

Attorney or Party Name, Address, Telephone and Fax Number, and CA State Bar No. Leonard M. Shulman – State Bar No. 126349 Rika M. Kido – Bar No. 273780 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 rkido@shbllp.com Counsel for Karl T. Anderson, Chapter 7 Trustee	FOR COURT USE ONLY CASE NO.: 6:12-bk-32724-MJ Chapter 7 Debtor(s).
UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA	
In re: DONALD COLEMAN,	

NOTICE OF SALE OF ESTATE PROPERTY

Sale Date: September 10, 2013	Time: 10:00 a.m.
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Location: United States Bankruptcy Court, Ctrm. 301, 3420 Twelfth Street, Riverside, CA 92501
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Type of Sale: Public Private Last date to file objections: **August 27, 2013**
Description of Property to be Sold: **Real Property located at 12863 Sunnyglen Drive, Moreno Valley, California**

Terms and Conditions of Sale: **See the attached Chapter 7 Trustee’s Motion for Order: 1) Approving Employment of Real Estate Broker and Payment of Real Estate Commission; 2) Approving the Sale of Real Property of the Estate Free and Clear of Liens Pursuant to Bankruptcy Code §§ 363(b)(1) and (f); and 3) Granting Related Relief; Memorandum of Points and Authorities and Declarations of Karl T. Anderson, Rika M. Kido, Sara Elich and Robert B. Castillo in Support Thereof (“Motion”)**

Proposed Sale Price: **\$90,000.00**

Overbid Procedure (If Any): **None**

If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:
September 10, 2013 at 10:00 a.m., United States Bankruptcy Court, Ctrm. 301, 3420 Twelfth Street, Riverside, CA 92501

Contact Person for Potential Bidders (include name, address, telephone, fax and/or e:mail address):
**Rika M. Kido, Esq.
Shulman Hodges & Bastian LLP
8105 Irvine Center Drive, Suite 600, Irvine, CA 92618
Telephone: (949) 340-3400; Facsimile: (949) 340-3000**

Dated: **August 20, 2013**

1 Leonard M. Shulman – State Bar No. 126349
Rika M. Kido - Bar No. 273780
2 **SHULMAN HODGES & BASTIAN LLP**
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6 Attorneys for Karl T. Anderson,
Chapter 7 Trustee
7

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

10 In re

11 **DONALD COLEMAN,**

12 Debtor.

Case No. 6:12-bk-32724-MJ

Chapter 7

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

- 13
14 (1) **APPROVING EMPLOYMENT OF
REAL ESTATE BROKER AND
15 PAYMENT OF REAL ESTATE
COMMISSION;**
16
17 (2) **APPROVING THE SALE OF REAL
PROPERTY OF THE ESTATE FREE
AND CLEAR OF LIENS PURSUANT
18 TO BANKRUPTCY CODE §§
363(b)(1) AND (f); AND**
19
20 (3) **GRANTING RELATED RELIEF;**

21 **MEMORANDUM OF POINTS AND
AUTHORITIES AND DECLARATIONS
OF KARL T. ANDERSON, RIKA M.
22 KIDO, SARA ELICH AND ROBERT B.
CASTILLO IN SUPPORT THEREOF**

23 [Real Property located at 12863 Sunnyglen
24 Drive, Moreno Valley, California]

25 **Hearing Date:**

26 Date: September 10, 2013
Time: 10:00 A.M.
27 Place: Courtroom 301
3420 Twelfth Street
28 Riverside, CA 92501

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

4 **I. INTRODUCTION**

5 Karl T. Anderson, Chapter 7 Trustee (“Trustee”) for the bankruptcy estate (“Estate”) of
6 Donald Coleman (“Debtor”), hereby brings this Motion for Order: (1) Approving Employment
7 of Real Estate Broker and Payment of Real Estate Commission; (2) Approving the Sale of Real
8 Property of the Estate Free and Clear of Certain Liens Pursuant to Bankruptcy Code §§ 363(b)(1)
9 and (f); and (3) Granting Related Relief (“Motion”).

10 The Trustee has received an offer from Jane Valentine (“Buyer”) to purchase the real
11 property located at 12863 Sunnyglen Drive, Moreno Valley, California (“Property”) for
12 \$90,000.00. The Trustee believes, based on his sound business judgment that this offer is in the
13 best interest of the Estate. Based on the Trustee’s initial evaluation of the Property at the
14 commencement of the instant bankruptcy case, he believed there was sufficient equity available
15 in the Property for a substantial, if not full, distribution to unsecured creditors. However, the
16 Property is the Debtor’s family home and he made it clear to the Trustee that he wanted to
17 continue to live in the Property. Accordingly, the Trustee offered to wait until the Claims Bar
18 Date (defined below) had passed and then work with the Debtor on a settlement of the Estate’s
19 interest in the Property.

