Edeza (“Mr. Edeza”). Mr. Edeza consented to the
15 Trustee’s marketing and sale of the Property and cooperated with the Trustee’s efforts in relation
16 thereto for approximately one year. Despite the duration of Mr. Edeza’s consent and cooperation,
17 he now refuses to execute a declaration in support of this Motion confirming his current consent
18 to the proposed sale. Mr. Edeza’s withdrawal of consent once the Trustee obtained a buyer is
19 wholly inequitable and tantamount to a bait-and-switch. As such, the Trustee submits that Mr.
20 Edeza’s consent to the marketing and sale of the Property for approximately a year satisfies the
21 “consent” requirement of Section 363(f)(2) and he should be equitably estopped from now
22 revoking his consent.

23 The Preliminary Title Report on the Property, a true and correct copy of which is attached
24 as **Exhibit 1** to Declaration of Karl T. Anderson (“Anderson Declaration”), indicates that the only
25 encumbrances against the Property are a judgment lien in the amount of \$7,088.26 and a tax lien
26 in the amount of \$2,273.95. The offer is the best offer the Estate has received for the Property.
27 Through the sale, the Trustee is expected to generate proceeds of approximately \$28,300.00 for
28 the benefit of the Estate and its creditors. Further, in the event the purchase price is increased by

1 a successful overbid, the estimated net proceeds will increase and provide greater distribution to
2 creditors.

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

5 **II. RELEVANT FACTS**

6 **A. Case Commencement**

7 Debtor filed a voluntary petition for relief under Chapter 7 of the United States
8 Bankruptcy Code on August 8, 2012 (the "Petition Date"). Karl T. Anderson is the duly
9 qualified, acting and appointed Chapter 7 trustee of Debtor's Estate.

10 **B. The Property**

11 Debtor's Bankruptcy Schedule A lists a 50% fee simple interest in the Property, which is
12 legally described as follows:

13 GOVERNMENT LOT 25, SECTION 6, TOWNSHIP 4 NORTH, RANGE 5 WEST,
14 SAN BERNARDINO MERIDIAN, ACCORDING TO OFFICIAL PLAT THEREOF.

15 EXCEPTING THEREFROM THAT PORTION DEEDED TO THE STATE OF
16 CALIFORNIA BY DEED RECORDED SEPTEMBER 26, 1968, IN BOOK 7100, PAGE 258,
OFFICIAL RECORDS, DESCRIBED AS FOLLOWS:

17 THAT PORTION OF GOVERNMENT LOT 25 IN THE SOUTHWEST 1/4 OF
18 FRACTIONAL SECTION 6, TOWNSHIP 4 NORTH, RANGE 5 WEST, SAN
19 BERNARDINO MERIDIAN, ACCORDING TO THE DEPENDENT RESURVEY AND
SUBDIVISION OF SAID SECTION ON FILE IN THE UNITED STATES
DEPARTMENT OF INTERIOR, BUREAU OF LAND MANAGEMENT, DATED
JANUARY 18, 1960, DESCRIBED AS FOLLOWS:

20 BEGINNING AT THE WEST QUARTER CORNER OF SAID SECTION 6; THENCE
21 ALONG THE NORTHERLY LINE OF SAID LOT 25, NORTH 88° 13' 19" EAST, 30.01
22 FEET; THENCE SOUTH 4° 00' 00" EAST, 359.70 FEET; THENCE SOUTH 69° 23' 16"
23 EAST, 262.86 FEET TO THE EASTERLY LINE OF SAID LOT 25; THENCE ALONG
24 SAID EASTERLY LINE SOUTH 0° 04' 04" WEST, 202.00 FEET TO THE SOUTHERLY
25 LINE OF SAID LOT 25; THENCE ALONG SAID SOUTHERLY LINE SOUTH 88° 14' 56"
WEST, 296.81 FEET TO THE WESTERLY LINE OF SAID SECTION 6; THENCE
ALONG SAID WESTERLY LINE NORTH 00 21' 54," WEST, 661.51 FEET TO THE POINT
OF BEGINNING. BEARING AND DISTANCES USED IN THE ABOVE
DESCRIPTION ARE BASED UPON THE CALIFORNIA COORDINATED SYSTEM,
ZONE 5.

26 ALSO EXCEPTING THEREFROM ALL OIL, GAS AND OTHER MINERAL
27 DEPOSITS, TOGETHER WITH THE RIGHT TO PROSPECT FOR, MINE, AND
28 REMOVE THE SAME, AS RESERVED IN THE PATENT FROM THE UNITED
STATES OF AMERICA, RECORDED SEPTEMBER 11, 1968, IN BOOK 7091, PAGE
772, OFFICIAL RECORDS.

1 COUNTY OF SAN BERNARDINO. APN: 3071-051-01-0-000.

2 Pursuant to Court order entered on April 12, 2013 (docket number 43), the Trustee was
3 authorized to employ Richard A. Halderman of Lido Pacific Asset Management (the “Broker”), to
4 assist the Trustee in the marketing and sale of the Property.

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

6 In Debtor’s Bankruptcy Schedule A the value of Debtor’s 50% interest in the Property
7 was asserted to be \$33,966.00 – for a total asserted value of \$67,932.00. The Trustee’s Broker
8 reviewed the Property and believed that the Property had a higher fair market value than the
9 amount listed in Debtor’s Bankruptcy Schedule. The Property was thus listed for the sale price of
10 \$75,000.00. The Property has been listed on the MLS and advertised for sale since April 2013.
11 The Trustee received an offer to purchase the Property for \$70,000.00, which is subject of this
12 Motion and represents the best offer received by the Trustee. As set forth below, the Trustee
13 believes the sale of the Property will benefit the Estate and its creditors.

14 **D. Marketing of the Property**

15 As of the hearing on this Motion, the Property will have been marketed for approximately
16 one year by the Trustee with the assistance of the Broker. The marketing by the Broker has
17 included listing the Property on the Multiple Listing Service for publication as well as on the
18 Court’s website pursuant to the Notice of Sale of Estate Property on Local Bankruptcy Form
19 6004-2 (the “Sale Notice”).

20 **E. Liens and Encumbrances Against the Property and Their Proposed Treatment**
21 **Through the Sale**

22 The following chart sets forth the encumbrances against the Property, as detailed in the
23 Preliminary Title Report, a copy of which is attached as **Exhibit 1** to the Anderson Declaration
24 and 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> |
|---------------------------------|--------------------|---------------------------------------|---|
| Capital One Bank (USA), N.A. | Judgment Lien | \$7,088.26 | All amounts owed in relation to this judgment lien will be paid in full through escrow. |

| <u>Creditor</u> | <u>Description</u> | <u>Estimated Amount Owning</u> | <u>Treatment of Lien Through the Sale</u> |
|--------------------------|---------------------------|--------------------------------|--|
| County of San Bernardino | Default Property Taxes | \$2,273.95 | All amounts owed in relation to default property taxes will be paid in full through escrow. |
| Manuel Edeza | 50% owner of the Property | \$28,000.00 | All amounts owed in relation to Mr. Edeza's 50% ownership in the property will be paid in full through escrow. The amount owing to Mr. Edeza will be fifty percent of the net sale proceeds. |

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

F. Tax Consequences

The Trustee is informed that there will be no capital gains taxes associated with the sale of the Property, as Mr. Edeza has resided at the Property for at least two of the last five years and the profit to be realized through the sale is below the capital gains tax exclusion allowed for an individual.

G. The Purchase Offer and Summary of the Sale Terms

Through his Broker, the Trustee has received an offer from the Buyer to purchase the Property for \$70,000.00. The purchase price includes a deposit of \$1,000.00. Attached as **Exhibit 2** to the Anderson Declaration is a true and correct copy of the purchase agreement and addendum thereto (collectively, the "Agreement").

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

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

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| Buyer | Peter Yong Koo Youn | | | | | | |
|--|---|--------------|-------------------|--|------------|---|------------|
| Purchase Price | \$70,000.00 subject to the Bidding Procedures set forth below. \$1,000.00 paid as a deposit, balance of the purchase price to be paid at closing. | | | | | | |
| 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. | | | | | | |
| 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. Escrow fees shall be split between the Buyer and Seller in the manner customary in the County where the Property is located. | | | | | | |
| 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. | | | | | | |
| Real Estate Agent Commission | Through escrow on the sale of the Property, and subject to Court approval, the Trustee shall pay compensation for real estate agent services to the Estate's agent in the amount of \$4,200 (6% of the purchase price) as follows: <table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;"><u>Agent</u></th> <th style="text-align: center;"><u>Commission</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Richard Halderman, broker for the Trustee.</td> <td style="text-align: center;">\$2,100.00</td> </tr> <tr> <td style="text-align: center;">Eden Capital Realty, broker for the Buyer</td> <td style="text-align: center;">\$2,100.00</td> </tr> </tbody> </table> | <u>Agent</u> | <u>Commission</u> | Richard Halderman, broker for the Trustee. | \$2,100.00 | Eden Capital Realty, broker for the Buyer | \$2,100.00 |
| <u>Agent</u> | <u>Commission</u> | | | | | | |
| Richard Halderman, broker for the Trustee. | \$2,100.00 | | | | | | |
| Eden Capital Realty, broker for the Buyer | \$2,100.00 | | | | | | |
| Purchase Without Warranties | 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. | | | | | | |
| Trustee's Liability | The Buyer acknowledges that the Trustee is acting in his official capacity only. No personal liability shall be sought or enforced against the Trustee with regard to the Agreement, including any addendums to the Agreement, the Property, the sale of the Property, or the physical condition of the Property. In the event that the Trustee fails or refuses to complete the transaction for any reason, then the limit of the Trustee's liability is only to return any money paid to the Trustee by the Buyer, without deduction. Prior to and after the closing of escrow, the United States Bankruptcy Court shall have and retain the sole and exclusive jurisdiction over the Property and the Agreement; and all disputes arising before and after closing shall be resolved in said Court. Further, the Trustee has agreed that if a dispute arises, such dispute may initially be resolved through the Mediation Program pending in the United States Bankruptcy Court for the Central District of California. | | | | | | |

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| 1 2 3 4 5 6 7 8 9 | Hold Harmless The Buyer understands the terms and conditions of the entire purchase contact and hold the Estate and the realtors, brokers, agents, Karl T. Anderson, 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. |
| 10 11 | Jurisdiction of the Bankruptcy Court Any and all disputes which involve in any manner the Estate or Karl T. Anderson, 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. |
| 12 13 | Sale Subject to Overbidding The sale of the Property is subject to the Bidding Procedures described below. |
| 14 15 | Outstanding Real Property Taxes To be paid by through escrow. |
| 16 17 18 | Free and Clear of Liens and Encumbrances The Property shall be delivered to the Buyer free and clear of all liens and encumbrances. |
| 19 20 21 22 23 24 | 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. |

H. Notice of Bidding Procedures

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"):

1. Potential overbidder(s) must bid an initial amount of at least \$2,000.00 over the Purchase Price, or \$72,000.00. Minimum bid increments thereafter shall be \$1,000.00. 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.

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

4 3. Overbids must be accompanied by certified funds in the amount of \$1,000.00.

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

10 5. The overbidder must seek to acquire the Property on terms and conditions not less
11 favorable to the Estate than the terms and conditions to which the Buyer has agreed to purchase
12 the Property as set forth in the Agreement attached as **Exhibit 2** to the Anderson Declaration
13 including closing on the sale of the Property in the same time parameters as the Buyer.

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

26 7. If overbids are received, the final bidding round for the Property shall be held at
27 the hearing on the Motion in order to allow all potential bidders the opportunity to overbid and
28 purchase the Property. At the final bidding round, the Trustee or his counsel will, in the exercise

1 of their business judgment and subject to Court approval, accept the bidder who has made the
2 highest and best offer to purchase the Property, consistent with the Bidding Procedures
3 (“Successful Bidder”).

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

8 9. In the event the Successful Bidder fails to close on the sale of the Property within
9 the time parameters approved by the Court, the Trustee shall retain the Successful Bidder’s
10 Deposit and will be released from his obligation to sell the Property to the Successful Bidder and
11 the Trustee may then sell the Property to the first back-up bidder approved by the Court at the
12 hearing on the Motion (“First Back-Up Bidder”).

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

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

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

20 The Trustee, after notice and hearing, may sell property of the estate. Bankruptcy Code
21 Section 363(b). The standards to establish are that there is a sound business purpose for the sale,
22 that the sale is in the best interests of the estate, i.e., the sale is for a fair and reasonable price, that
23 there is accurate and reasonable notice to creditors and that the sale is made in good faith. *In re*
24 *Wilde Horse Enterprises, Inc.*, 136 B.R. 830, 841 (Bankr. C.D. Cal. 1991); *In re Lionel Corp.*,
25 722 F.2d 1063, 1069 (2d Cir. 1983). Business justification would include the need to close a sale
26 to one of very few serious bidders where an asset has been marketed and a delay could jeopardize
27 the transaction. *See, e.g., In re Crowthers McCall Pattner, Inc.*, 114 B.R. 877, 885 (Bankr.
28

1 S.D.N.Y. 1990) (extreme difficulty finding a buyer justified merger when buyer found). The
2 Trustee's proposed sale of the Property meets the foregoing criteria.

3 **1. Sound Business Purpose**

4 The Ninth Circuit has adopted a flexible, case-by-case test to determine whether the
5 business purpose for a proposed sale justifies disposition of property of the estate under Section
6 363(b). *In re Walter*, 83 B.R. 14 (B.A.P. 9th Cir. 1988). In *Walter*, the Ninth Circuit, adopting
7 the reasoning of the Fifth Circuit in *In re Continental Air Lines, Inc.*, 780 F.2d 1223 (5th Cir.
8 1986), and the Second Circuit in *In re Lionel Corp.*, 722 F.2d 1063 (2d Cir. 1983), set forth the
9 following standard to be applied under Bankruptcy Code Section 363(b):

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

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

18 Here, the facts surrounding the sale of the Property support the Trustee's business decision
19 that the proposed sale is in the best interests of the Estate and its creditors. Through the sale of
20 the Property the Trustee expects to generate net proceeds of approximately \$28,300.00 as follows
21 (amounts are estimated):

| | |
|---|--------------------|
| Property Sale Price | \$70,000.00 |
| Less amounts payable to Capital One Bank | (\$7,088.26) |
| Less amounts payable to the County of San Bernardino | (\$2,273.95) |
| Less real estate commission and costs of sale for the Property (6%) | (\$4,200.00) |
| Less amounts payable to Manuel Edeza | (\$28,218.89) |
| Estimated Net Sale Proceeds for the benefit of the Estate and its creditors. | \$28,218.89 |

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

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

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

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

12 The Trustee believes that it would be in the best interest of the Estate and its creditors to
13 sell the Property. The benefits to the Estate, as set forth above, are significant as the proposed
14 sale will yield an estimated \$28,300.00 to the Estate. If the Motion is not approved, the Estate
15 will not receive the sale proceeds and will likely lose the Buyer. The Trustee does not want to
16 lose this beneficial business opportunity. Thus, the Trustee has made a business decision that it is
17 in the best interest of the creditors of the Estate that this Motion be approved.

18 **3. Accurate and Reasonable Notice**

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

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

25 In compliance with FRBP 2002 and Bankruptcy Code Section 102(1), the Trustee shall
26 provide notice of the proposed sale of the Property and the Bidding Procedures to creditors and
27 parties in interest. The Notice of Motion will include a summary of the terms and conditions of
28 the proposed sale, the time fixed for filing objections, and a general description of the Property,

1 including the Bidding Procedures. The Trustee submits that the notice requirements will have
2 been satisfied, thereby allowing creditors and parties in interest an opportunity to object to the
3 sale. Hence, no further notice should be necessary.

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

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

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

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

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

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

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

- 25 (1) applicable non-bankruptcy law permits a sale of such property free and
26 clear of such interest;
- 27 (2) such entity consents;
- 28 (3) such interest is a lien and the price at which such property is to be sold is
greater than the aggregate value of all liens on such property;
- (4) such interest is in bona fide dispute; or

1 (5) such entity could be compelled, in a legal or equitable proceeding, to
2 accept money satisfaction of such interest.

3 11 U.S.C. § 363(f).

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

6 **1. Section 363(f)(2)**

7 A trustee may sell property partially owned by a debtor pursuant to Section 363(f)(2) with
8 the co-owner's consent. *See Moore v. Elder (In re Hatfield)*, 2009 Bankr. LEXIS 4578 (B.A.P.
9 9th Cir. Mar. 17, 2009). Prior to marketing the Property, the Trustee's counsel contacted Mr.
10 Edeza to determine whether Mr. Edeza was interested in purchasing the Estate's 50% interest in
11 the Property. Declaration of Ryan D. O'Dea ("O'Dea Decl.") ¶ 3. Mr. Edeza ultimately informed
12 the Trustee's counsel that he was unwilling/unable to purchase the Estate's interest. Declaration
13 of Richard Halderman ("Halderman Decl.") ¶ 7; O'Dea Decl. ¶ 5. In light of Mr. Edeza's
14 unwillingness to purchase the Estate's interest, Mr. Edeza was informed that the Trustee would
15 seek to sell the Property and that Mr. Edeza would be compensated for his 50% interest therein.
16 O'Dea Decl. ¶ 5. Mr. Edeza voiced no objection to the proposed sale of the Property. *Id.*;
17 Halderman Decl. ¶¶ 9 & 13. Mr. Edeza was then informed that the Broker would be in contact
18 with him in order to get the Property listed for sale. O'Dea Decl. ¶ 5. Mr. Edeza consented and
19 agreed to cooperate with the Trustee in the marketing and sale of the Property, which was
20 subsequently placed on the MLS. *Id.*; Halderman Decl. ¶ 9. Over the course of approximately 10
21 months, Mr. Edeza cooperated with the Trustee and the Broker in their marketing and sale efforts,
22 including but not limited to: (1) corresponding with the Broker, (2) maintaining the for sale sign
23 on the Property; and (3) cooperating and/or participating in approximately eight (8) individual
24 showings of the Property to prospective buyers. Halderman Decl. ¶¶ 9, 11 & 12. However, on the
25 eve of the Property's sale, Mr. Edeza now refuses to cooperate with the Trustee's proposed sale.
26 Halderman Decl. ¶ 16. Mr. Edeza's "bait-and-switch" is entirely improper and he should be
27 equitably estopped from withdrawing his consent to the sale of the Property.

28 The elements of equitable estoppel are that (1) the party knew facts; (2) the party intended
that his conduct be acted upon; (3) the estopping party was ignorant of true facts; and (4) the

1 estopping party relied to his damage. *See In re Heritage Hotel Partnership*, 160 B.R. 374 (9th Cir.
2 B.A.P., 1993), *aff'd*, 59 F.3d 175 (9th Cir. 1995); *See also Hay v. First Interstate Bank of*
3 *Kalispell, N.A.*, 978 F.2d 555 (9th Cir. 1992). In this case, Mr. Edeza was made aware of the
4 Trustee's intent to market and sell the Property. Mr. Edeza consented to the marketing and sale of
5 the Property and took the affirmative position that he would "cooperate fully" with the Trustee's
6 efforts. Mr. Edeza intended that his consent would be acted upon, a point which is conclusively
7 established by his actual cooperation with the Trustee's marketing efforts for approximately one
8 year. The Trustee, his counsel, and the Broker were not aware that Mr. Edeza had no intention of
9 honoring his promise to cooperate with the Trustee. As a direct result of Mr. Edeza material
10 change of position regarding his consent to the sale, the Trustee stands to lose this favorable
11 business opportunity. Therefore, Mr. Edeza should be collaterally estopped from revoking his
12 consent to the proposed sale.

13 Based on Mr. Edeza's consent to the Trustee's marketing and sale of the Property for
14 approximately one year, the proposed sale should be approved pursuant to Section 363(f)(2).

15 **2. Section 363(f)(3)**

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

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

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

25 Implementation of the Bidding Procedures is an action outside of the ordinary course of
26 the business. Bankruptcy Code Section 363(b)(1) provides that a trustee "after notice and
27 hearing, may use, sell or lease, other than in the ordinary course of business, property of the
28 estate." 11 U.S.C. § 363(b)(1). Furthermore, under Bankruptcy Code Section 105(a), "[t]he court

1 may issue any order, process, or judgment that is necessary or appropriate to carry out the
2 provisions of this title.” 11 U.S.C. § 105(a). Thus, pursuant to Bankruptcy Code Sections
3 363(b)(1) and 105(a), this Court may authorize the implementation of overbidding procedures.