20 The Debtor was unable to refinance the Property and/or arrange for the private loan
21 needed to work out a resolution with the Trustee. Rather than inform the Trustee and/or his
22 counsel of the difficulties he was having refinancing or arranging a private loan, the Debtor listed
23 the Property for sale, found a buyer and opened escrow on the sale so he could pay all the
24 allowed claims and administrative costs. When the Trustee’s counsel discovered the Debtor had
25 commenced the sale of the Property, the Trustee’s counsel explained to the Debtor that the
26 Property was property of the Estate and only the Trustee could market and sell the Property, after
27 Court approval. Additionally, the listing price for the Property and the accepted offer were for
28 significantly less than the Trustee believed the Property was worth. The Debtor informed the

1 Trustee that he had decided to waive his homestead exemption in order to finalize the sale of the
2 Property to the Buyer. The Debtor has made it clear that he strongly believes that the sale to the
3 Buyer is the most mutually beneficial offer the Trustee and the Debtor will receive for the
4 Property. Included in the terms of the sale, the Buyer had agreed (1) to allow the Debtor to lease
5 back the Property; and (2) to provide the Debtor with the option to buy back the Property for
6 \$90,000.00 within three (3) years of the date of sale. Through the sale, the Trustee is expected to
7 generate proceeds of \$67,285.87, which allows payment in full of all unsecured creditors' claims
8 and full payment of administrative costs. Accordingly, the Trustee believes that good cause
9 exists to grant the Motion so the Trustee does not lose this favorable business opportunity.

10 **II. RELEVANT FACTS**

11 **A. Case Commencement**

12 The Debtor filed a voluntary petition for relief under Chapter 7 of the Bankruptcy Code
13 on October 5, 2012 ("Petition Date").

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

16 The initial 341(a) Meeting of Creditors ("Meeting of Creditors") was scheduled for
17 November 9, 2012 at 11:00 a.m. The Meeting of Creditors was concluded on June 14, 2013.

18 The last day to file proof of claims in this case was on June 24, 2013 ("Claims Bar
19 Date"). As of the filing of this Motion, nine (9) unsecured claims have been filed in this case
20 totaling \$22,522.21.

21 **B. The Property**

22 One of the assets of the Estate is the Property, which is legally described as follows:¹

23 Lot 7 of Tract No. 18823, in the City of Moreno Valley, County of
24 Riverside, State of California, as per map recorded in book 131
25 pages 66, 67 and 68, of Maps, in the office of the county recorder
26 of said county, and as Amended by Certificate of Correction
27 recorded January 18, 1985 as instrument no. 18312, Official
28 Records.

APN: 292-092-039-4

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

1 On October 29, 2012, Debtor amended his bankruptcy schedules (“Amended Schedule”)
2 A and C, to include an interest in the Property. On his Amended Schedule A, the Debtor states
3 the Property was obtained through his parents’ last will and testament. The Debtor valued the
4 Property at \$90,000.00 and listed a secured lien in the total amount of \$15,514.13. On his
5 Amended Schedule C, the Debtor claimed a homestead exemption of \$74,485.87 in the Property.

6 On or about March 2013, the Trustee asked a broker to evaluate the Property and was
7 advised the Property is valued at between \$155,000.00 and \$165,000.00. Assuming a sales price
8 of \$160,000.00, less eight percent (8%) marketing costs (\$12,800.00), secured debt of
9 \$15,000.00 and the Debtor’s claimed \$75,000.00 homestead exemption, the Trustee is informed
10 and believes there is approximately \$57,000.00 in net equity available for distribution to
11 unsecured creditors. In other words, it is anticipated that there is sufficient equity to fully fund
12 the Estate.

13 **C. Negotiations Between the Trustee and Debtor**

14 In early April 2013, the Trustee spoke with the Debtor and offered him the following
15 options regarding the Property: (1) refinance (and or procure a private loan) in an amount that
16 would allow payment of all administrative costs and unsecured creditors (to be determined after
17 the Claims Bar Date); or (2) the Trustee will proceed to sell the Property and the Debtor would
18 receive a check for his claimed homestead exemption. The Debtor made it clear to the Trustee
19 that he wanted to retain the Property and would look into financing for an equity buy back from
20 the Estate.