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

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

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

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

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

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

25 The proposed Bidding Procedures serve the Estate in several ways. First, the Bidding
26 Procedures themselves are fair, reasonable and productive; they will permit the Trustee to conduct
27 an orderly sale and obtain the best possible price on the best possible terms for the Property.
28

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

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

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

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

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

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

28 Bankruptcy Code Section 327 allows, with court approval, for the trustee to employ

1 professional persons, “that do not hold or represent an interest adverse to the estate, and that are
2 disinterested persons.” 11 U.S.C. § 327(a). By an Order entered on April 12, 2013, the Trustee
3 was authorized to employ the Broker to assist the Trustee in the marketing and sale of the
4 Property.

5 Bankruptcy Code Section 328 allows employment of a professional person under Section
6 327 “on any reasonable terms and conditions of employment, including on a retainer, on an
7 hourly basis, on a fixed or percentage fee basis, or on a contingent fee basis.” 11 U.S.C. § 328(a)
8 (emphasis added). Through this Motion, as provided in the Agreement, the Trustee seeks
9 authorization to pay a real estate broker commission in the amount of six percent (6%) of the
10 purchase price. Through escrow on the sale of the Property, and subject to Bankruptcy Court
11 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 \$2,100.00 |
| The Buyer’s Broker Eden Capital Realty | Up to \$2,100.00 |

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16 **E. Turnover of the Property**

17 Bankruptcy Code Section 542(a) provides that a debtor “shall deliver to the trustee, and
18 account for, such property or the value of such property, unless such property is of
19 inconsequential value or benefit to the estate.” 11 U.S.C. § 542(a). The following must be
20 established in order for the Trustee to prevail in a turnover action: (1) that the asset in question is
21 property of Debtor’s bankruptcy estate; and (2) that the Trustee is entitled to use, sell, or lease the
22 assets. *See In re Sherry & O’Leary, Inc.*, 148 B.R. 248, 256 (Bankr. W.D. Pa. 1992); *see also, In*
23 *re Weiss-Wolf, Inc.*, 60 B.R. 969, 975 (Bankr. S.D.N.Y. 1986).

24 Bankruptcy Code section 541 is broadly construed to include all property interests,
25 whether reachable by state-law creditors or not, and whether vested or contingent. *United States v*
26 *Rauer*, 963 F.2d 1332 (10th Cir. 1992); *In re Yonikus*, 996 F.2d 866 (7th Cir. 1993) (virtually all
27 property of debtor becomes property of the estate; in fact, every conceivable interest of debtor,
28 including future, non-possessionary, contingent, speculative, and derivative, is within the scope of

1 Section 541). Section 541(a)(1) is intended to include in the estate any property made available to
2 the estate by other provisions of the Bankruptcy Code.

3 In this case, it is clear that the Property is property of the Estate, as title to the Property is
4 held partially in Debtor's name and the Property is listed on Debtor's bankruptcy schedules.
5 Because the Property is property of the Estate, which the Trustee may use for the benefit of the
6 creditors, turnover of this asset to the Trustee is appropriate and in accordance with statutory and
7 case law authority. Mr. Edeza is currently residing in the Property as his primary residence. In
8 order to close escrow on the Property and finalize the proposed sale of the Property, Mr. Edeza
9 must vacate the premises. The Trustee seeks turnover of the Property no later than the fifteenth
10 (15th) day after the Court's entry of order approving the sale contemplated by this Motion.

11 **IV. CONCLUSION**

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

- 14 1. Granting the Motion.
- 15 2. Approving the Bidding Procedures set forth above for the sale of the Property.
- 16 3. Authorizing the Trustee to sell the Property to the Buyer (or Successful Bidder)
17 pursuant to the terms and conditions as set forth in the Agreement attached as **Exhibit 2** to the
18 Anderson Declaration.
- 19 4. Authorizing the sale of the Property free and clear of liens.
- 20 5. Finding that Mr. Edeza is equitably estopped from revoking his long standing
21 consent to the Trustee's efforts to market and sell the Property.
- 22 6. Authorizing the Trustee to sign any and all documents convenient and necessary in
23 pursuit of the sale as set forth above, including but not limited to, any and all conveyances
24 contemplated by the Agreement attached as **Exhibit 2** to the Anderson Declaration.
- 25 7. Approving the payment of the real estate commission in the total amount not to
26 exceed six (6%) percent of the purchase price.
- 27 8. Authorizing the Trustee to pay from the proceeds of the sale of the Property
28 through escrow all amounts owing in relation to all secured liens and encumbrances on the

1 Property.

2 9. Authorizing the Trustee to pay from the proceeds of the sale of the Property all
3 ordinary and customary costs of sale, including escrow fees.

4 10. Finding that the Buyer is a good faith pursuant to Bankruptcy Code Section
5 363(m).

6 11. Ordering that Debtor and/or Mr. Edeza turnover the Property to the Trustee no
7 later than the fifteenth (15th) day after entry of court order approving sale of the Property.

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

10
11 **SHULMAN HODGES & BASTIAN LLP**

12 Dated: March 7, 2014

13 By: /s/ Ryan D. O'Dea
14 Leonard M. Shulman
15 Ryan D. O'Dea
16 Attorneys for Karl T. Anderson, Chapter 7 Trustee
17 for the bankruptcy estate of Sophia Romero
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DECLARATION OF KARL T. ANDERSON

I, Karl T. Anderson, declare:

1. I am the duly appointed, qualified and acting Chapter 7 Trustee for the bankruptcy estate of Sophia Romero, Case No. 6:12-bk-28431-WJ (“Debtor”). I have personal knowledge of the facts set forth herein, and if called and sworn as a witness, I could and would competently testify thereto, except where matters are stated on information and belief, in which case I am informed and believe that the facts so stated are true and correct.

2. I make this Declaration in support of my Motion for Order: (1) Approving the Sale of Real Property of the Estate 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, of which Debtor holds a 50% interest. The Preliminary Title Report on the Property (a true and correct copy of which is attached hereto as **Exhibit 1**) indicates that Debtor and Mr. Edeza were the owners on Petition Date.

5. Pursuant to Court order entered on April 12, 2013 (docket number 43), 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, Debtor listed the value of the Property at \$67,932.00. Further, Debtor’s schedules do not reflect a secured creditor with an encumbrance against the Property. 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 Debtor's Bankruptcy Schedule. The Property was listed
3 for sale at \$75,000.00. The Property has been listed on the MLS and advertised for sale since
4 October 2013. I received as offer of \$70,000.00 to purchase the Property which is the subject of
5 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 \$70,000.00. The purchase price includes a deposit of \$1,000.00. 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 \$28,000.00, or more if overbids are
15 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 March 6, 2014, at Palm Springs, California.

24 
25 _____
26 Karl T. Anderson
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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 Karl T. Anderson, the Chapter 7 trustee ("Trustee") for the bankruptcy estate ("Estate") of Sophia Romero ("Debtor").

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. On October 2, 2012, the Trustee emailed me a request to review the subject property located at 9725 Fifth St. in Victorville (the "Property"), 50% owned by the debtor and 50% owned by Mr. Edeza. In addition, the Trustee requested an evaluation of 14675 Coalinga Rd. also in Victorville.

5. On October 22, 2012, I presented the Trustee with a full evaluation and documents on both properties in Victorville. The Coalinga Road property was over encumbered and the Property had recoverable equity, even with the 50% ownership of Mr. Edeza.

6. The Trustee's counsel, as a result of an exemption hearing held in the Bankruptcy Court, contacted Mr. Edeza regarding purchasing the Estate's interest in the Property. In the interim, I assisted in the preparation of my employment application, necessary for the purpose of selling the 50% estate interest in the Property.

7. Mr. Edeza was not willing/able to purchase the Estate's interest in the Property. As a result, my employment application was filed with the Court. On April 15, 2013, the Court entered an Order authorizing my employment as broker for the Estate.

8. After my employment application was approved, I made several telephone calls to Mr. Edeza for the purpose of arranging an agreeable time for me to meet with him, review the

1 Property, review the Trustee's pending marketing effort, perform a full inspection and place a
2 "For Sale" sign on the Property. After several telephone messages to Mr. Edeza, he called me to
3 arrange for an onsite appointment, which was ultimately held on May 5, 2013 at 10:30 a.m.

4 9. During the May 5, 2013 onsite appointment, I spent approximately one hour with
5 Mr. Edeza. At this time, Mr. Edeza agreed to cooperate fully with the Trustee's efforts to market
6 and sell the Property. At this time I placed a "For Sale" sign on the Property. Upon returning to
7 my office, I placed the Property in the Multi-Regional MLS system.

8 10. Over a period of the next eight (8) to ten (10) months, I received approximately
9 twenty-five (25) telephone calls and ten (10) emails requesting information about the listing.
10 Ultimately I received four offers to purchase the Property. Two of the offers were rescinded, the
11 third offer resulted in an escrow but was ultimately cancelled after the buyer inspection. The
12 fourth offer is the current pending sale/escrow to be reviewed by the Court.

13 11. Approximately 3 months after I began marketing the Property I became aware
14 that Mr. Edeza removed the "For Sale" sign from the Property. Mr. Edeza informed me that he
15 thought the Property was no longer for sale. I notified Mr. Edeza that the Property was still for
16 sale, and he subsequently placed the "For Sale" sign back on the Property.

17 12. During the marketing period (between May, 2013 and January, 2014), I spoke
18 with Mr. Edeza approximately four (4) times by telephone for the purpose of setting appointment
19 times for prospective buyers' agents to show the Property. The Property was shown at least
20 another five (5) times, each of which were setup directly with Mr. Edeza by outside agents.

21 13. At no time did Mr. Edeza voice any objection or raise any issues to me regarding
22 the Trustee's marketing and sale efforts, only that "if the property is sold, I will have to find other
23 locations for the farm animals." In an attempt to assist Mr. Edeza, I began researching
24 organizations that may accept the ten (10) to (30) farm animals Mr. Edeza keeps on the Property.

25 14. On January 20, 2014, I received an offer to purchase the Property for \$70,000.00
26 from the Buyer. This offer represents the best and highest offer to date and is a fair
27 representative of the market value of the Property.

28 15. On February 12, 2014, the Buyer signed the addendum to the sale agreement.

1 16. On February 20, 2014 (between 1:15 p.m. and 1:35 p.m.), I met on the Property
2 with Mr. Edeza, for the purpose of explaining the pending Motion. Mr. Edeza informed me for
3 the first time, in spite of his cooperation with my marketing and sale efforts over the previous
4 eight (8) to ten (10) months, he was not going to sign a declaration in support of the Motion and
5 did not want to sell the Property.

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

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

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

19 Executed on March 5, 2014 at Newport Beach, California.

20 
21 Richard Halderman
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DECLARATION OF RYAN D. O'DEA

I, Ryan D. O'Dea, declare and state as follows:

1. I am an associate with Shulman Hodges & Bastian LLP, general counsel for Karl T. Anderson, the Chapter 7 trustee ("Trustee") for the bankruptcy estate ("Estate") of Sophia Romero ("Debtor"). I have personal knowledge of the facts contained in this declaration. I make this declaration in support of the Trustee's Motion for Order Approving Sale of Real Property ("Motion") filed by the Trustee.

2. All capitalized terms not otherwise defined in this Declaration shall have the meaning ascribed to each in the Reply.

3. On February 22, 2013, I sent written correspondence (the "Correspondence") to Mr. Edeza to determine whether he was interested in purchasing the Estate's interest in the Property. Attached as **Exhibit 3** is a true and correct copy of the Correspondence sent to Mr. Edeza. The Correspondence also informs Mr. Edeza that if he does not desire to purchase the Property, the Trustee will seek to sell the Property and take all reasonable and necessary steps to accomplish this end.

4. On or about February 26, 2013, Mr. Edeza contacted me via telephone. During this call Mr. Edeza informed me that he would consider purchasing the Estate's interest in the Property.

5. On or about March 6, 2013, Mr. Edeza contacted me via telephone and informed me that he was unwilling/unable to purchase the Estate's interest in the Property. As a result, I informed Mr. Edeza that the Trustee has no option but to sell the entirety of the Property. Mr. Edeza inquired as to how the Trustee could sell his half of the Property, and in response to which, I informed him of the Trustee's power to sell the Property pursuant to Section 363(h). I informed Mr. Edeza that the Trustee may proceed with the sale of the Property in one of two ways: (1) with Mr. Edeza's consent; or (2) by bringing an adversary action against him in the bankruptcy court to authorize the sale. I inquired as to whether Mr. Edeza consented to the sale of the Property, and if so, I would have Richard Halderman get in contact with him. Mr. Edeza voiced no objection, stated that he would cooperate with the Trustee's and the Broker's efforts,

1 and told us to “do what we need to do” to sell the Property.

2 6. On March 7, 2013 I contacted the Broker and requested that he put together a
3 listing agreement for the Property.

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

6 Executed on March 7, 2014 at Irvine, California.

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/s/ Ryan D. O’Dea
Ryan D. O’Dea

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DECLARATION OF PETER YONG KOO YOUN

I, Peter Yong Koo Youn, 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 Karl T. Anderson, the Chapter 7 trustee ("Trustee") for the bankruptcy estate ("Estate") of Sophia Romero ("Debtor").

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

3. I am the Buyer and have authority to make this declaration.

4. As set forth in the Motion, I made an offer to purchase the Property for \$70,000.00.

5. I do not have a relationship with the Trustee, nor do I intend to have a relationship with the Trustee after the sale.

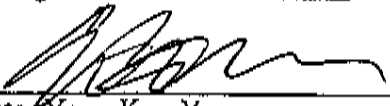
6. There is no consideration contemplated to be transferred to the Trustee or myself as part of the sale beyond the price being paid for the Property.

7. I have 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 I am 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 March 6, 2014 at Orland, California.



Peter Yong Koo Youn

EXHIBIT “1”

PRELIMINARY TITLE REPORT



Fidelity National Title Company

PRELIMINARY REPORT

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

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

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

*The policy(s) of title insurance to be issued hereunder will be policy(s) of **Fidelity National Title Insurance Company**, a California Corporation.*

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

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

Countersigned by:

A handwritten signature in black ink, appearing to read "Kelly Uno".

Authorized Signature



BY

ATTEST

A handwritten signature in black ink, likely belonging to the President of the company.

President

A handwritten signature in black ink, likely belonging to the Secretary of the company.

Secretary

Authorized Signature



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.: **00048541-997-OC1-DT**

LOAN NO.:

Ambergate Escrow, Inc.
3742 Tibetts Street, Suite 201
Riverside, CA 92506

ATTN: Lisa Beavers
YOUR REF: 3720-LB

PROPERTY: **9725 5th Street, Victorville, CA**

EFFECTIVE DATE: September 30, 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:

Sophia Charlene Romero, an unmarried woman and Manuel Edeza, an unmarried man, as Joint Tenants

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 10, 2013

PRELIMINARY REPORT
YOUR REFERENCE: 3720-LB

Fidelity National Title Company
ORDER NO.: 00048541-997-OC1-DT

EXHIBIT A

LEGAL DESCRIPTION

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

GOVERNMENT LOT 25, SECTION 6, TOWNSHIP 4 NORTH, RANGE 5 WEST, SAN BERNARDINO MERIDIAN, ACCORDING TO OFFICIAL PLAT THEREOF.

EXCEPTING THEREFROM THAT PORTION DEEDED TO THE STATE OF CALIFORNIA BY DEED RECORDED SEPTEMBER 26, 1968, IN BOOK 7100, PAGE 258, OFFICIAL RECORDS, DESCRIBED AS FOLLOWS:

THAT PORTION OF GOVERNMENT LOT 25 IN THE SOUTHWEST 1/4 OF FRACTIONAL SECTION 6, TOWNSHIP 4 NORTH, RANGE 5 WEST, SAN BERNARDINO MERIDIAN, ACCORDING TO THE DEPENDENT RESURVEY AND SUBDIVISION OF SAID SECTION ON FILE IN THE UNITED STATES DEPARTMENT OF INTERIOR, BUREAU OF LAND MANAGEMENT, DATED JANUARY 18, 1960, DESCRIBED AS FOLLOWS:

BEGINNING AT THE WEST QUARTER CORNER OF SAID SECTION 6; THENCE ALONG THE NORTHERLY LINE OF SAID LOT 25, NORTH 88° 13' 19" EAST, 30.01 FEET; THENCE SOUTH 4° 00' 00" EAST, 359.70 FEET; THENCE SOUTH 69° 23' 16" EAST, 262.86 FEET TO THE EASTERLY LINE OF SAID LOT 25; THENCE ALONG SAID EASTERLY LINE SOUTH 0° 04' 04" WEST, 202.00 FEET TO THE SOUTHERLY LINE OF SAID LOT 25; THENCE ALONG SAID SOUTHERLY LINE SOUTH 88° 14' 56" WEST, 296.81 FEET TO THE WESTERLY LINE OF SAID SECTION 6; THENCE ALONG SAID WESTERLY LINE NORTH 00 21' 54, " WEST, 661.51 FEET TO THE POINT OF BEGINNING. BEARING AND DISTANCES USED IN THE ABOVE DESCRIPTION ARE BASED UPON THE CALIFORNIA COORDINATED SYSTEM, ZONE 5.

ALSO EXCEPTING THEREFROM ALL OIL, GAS AND OTHER MINERAL DEPOSITS, TOGETHER WITH THE RIGHT TO PROSPECT FOR, MINE, AND REMOVE THE SAME, AS RESERVED IN THE PATENT FROM THE UNITED STATES OF AMERICA, RECORDED SEPTEMBER 11, 1968, IN BOOK 7091, PAGE 772, OFFICIAL RECORDS.

APN: **3071-051-01-0-000**

PRELIMINARY REPORT
YOUR REFERENCE: 3720-LB

Fidelity National Title Company
ORDER NO.: 00048541-997-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 2014-2015

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

Code Area: 101-078
Tax Identification No.: 3071-051-01-0-000
Fiscal Year: 2013-2014
1st Installment: \$434.21 DELINQUENT PLUS PENALTY \$43.43
2nd Installment: \$434.17 OPEN
Exemption: \$NONE
Land: \$27,710
Improvements: \$42,143
Bill No.: 130713031

3. Said property has been declared tax defaulted for non-payment of delinquent taxes for the fiscal year 2011-2012

Default Date: June 30, 2010

Amounts to redeem for the above-stated fiscal year (and subsequent years, if any) are:

Amount: \$2,223.19 by: JANUARY 31, 2014
Amount: \$2248.57, by: FEBRUARY 28, 2014

4. 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.

5. Rights of the Public in and to that portion of the land lying within the boundaries of any road, street or highway.

6. A right of way for ditches and canals as reserved by the United States of America in the Patent recorded March 15, 1954 , in Book 3345, Page 443 of Official Records.

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

Purpose: Right of Way and Incidental Purposes
Recording Date: July 22, 1955
Recorded.: in Book 3697, Page 494, of Official Records
Affects: A portion of said land as described therein.

8. Matters contained in that certain document

Entitled: Joint Use and Occupancy Agreement
Recording Date: November 25, 1974
Recording No.: Book 8564, Page 1398, of Official Records
Reference is hereby made to said document for full particulars

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

PRELIMINARY REPORT
YOUR REFERENCE: 3720-LB

Fidelity National Title Company
ORDER NO.: 00048541-997-OC1-DT

EXCEPTIONS
(Continued)

Purpose: Right of Way and Incidental Purposes
Recording Date: July 23, 1976
Recording No.: Instrument No. 1976-526, Book 8564, Page 1033, of Official Records
Affects: Said land

10. 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: December 20, 2006
Recording No.: Instrument No. 2006-896250, of Official Records
Redevelopment Agency: Victorville Redevelopment Project

11. Please be advised that our search did not disclose any open Deeds of Trust of record. If you should have knowledge of any outstanding obligation, please contact the Title Department immediately for further review prior to closing.

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

Amount: \$7,088.26
Debtor: Sophia Romero
Creditor: Capital One Bank (USA), N.A.
Date Entered: July 11, 2011
County: San Bernardino
Court: Superior
Case No. CIVVS 1102482
Recording Date: November 22, 2011
Recording No.: Instrument No. 2011-0499790, of Official Records

13. 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): Sophia Romero

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.

14. 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

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

PRELIMINARY REPORT
YOUR REFERENCE: 3720-LB

Fidelity National Title Company
ORDER NO.: 00048541-997-OC1-DT

EXCEPTIONS
(Continued)

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.

15. 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: 3720-LB

Fidelity National Title Company
ORDER NO.: 00048541-997-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 9725 5th Street, Victorville, 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. Note: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.
6. 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.
7. 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
8. 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.

PRELIMINARY REPORT
YOUR REFERENCE: 3720-LB

Fidelity National Title Company
ORDER NO.: 00048541-997-OC1-DT

NOTES
(Continued)

9. 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.

10. 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

**Fidelity National Financial, Inc.
Privacy Statement**

Fidelity National Financial, Inc. and its subsidiaries ("FNF") respect the privacy and security of your non-public personal information ("Personal Information") and protecting your Personal Information is one of our top priorities. This Privacy Statement explains FNF's privacy practices, including how we use the Personal Information we receive from you and from other specified sources, and to whom it may be disclosed. FNF follows the privacy practices described in this Privacy Statement and, depending on the business performed, FNF companies may share information as described herein.

Personal Information Collected

We may collect Personal Information about you from the following sources:

- Information we receive from you on applications or other forms, such as your name, address, social security number, tax identification number, asset information, and income information;
- Information we receive from you through our Internet websites, such as your name, address, email address, Internet Protocol address, the website links you used to get to our websites, and your activity while using or reviewing our websites;
- Information about your transactions with or services performed by us, our affiliates, or others, such as information concerning your policy, premiums, payment history, information about your home or other real property, information from lenders and other third parties involved in such transaction, account balances, and credit card information; and
- Information we receive from consumer or other reporting agencies and publicly recorded documents.

Disclosure of Personal Information

We may provide your Personal Information (excluding information we receive from consumer or other credit reporting agencies) to various individuals and companies, as permitted by law, without obtaining your prior authorization. Such laws do not allow consumers to restrict these disclosures. Disclosures may include, without limitation, the following:

- To insurance agents, brokers, representatives, support organizations, or others to provide you with services you have requested, and to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure in connection with an insurance transaction;
- To third-party contractors or service providers for the purpose of determining your eligibility for an insurance benefit or payment and/or providing you with services you have requested;
- To an insurance regulatory authority, or a law enforcement or other governmental authority, in a civil action, in connection with a subpoena or a governmental investigation;
- To companies that perform marketing services on our behalf or to other financial institutions with which we have joint marketing agreements and/or
- To lenders, lien holders, judgment creditors, or other parties claiming an encumbrance or an interest in title whose claim or interest must be determined, settled, paid or released prior to a title or escrow closing.

We may also disclose your Personal Information to others when we believe, in good faith, that such disclosure is reasonably necessary to comply with the law or to protect the safety of our customers, employees, or property and/or to comply with a judicial proceeding, court order or legal process.

Disclosure to Affiliated Companies – We are permitted by law to share your name, address and facts about your transaction with other FNF companies, such as insurance companies, agents, and other real estate service providers to provide you with services you have requested, for marketing or product development research, or to market products or services to you. We do not, however, disclose information we collect from consumer or credit reporting agencies with our affiliates or others without your consent, in conformity with applicable law, unless such disclosure is otherwise permitted by law.

Disclosure to Nonaffiliated Third Parties – We do not disclose Personal Information about our customers or former customers to nonaffiliated third parties, except as outlined herein or as otherwise permitted by law.

Confidentiality and Security of Personal Information

We restrict access to Personal Information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard Personal Information.

Access to Personal Information/Requests for Correction, Amendment, or Deletion of Personal Information

As required by applicable law, we will afford you the right to access your Personal Information, under certain circumstances to find out to whom your Personal Information has been disclosed, and request correction or deletion of your Personal Information. However, FNF's current policy is to maintain customers' Personal Information for no less than your state's required record retention requirements for the purpose of handling future coverage claims.

For your protection, all requests made under this section must be in writing and must include your notarized signature to establish your identity. Where permitted by law, we may charge a reasonable fee to cover the costs incurred in responding to such requests. Please send requests to:

Chief Privacy Officer
Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, FL 32204

Changes to this Privacy Statement

This Privacy Statement may be amended from time to time consistent with applicable privacy laws. When we amend this Privacy Statement, we will post a notice of such changes on our website. The effective date of this Privacy Statement, as stated above, indicates the last time this Privacy Statement was revised or materially changed.

Privacy Policy Effective Date: 5/1/2008

Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the field rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for each discount. These discounts only apply to transaction involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

FNF Underwritten Title Company

FNTC - Fidelity National Title Company

FNTCCA – Fidelity National Title Company of California

FNF Underwriter

FNTIC - Fidelity National Title Insurance Company

Available Discounts

CREDIT FOR PRELIMINARY REPORTS AND/OR COMMITMENTS ON SUBSEQUENT POLICIES (FNTIC)

Where no major change in the title has occurred since the issuance of the original report or commitment, the order may be reopened within 12 months and all or a portion of the charge previously paid for the report or commitment may be credited on a subsequent policy charge within the following time period from the date of the report.

FEE REDUCTION SETTLEMENT PROGRAM (FNTC, FNTCCA and FNTIC)

Eligible customers shall receive \$20.00 reduction in their title and/or escrow fees charged by the Company for each eligible transaction in accordance with the terms of the Final Judgments entered in The People of the State of California.

DISASTER LOANS (FNTIC)

The charge for a lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within 24 months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be 50% of the appropriate title insurance rate.

CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (FNTIC)

On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be 50% to 70% of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be 40% to 50% of the appropriate title insurance rate, depending on the type of coverage selected.

Notice

You may be entitled to receive a \$20.00 discount on escrow services if you purchased, sold or refinanced residential property in California between May 19, 1995 and November 1, 2002. If you had more than one qualifying transaction, you may be entitled to multiple discounts.

If your previous transaction involved the same property that is the subject of your current transaction, you do not have to do anything; the Company will provide the discount, provided you are paying for escrow or title services in this transaction.

If your previous transaction involved property different from the property that is the subject of your current transaction, you must – prior to the close of the current transaction - inform the Company of the earlier transaction, provide the address of the property involved in the previous transaction, and the date or approximate date that the escrow closed to be eligible for the discount.

Unless you inform the Company of the prior transaction on property that is not the subject of this transaction, the Company has no obligation to conduct an investigation to determine if you qualify for a discount. If you provide the Company information concerning a prior transaction, the Company is required to determine if you qualify for a discount which is subject to other terms and conditions.

Effective through November 1, 2014

ATTACHMENT ONE

**AMERICAN LAND TITLE ASSOCIATION
RESIDENTIAL TITLE INSURANCE POLICY (6-1-87) EXCLUSIONS**

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

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

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date.

This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.

2. The right to take the land by condemning it, unless:
 - a notice of exercising the right appears in the public records on the Policy Date

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

1. Any rights, interests, or claims of parties in possession of the land not shown by the public records.
2. Any easements or liens not shown by the public records. This does not limit the lien coverage in Item 8 of Covered Title Risks.

- the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking.

3. Title Risks:

- that are created, allowed, or agreed to by you
- that are known to you, but not to us, on the Policy Date—unless they appeared in the public records
- that result in no loss to you
- that first affect your title after the Policy Date—this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks

4. Failure to pay value for your title.

5. Lack of a right:

- to any land outside the area specifically described and referred to in Item 3 of Schedule A

OR

- in streets, alleys, or waterways that touch your land

This exclusion does not limit the access coverage in Item 5 of Covered Title Risks

3. Any facts about the land which a correct survey would disclose and which are not shown by the public records. This does not limit the forced removal coverage in Item 12 of Covered Title Risks.

4. Any water rights or claims or title to water in or under the land, whether or not shown by the public records.

ATTACHMENT ONE
(Continued)

CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990
EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy); or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

SCHEDULE B, PART I
EXCEPTIONS FROM COVERAGE

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

PART I

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

**ATTACHMENT ONE
(CONTINUED)**

**FORMERLY AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10-17-92)
WITH A.L.T.A. ENDORSEMENT-FORM 1 COVERAGE
EXCLUSIONS FROM COVERAGE**

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

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy); or
- (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine or equitable subordination; or
 - (iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

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

EXCEPTIONS FROM COVERAGE

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

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

**ATTACHMENT ONE
(CONTINUED)
2006 AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE**

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by

the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

- (c) resulting in no loss or damage to the Insured Claimant;
- (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13 or 14); or
- (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

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

EXCEPTIONS FROM COVERAGE

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

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

**ATTACHMENT ONE
(CONTINUED)**

**FORMERLY AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (10-17-92)
EXCLUSIONS FROM COVERAGE**

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

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

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

EXCEPTIONS FROM COVERAGE

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

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

**ATTACHMENT ONE
(CONTINUED)**

**2006 AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE**

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;

- (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
 5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

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

EXCEPTIONS FROM COVERAGE

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

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

**ATTACHMENT ONE
(CONTINUED)
CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10-22-03)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10-22-03)
EXCLUSIONS**

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

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:
 - a. building
 - b. zoning
 - c. Land use
 - d. improvements on Land
 - e. land division
 - f. environmental protection

This Exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.
This Exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
3. The right to take the Land by condemning it, unless:
 - a. notice of exercising the right appears in the Public Records at the Policy Date; or
- b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records.
 - b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date—this does not limit the coverage described in Covered Risk 7, 8.d., 22, 23, 24 or 25.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 18.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 14, 15, 16, and 18, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A. The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

| | Your Deductible Amount | Our Maximum Dollar Limit of Liability |
|------------------|--|--|
| Covered Risk 14: | 1% of Policy Amount or \$2,500.00 (whichever is less) | \$10,000.00 |
| Covered Risk 15: | 1% of Policy Amount or \$5,000.00 (whichever is less) | \$25,000.00 |
| Covered Risk 16: | 1% of Policy Amount or \$5,000.00 (whichever is less) | \$25,000.00 |
| Covered Risk 18: | 1% of Policy Amount or \$2,500.00 (whichever is less) | \$5,000.00 |

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

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

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
 - a. building;
 - b. zoning;
 - c. land use;
 - d. improvements on the Land;
 - e. land division; and
 - f. environmental protection.
2. This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
3. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
4. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
5. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date—this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
6. Failure to pay value for Your Title.
7. Lack of a right:
 - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land. This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
8. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

| | Your Deductible Amount | Our Maximum Dollar Limit of Liability |
|------------------|--|--|
| Covered Risk 16: | 1% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less) | \$10,000.00 |
| Covered Risk 18: | 1% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less) | \$25,000.00 |
| Covered Risk 19: | 1% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less) | \$25,000.00 |
| Covered Risk 21: | 1% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less) | \$5,000.00 |

**ATTACHMENT ONE
(CONTINUED)
ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01)
EXCLUSIONS FROM COVERAGE**

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

1. (a) Any law, ordinance or governmental regulation (including but not limited to zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions or location of any improvements now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or areas of the Land or any parcel of which the Land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14 and 16 of this policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records a Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the Public Records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without Knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (this paragraph does not limit the coverage provided under Covered Risks 8, 16, 18, 19, 20, 21, 22, 23, 24, 25 and 26); or
- (e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the Land is situated.
5. Invalidity or unenforceability of the lien of the Insured Mortgage, or claim thereof, which arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, except as provided in Covered Risk 27, or any consumer credit protection or truth-in-lending law.
6. Real property taxes or assessments of any governmental authority which become a lien on the Land subsequent to date of Policy. This exclusion does not limit the coverage provided under Covered Risks 7, 8(e) and 26.
7. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This exclusion does not limit the coverage provided in Covered Risk 8.
8. Lack of priority of the lien of the Insured Mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting the title, the existence of which are Known to the Insured at:
 - (a) The time of the advance; or
 - (b) The time a modification is made to the terms of the Insured Mortgage which changes the rate of interest charged, if the rate of interest is greater as a result of the modification than it would have been before the modification. This exclusion does not limit the coverage provided in Covered Risk 8.
9. The failure of the residential structure, or any portion thereof to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at Date of Policy.

**ATTACHMENT ONE
(CONTINUED)
ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (07/26/10)**

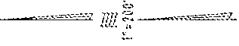
EXCLUSIONS FROM COVERAGE

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

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

N.1/2, S.W.1/4, Fract'l Sec. 6, T.4N., R.5W., S.B.M.
 Snowline Joint Unified 3071-05
 Tax Rate Area
 101006 101078

IS FOR ENC PURPOSE
 LEGAL TAXATION ONLY.



97/03/08 PM
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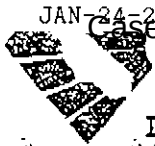
Assessor's Map
 Book 3071 Page 05
 San Bernardino County

Parcel Map No. 3057, P.M. 27/58

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.

EXHIBIT “2”

SALE AGREEMENT AND COUNTER OFFER



In re Romero, Sophia Chapter 7 Bk. #6-12-28431 WJ

Date January 20, 2014

This is a counter offer to the California Residential Purchase Agreement, Counter Offer No. _____, or Other _____ ("Offer"), dated January 15, 2014 on property known as 9725 Fifth St., Victorville, CA 92392 ("Property"), between Peter Yong Koo Youn ("Buyer") and Karl Anderson, Chapter 7 Trustee ("Seller").

1. TERMS: The terms and conditions of the above referenced document are accepted subject to the following:
- A. Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer.
 - B. Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer. warranties.
 - C. OTHER TERMS:
 1. Property is being sold in AS IS condition with no expressed/implied
 2. Sale subject to Bankruptcy Court approval and overbid.
 3. Escrow to be with Ambergate Escrow, Riverside. Title insurance with Fidelity Tit
 4. Seller does not accept page seven, paragraphs 25 & 26.

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

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

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

6. OFFER: BUYER OR SELLER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY. Karl Anderson, Chapter 7 Trustee Date January 21, 2014

6. ACCEPTANCE: I/WE accept the above Counter Offer (if checked SUBJECT TO THE ATTACHED COUNTER OFFER) and acknowledge receipt of a Copy. Peter Yong Koo Youn Date 1/21/14 Time 3:10 AM/PM

7. MULTIPLE COUNTER OFFER SIGNATURE LINE: By signing below, Seller accepts this Multiple Counter Offer. NOTE TO SELLER: Do NOT sign in this box until after Buyer signs in paragraph 6. (Paragraph 7 applies only if paragraph 4 is checked.)

Date _____ Time _____ AM/PM

8. (_____) (Initials) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by the maker of the Counter Offer, or that person's authorized agent as specified in paragraph 3 (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent as specified in paragraph 4) on (date) _____ at _____ AM/PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by the maker of the Counter Offer, or that person's authorized agent (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent) whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Acceptance has occurred.

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525 South W-101 Avenue, Los Angeles, California 90020

Reviewed by _____ Date _____





In re Romero, Sophia Chapter 7 Bk. #6-12-28431 WJ

This is a counter offer to the California Residential Purchase Agreement, Counter Offer No. _____ or Other _____ ("Offer"), dated January 15, 2014, on property known as 9725 Fifth St., Victorville, CA 92392 ("Property"), between Peter Yong Koo Youn ("Buyer") and Karl Anderson, Chapter 7 Trustee ("Seller").

1. TERMS: The terms and conditions of the above referenced document are accepted subject to the following:
- A. Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer.
 - B. Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer. warranties.
 - C. OTHER TERMS:
 1. Property is being sold in AS IS condition with no expressed/implied
 2. Sale subject to Bankruptcy Court approval and overbid.
 3. Escrow to be with Ambergate Escrow, Riverside. Title insurance with Fidelity Title.
 - 4 Seller does not accept page seven, paragraphs 25 & 26.

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

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

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

5. OFFER: BUYER OR SELLER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY. Date January 21, 2014
Karl Anderson, Chapter 7 Trustee Date _____

6. ACCEPTANCE: I/we accept the above Counter Offer (if checked SUBJECT TO THE ATTACHED COUNTER OFFER) and acknowledge receipt of a Copy.
 _____ Date _____ Time _____ AM/PM
 _____ Date _____ Time _____ AM/PM

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

8. (_____) (Initials) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by the maker of the Counter Offer, or that person's authorized agent as specified in paragraph 3 (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent as specified in paragraph 4) on (date) _____ at _____ AM/PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by the maker of the Counter Offer, or that person's authorized agent (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent) whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Acceptance has occurred.

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CALIFORNIA ASSOCIATION OF REALTORS

EDEN CAPITAL REALTY Main Document Page 60 of 80 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)

Date January 15, 2014

1. OFFER:

- A. THIS IS AN OFFER FROM PETER YONG KOO YOON ("Buyer").
B. THE REAL PROPERTY TO BE ACQUIRED is described as 9725 5th St., Victorville, CA 92392
C. THE PURCHASE PRICE offered is Seventy Thousand Dollars \$ 70,000.00
D. CLOSE OF ESCROW shall occur on (date) (or 30 Days After Acceptance).

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.
C. CONFIRMATION: The following agency relationships are hereby confirmed for this transaction: Listing Agent (0262) Lido Pacific Asset Mgmt. Selling Agent EDEN CAPITAL REALTY

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 \$ 1,000.00
B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of \$
C. LOAN(S): (1) FIRST LOAN: in the amount of \$
(2) SECOND LOAN: in the amount of \$
D. ADDITIONAL FINANCING TERMS: CASH BUYERS
E. BALANCE OF DOWN PAYMENT OR PURCHASE PRICE in the amount of \$ 69,000.00
F. PURCHASE PRICE (TOTAL): \$ 70,000.00

Buyer's Initials (Y) ()

Seller's Initials (X) ()

SUBJECT TO COUNTER OFFER



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

Reviewed by _____ Date _____

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 1 OF 8)

Agent: Grace Kim Phone: 760.868.5618 Fax: 866.839.6625 Prepared using zipForm® software
Broker: EDEN CAPITAL REALTY, 4834 Smoke Tree Road Phelan, CA 92371

Property Address: Victorville, CA 92392 Date: January 15, 2014

G. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS: Buyer (or Buyer's lender or loan broker pursuant to 3H(1) shall, within 7 (or _____) Days After Acceptance, Deliver to Seller written verification of Buyer's down payment and closing costs. (If checked, verification attached.)

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 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 _____ a registered structural pest control company. (2) Buyer Seller shall pay to have septic or private sewage disposal systems inspected _____ (3) Buyer Seller shall pay to have domestic wells tested for water potability and productivity _____ (4) Buyer Seller shall pay for a natural hazard zone disclosure report prepared by _____ (5) Buyer Seller shall pay for the following inspection or report _____ (6) Buyer Seller shall pay for the following inspection or report _____

- B. GOVERNMENT REQUIREMENTS AND RETROFIT: (1) Buyer Seller shall pay for smoke detector installation and/or water heater bracing, if required by Law. Prior to Close Of Escrow, Seller shall provide Buyer written statement(s) of compliance in accordance with state and local Law, unless exempt. (2) Buyer Seller shall pay the cost of compliance with any other minimum mandatory government retrofit standards, inspections and reports if required as a condition of closing escrow under any Law. _____

- C. ESCROW AND TITLE: (1) Buyer Seller shall pay escrow fee 50%/50%. Escrow Holder shall be _____ (2) Buyer Seller shall pay for owner's title insurance policy specified in paragraph 12E _____ Owner's title policy to be issued by _____ (Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)

- D. OTHER COSTS: (1) Buyer Seller shall pay County transfer tax or fee _____ (2) Buyer Seller shall pay City transfer tax or fee _____ (3) Buyer Seller shall pay Homeowner's Association ("HOA") transfer fee _____ (4) Buyer Seller shall pay HOA document preparation fees _____ (5) Buyer Seller shall pay for any private transfer fee _____ (6) Buyer Seller shall pay the cost, not to exceed \$ _____, 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 those coverages to determine those that may be suitable for Buyer. (7) Buyer Seller shall pay for _____ (8) Buyer Seller shall pay for _____

Buyer's Initials (Y) (_____)

SUBJECT TO COUNTER OFFER

Seller's Initials ([Signature]) (_____)
Reviewed by _____ Date _____



9725 5th St.

Main Document Page 62 of 80

Property Address: Victorville, CA 92392

Date: January 15, 2014

5. CLOSING AND POSSESSION:

- A. Buyer intends (or does not intend) to occupy the Property as Buyer's primary residence.
- B. Seller-occupied or vacant property: Possession shall be delivered to Buyer 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.moganslaw.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/remotes controls, mailbox, in-ground landscaping, trees/shrubs, water softeners, water purifiers, security systems/alarms; (If checked) stove(s), refrigerator(s);

SUBJECT TO COUNTER OFFER

Buyer's Initials (Y) (_____)

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

RPA-CA REVISED 4/13 (PAGE 3 OF 8)

Reviewed by _____ Date _____



9725 5th St.

Main Document Page 63 of 80

Property Address: Victorville, CA 92392

Date: January 15, 2014

- (3) The following additional items:
- (4) Seller represents that all items included in the purchase price, unless otherwise specified, are owned by Seller.
- (5) All items included shall be transferred free of liens and without Seller warranty.
- C. **ITEMS EXCLUDED FROM SALE:** 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
- 9. **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 Indemnity and Seller protection for entry upon property:** Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer Investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Nonresponsibility" (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:

| | | |
|--|-----------|--|
| <input type="checkbox"/> Seller Property Questionnaire (C.A.R. Form SPQ) | OR | <input type="checkbox"/> Supplemental Contractual and Statutory Disclosure (C.A.R. Form SSD) |
|--|-----------|--|
 - B. **Addenda (If checked):**

| | |
|--|--|
| <input type="checkbox"/> Wood Destroying Pest Inspection and Allocation of Cost Addendum (C.A.R. Form WPA) | <input type="checkbox"/> Addendum # _____ (C.A.R. Form ADM) |
| <input type="checkbox"/> Purchase Agreement Addendum (C.A.R. Form PAA) | <input type="checkbox"/> Septic, Well and Property Monument Addendum (C.A.R. Form SWP) |
| <input type="checkbox"/> Short Sale Addendum (C.A.R. Form SSA) | <input type="checkbox"/> Other _____ |
 - C. **Advisories (If checked):**

| | |
|---|---|
| <input type="checkbox"/> Probate Advisory (C.A.R. Form PAK) | <input checked="" type="checkbox"/> Buyer's Inspection Advisory (C.A.R. Form BIA) |
| <input type="checkbox"/> Trust Advisory (C.A.R. Form TA) | <input type="checkbox"/> Statewide Buyer and Seller Advisory (C.A.R. Form SBSA) |
| | <input type="checkbox"/> 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 (Y) ()

SUBJECT TO COUNTER OFFER

Seller's Initials () ()

Reviewed by _____ Date _____



Property Address: Victorville, CA 92392

Date: January 15, 2014

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 COP) 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 DCE).

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

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 (Y) (_____)

SUBJECT TO COUNTER OFFER Seller's Initials ([Signature]) (_____)



9725 5th St.

Main Document

Page 65 of 80

Property Address: Victorville, CA 92392

Date: January 15, 2014

- 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.

SUBJECT TO COUNTER OFFER

Buyer's Initials (Y) (_____)

Seller's Initials (X) (_____)

Reviewed by _____ Date _____



9725 5th St.

Property Address: Victorville, CA 92392

Date: January 15, 2014

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 [Signature] / Seller's Initials [Signature]

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 [Signature] / Seller's Initials [Signature]

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 ([Signature]) (_____)

SUBJECT TO COUNTER OFFER
[Signature] Seller's Initials ([Signature]) (_____)

Reviewed by _____ Date _____



9725 5th St.

Main Document Page 67 of 80

Property Address: Victorville, CA 92392

Date: January 15, 2014

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 _____, who is authorized to receive it, by 5:00 PM on the third Day after this offer is signed by Buyer (or, if checked, AM PM, on _____ (date)).

Date 01/15/2014
BUYER PETER YONG KOO YOUN
(Print name)
(Address)

Date
BUYER
(Print name)

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.

X (if checked) SUBJECT TO ATTACHED COUNTER OFFER (C.A.R. Form CO) DATED: January 20, 2014
Date January 20, 2014
SELLER Karl Anderson, Chapter 7 Trustee
(Print name)
(Address)

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

REAL ESTATE BROKERS:
A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.
B. Agency relationships are confirmed as stated in paragraph 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) EDEN CAPITAL REALTY BRE Lic. # 01835369
By Grace Kim BRE Lic. # 01725817 Date 01/15/2014
Address 4037 Phelan Rd. #C-1 City Phelan State CA Zip 92371
Telephone (760) 868-9300 Fax (760) 868-9333 E-mail edenrealty2@hotmail.com
Real Estate Broker (Listing Firm) (0262) Lido Pacific Asset Mgmt. BRE Lic. #
By BRE Lic. # Date
Address City State Zip
Telephone Fax E-mail

ESCROW HOLDER ACKNOWLEDGMENT:
Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked, a deposit in the amount of \$ _____), counter offer number _____ 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 Junction Escrow #
By Date
Address
Phone/Fax/E-mail
Escrow Holder is licensed by the California Department of Corporations, Insurance, Real Estate. Licenso #

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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Reviewed by Broker or Designee Date





CALIFORNIA
ASSOCIATION
OF REALTORS®

BUYER'S INSPECTION ADVISORY

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

Property Address: 9725 5th St., Victorville, CA 92392 ("Property").

A. IMPORTANCE OF PROPERTY INVESTIGATION: The physical condition of the land and improvements being purchased is not guaranteed by either Seller or Brokers. For this reason, you should conduct thorough investigations of the Property personally and with professionals who should provide written reports of their investigations. A general physical inspection typically does not cover all aspects of the Property nor items affecting the Property that are not physically located on the Property. If the professionals recommend further investigations, including a recommendation by a pest control operator to inspect inaccessible areas of the Property, you should contact qualified experts to conduct such additional investigations.

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

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

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

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

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

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

Buyer's Initials () ()
 Seller's Initials () ()
 Reviewed by _____ Date _____



SUBJECT TO COUNTER OFFER

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

| | | | |
|---|---------------------|-------------------|----------------------------------|
| Agent: Grace Kim | Phone: 760.868.5818 | Fax: 866.839.6625 | Prepared using zipForm® software |
| Broker: EDEN CAPITAL REALTY ,4834 Smoke Tree Road Phelan,CA 92371 | | | |

5. **ROOF:** Present condition, age, leaks, and remaining useful life. (Roofing contractors are best suited to determine these conditions.)
6. **POOL/SPA:** Cracks, leaks or operational problems. (Pool contractors are best suited to determine these conditions.)
7. **WASTE DISPOSAL:** Type, size, adequacy, capacity and condition of sewer and septic systems and components, connection to sewer, and applicable fees.
8. **WATER AND UTILITIES; WELL SYSTEMS AND COMPONENTS:** Water and utility availability, use restrictions and costs. Water quality, adequacy, condition, and performance of well systems and components.
9. **ENVIRONMENTAL HAZARDS:** Potential environmental hazards, including, but not limited to, asbestos, lead-based paint and other lead contamination, radon, methane, other gases, fuel oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, and other substances, materials, products, or conditions (including mold (airborne, toxic or otherwise), fungus or similar contaminants). (For more information on these items, you may consult an appropriate professional or read the booklets "Environmental Hazards: A Guide for Homeowners, Buyers, Landlords and Tenants," "Protect Your Family From Lead in Your Home" or both.)
10. **EARTHQUAKES AND FLOODING:** Susceptibility of the Property to earthquake/seismic hazards and propensity of the Property to flood. (A Geologist or Geotechnical Engineer is best suited to provide information on these conditions.)
11. **FIRE, HAZARD AND OTHER INSURANCE:** The availability and cost of necessary or desired insurance may vary. The location of the Property in a seismic, flood or fire hazard zone, and other conditions, such as the age of the Property and the claims history of the Property and Buyer, may affect the availability and need for certain types of insurance. Buyer should explore insurance options early as this information may affect other decisions, including the removal of loan and inspection contingencies. (An insurance agent is best suited to provide information on these conditions.)
12. **BUILDING PERMITS, ZONING AND GOVERNMENTAL REQUIREMENTS:** Permits, inspections, certificates, zoning, other governmental limitations, restrictions, and requirements affecting the current or future use of the Property, its development or size. (Such information is available from appropriate governmental agencies and private information providers. Brokers are not qualified to review or interpret any such information.)
13. **RENTAL PROPERTY RESTRICTIONS:** Some cities and counties impose restrictions that limit the amount of rent that can be charged, the maximum number of occupants; and the right of a landlord to terminate a tenancy. Deadbolt or other locks and security systems for doors and windows, including window bars, should be examined to determine whether they satisfy legal requirements. (Government agencies can provide information about these restrictions and other requirements.)
14. **SECURITY AND SAFETY:** State and local Law may require the installation of barriers, access alarms, self-latching mechanisms and/or other measures to decrease the risk to children and other persons of existing swimming pools and hot tubs, as well as various fire safety and other measures concerning other features of the Property. Compliance requirements differ from city to city and county to county. Unless specifically agreed, the Property may not be in compliance with these requirements. (Local government agencies can provide information about these restrictions and other requirements.)
15. **NEIGHBORHOOD, AREA, SUBDIVISION CONDITIONS; PERSONAL FACTORS:** Neighborhood or area conditions, including schools, proximity and adequacy of law enforcement, crime statistics, the proximity of registered felons or offenders, fire protection, other government services, availability, adequacy and cost of any speed-wired, wireless internet connections or other telecommunications or other technology services and installations, proximity to commercial, industrial or agricultural activities, existing and proposed transportation, construction and development that may affect noise, view, or traffic, airport noise, noise or odor from any source, wild and domestic animals, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally protected sites or improvements, cemeteries, facilities and condition of common areas of common interest subdivisions, and possible lack of compliance with any governing documents or Homeowners' Association requirements, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer.

Buyer and Seller acknowledge and agree that Broker: (i) Does not decide what price Buyer should pay or Seller should accept; (ii) Does not guarantee the condition of the Property; (iii) Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) Does not have an obligation to conduct an inspection of common areas or areas off the site of the Property; (v) Shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Broker; (vi) Shall not be responsible for inspecting public records or permits concerning the title or use of Property; (vii) Shall not be responsible for identifying the location of boundary lines or other items affecting title; (viii) Shall not be responsible for verifying square footage, representations of others or information contained in investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; (ix) Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (x) Shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.

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

Peter Yong Koo Youn
 Buyer Signature _____ Date 01/15/2014
 PETER YONG KOO YOUN

 Seller Signature _____ Date _____

Ken Duda
 Buyer Signature _____ Date _____
 Seller Signature _____ Date 1/21/14

SUBJECT TO COUNTER OFFER

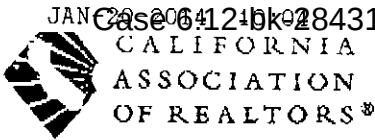
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 525 South Virgil Avenue, Los Angeles, California 90020

Reviewed by _____ Date _____





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

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

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

SELLER'S AGENT

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

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

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties. An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

BUYER'S AGENT

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

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

To the Buyer and the Seller:

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

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

AGENT REPRESENTING BOTH SELLER AND BUYER

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

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

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

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

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

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

Buyer Seller Landlord Tenant _____ Date 01/15/2014
PETER YONG ROO YOON

Buyer Seller Landlord Tenant _____ Date _____

Agent EDEN CAPITAL REALTY BRE Lic. # 01835369
Real Estate Broker (Firm)

By Grace Kim BRE Lic. # 01725817 Date 01/15/2014
(Salesperson or Broker Associate)

Agency Disclosure Compliance (Civil Code §2079.14):

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

| | | | |
|-----------------------|------------|-----------------------|------------|
| Seller/Landlord _____ | Date _____ | Seller/Landlord _____ | Date _____ |
|-----------------------|------------|-----------------------|------------|

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SUBJECT TO COUNTER OFFER

Reviewed by _____ Date _____



AD REVISED 11/12 (PAGE 1 OF 2)

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

Agent: Grace Kim Phone: 760.863.5818 Fax: 866.839.6625 Prepared using zipForm® software
Broker: EDEN CAPITAL REALTY 4834 Smoke Tree Road Phelan, CA 92371

2079.13 As used in Sections 2079.14 to 2079.24, inclusive, the following terms have the following meanings:

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

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

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

2079.16 Reproduced on Page 1 of this AD form.

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

(c) The confirmation required by subdivisions (a) and (b) shall be in the following form.

(DO NOT COMPLETE, SAMPLE ONLY)

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

(Name of Listing Agent)

(DO NOT COMPLETE, SAMPLE ONLY)

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

(Name of Selling Agent if not the same as the Listing Agent)

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

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

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

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

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

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

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

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

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AD REVISED 11/12 (PAGE 2 OF 2)

SUBJECT TO COUNTY ORD.

Reviewed by _____ Date _____



9725 5th St.

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

Subj: 9725 5th st. property on offer.
Date: 1/20/2014 10:20:22 A.M. Pacific Standard Time
From: edenrealty2@hotmail.com
To: lidopacmgt@aol.com
hi Richard

Put this property on offer.
Thank you

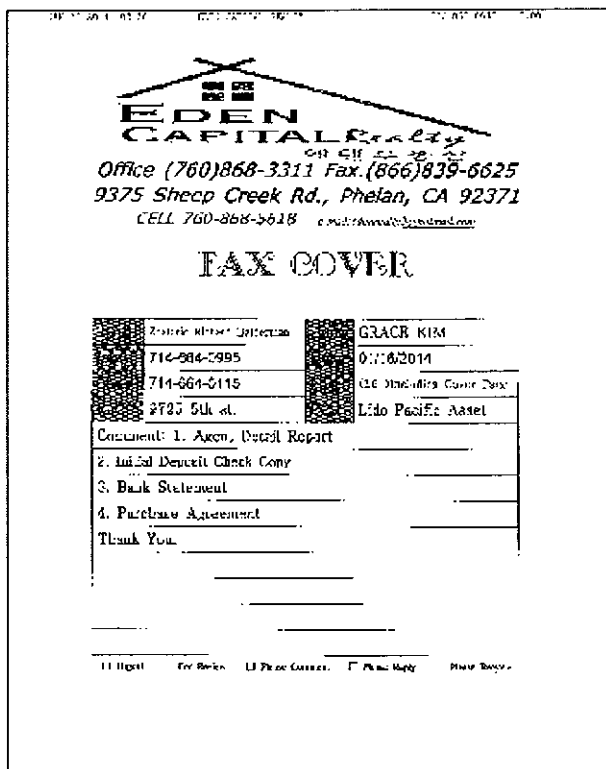
Eden Capital Realty
Grace J Kim
9375 Sheep Creek Road
Phelan, CA 92371
760-868-3311 Office
213-392-2133 Cell
866-839-6625 Fax
e-mail. edenrealty2@hotmail.com
Thank You.

Subject: Inbound Fax from: 7608685704 at: 01/20/2014 10:07:01
From: reports@fax.com
Date: Mon, 20 Jan 2014 10:07:21 -0800
To: edenrealty2@hotmail.com



The New Way to Fax

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 CELL 760-868-5618 e-mail: edenrealty2@hotmail.com

FAX COVER

| | |
|---------------------------------|---------------------------|
| Zhaldric Richard Halderman | GRACE KIM |
| 714-664-0995 | 01/16/2014 |
| 714-664-0115 | (16)Including Cover Page |
| 9725 5th st. | Lido Pacific Asset |
| Comment: 1. Agent Detail Report | |
| 2. Initial Deposit Check Copy | |
| 3. Bank Statement | |
| 4. Purchase Agreement | |
| Thank You. | |
| | |
| | |
| | |
| | |

Urgent For Review Please Comment Please Reply Please Recycle



South Victorville
12682 Amargosa Rd
Victorville, CA 92392
760.244.0139

Certification of Deposit Account

DATE: 12/26/2012

To whom it may concern,

Re: PETER YONG-KOO YOUN
JUNG S YOUN (760)987-8244
11757 KITTERING RD.
VICTORVILLE, CA 92392-2111

We are providing following account information for the above customer(s) per his/her request.

| Account Number | Account Type | Current Balance | Date Opened | Maturity Date |
|----------------|--------------------|-----------------|-------------|---------------|
| 001025522249 | MAGA MMDA PERSONAL | \$80,200.30 | 01/26/2010 | |

Other: _____

Sincerely yours,

EUNICE LEE / FVP & BRANCH MANAGER

EXHIBIT “3”

CORRESPONDENCE WITH MR. EDEZA



Please respond to:
Irvine

James C. Bastian, Jr.
Mark Bradshaw
Lynda T. Bui
Michelle Choi
Franklin J. Contreras, Jr.
Melissa Davis Lowe
Kiara W. Gebhart
Ronald S. Hodges
Robert E. Huttenhoff
J. Ronald Ignatuk
John Mark Jennings
Rika M. Kido
Paul S. Ocampo
Ryan O'Dea
Gary A. Pemberton
Michael J. Petersen
Samuel J. Romero
Leonard M. Shulman

Of Counsel to the Firm
A. Lavar Taylor
Donald R. Kurtz
Gregory J. Anderson

February 22, 2013

Via First Class Mail Only

Manuel Edeza
9725 Fifth Street
Victorville, California 92392

Re: Sophia Romero's Fifty-Percent Interest in Real Property
Case No.: 6:12-bk-28431

Dear Mr. Edeza:

My office represents Karl T. Anderson, duly appointed chapter 7 trustee (“Trustee”) for the bankruptcy estate of Sophia Romero (“Debtor”). As you are aware, the Debtor owns a fifty-percent (50%) interest in the real property located at 9725 Fifth Street, Victorville, California, 92392 (the “Property”). We are informed and believe that you own the remaining fifty-percent interest in this Property. The Debtor claimed an exemption in the Property, however, this exemption was disallowed by the bankruptcy court. As such, the Debtor’s interest in the Property is non-exempt property of the bankruptcy estate and the Trustee has a duty to liquidate said interest.

I am contacting you to inquire as to whether you are interested in purchasing the Debtor’s fifty-percent interest in the Property for a sum of Forty Thousand Dollars (\$40,000.00). Based on our valuation of this Property, the Trustee’s offer represents the value of the Debtor’s interest therein. If you should not desire to purchase the Debtor’s interest, the Trustee will proceed to market and sell the Property and you will be provided with fifty-percent (50%) of the net sale proceeds.¹

Please contact me no later than March 8, 2013 regarding this matter. If we do not receive a response from you by this date the Trustee will seek to sell the Property and take all reasonable and necessary step to accomplish this end.

¹ Net sale proceeds would be the total amount remaining from the sale of the Property after payment of all costs of sale, taxes, hoa dues, assessments, encumbrances, and similar expenses.

Manuel Edeza
February 22, 2013
Page 2

I can be directly reached at (949) 340-3400 or rodea@shbllp.com.

Very truly yours,

SHULMAN HODGES & BASTIAN LLP

Ryan O'Dea
[Electronic Signature]

Ryan O'Dea

RO/cm

Z:\Q-R\Romero, Sophia\Ltr\Purchase Offer Letter.docx
4598-000

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)* 03/07/2014, 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)* 03/07/2014, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on *(date)* 03/07/2014, 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: Hon. Wayne E. Johnson, U.S. Bankruptcy Court, 3420 Twelfth Street, 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.

03/07/2014
Date

Christina Miranda
Printed Name

/s/ Christina Miranda
Signature

1. To be served by the court

Karl T Anderson (TR) edansie@hotmail.com, kanderson@ecf.epiqsystems.com
Evan M Daily ecfcacb@piteduncan.com, edaily@piteduncan.com
Ryan D ODea rodea@shblp.com, cmiranda@shblp.com
Leonard M Shulman lshulman@shblp.com
Ramesh Singh claims@recoverycorp.com
Robert R Tilton rrtilton@verizon.net, moonclaud@msn.com
United States Trustee (RS) ustpreion16.rs.ecf@usdoj.gov