21 On or about April 8, 2013, the Trustee’s counsel sent correspondence to the Debtor
22 confirming the Debtor’s discussion with the Trustee and informed the Debtor that after the
23 Claims Bar Date, the Trustee’s counsel would work with the Debtor on a Settlement Agreement
24 which would provide for payment of all allowed claims and administrative costs. Attached as
25 **Exhibit “3”** to the Declaration of Rika M. Kido is a copy of correspondence sent on April 8,
26 2013 to the Debtor.

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1 On or about July 2, 2013, after the Claims Bar Date, the Trustee's counsel sent
2 correspondence to the Debtor offering to resolve the claims related to the Property for the
3 amount of \$41,000.00, the amount at that time which was estimated to allow the Trustee to fully
4 fund the Estate.

5 On or about July 8, 2013, the Trustee's counsel received a telephone call from the Debtor
6 in which the Debtor explained that since he was unable to refinance the Property and/or arrange
7 for the private loan needed to work out a resolution with the Trustee regarding the Estate's
8 interest in the Property. Therefore, the Debtor had listed the Property for sale without informing
9 the Trustee and/or his counsel, found a buyer and opened escrow so he could pay all the allowed
10 claims and administrative costs. The Trustee's counsel explained that the Property was property
11 of the Estate and only the Trustee could market and sell the Property, after Court approval.

12 On or about July 8, 2013, the Trustee's counsel spoke briefly with the Debtor's brokers,
13 Robert Castillo and Sara Elich of Elich & Associates ("Brokers"), regarding the arranged sale for
14 the Property. The Trustee's counsel was informed that the Debtor had arranged to sell the
15 Property to Jane Valentine ("Buyer") for the sale price of \$90,000.00. Included in the terms of
16 the sale, the Buyer had agreed (1) to allow the Debtor to lease back the Property for \$1,400.00
17 per month; and (2) to provide the Debtor with the option to buy back the Property for \$90,000.00
18 within three (3) years of the date of sale. The Trustee's counsel explained that the Property was
19 property of the Estate and only the Trustee could market and sell the Property, after Court
20 approval. The Brokers requested the Trustee step into the shoes of the Debtor and finalize the
21 sale of the Property to the Buyer.

22 On or about July 9, 2013, the Trustee's counsel spoke again with the Brokers and
23 explained that the sale price of the Property was significantly less than the amount the Trustee
24 believed the Property was worth. Additionally, the Trustee advised the Brokers that the Debtor
25 had claimed a homestead exemption in the Property. The Brokers replied that the Debtor wanted
26 the sale of the Property to the Buyer to go through, because the Debtor strongly believed the
27 offer from the Buyer was the most beneficial offer the Debtor would receive for the Property.
28 The Brokers explained that the Debtor would rather commence the sale and be allowed to

1 continue to reside in the Property with the option to buy back the Property for \$90,000.00 than
2 receive a homestead exemption through the sale of the Property for a higher sales price.
3 Accordingly, the Debtor had decided to waive his homestead exemption in the Property so that
4 the sale to the Buyer could proceed and the Trustee could pay all the unsecured creditors.

5 After additional discussions between Trustee's counsel, the Brokers and the Debtor on
6 July 17, 2013 and July 22, 2013, the Trustee agreed to step into the shoes of the Debtor and
7 finalize the sale of the Property to the Buyer. The Brokers and the escrow company revised the
8 listing agreement, purchase documents and escrow documents for the Trustee to sell the Estate's
9 interest in the Property to the Buyer.

10 **D. Employment of Real Estate Broker**

11 In order to finalize the sale to the Buyer, which is mutually beneficial to both the Estate
12 and the Debtor, the Trustee requested the Brokers revise the listing agreement to be between the
13 Trustee and the Broker. Attached as **Exhibit "5"** to the Declaration of Sara C. Elich ("Elich
14 Decl.") is a true and correct copy of the Commercial, Residential Income and Vacant Land
15 Listing Agreement. The Brokers are licensed real estate salespersons with over fifteen years of
16 experience in real estate sales and marketing, particularly in the area in which the Property is
17 located. Attached as **Exhibit "4"** to the Elich Decl. are copies of Ms. Elich resume. Attached as
18 **Exhibit "6"** to the Declaration of Robert B. Castillo ("Castillo Decl.") is Mr. Castillo's resume.

19 The Trustee seeks to employ the Brokers through this Motion and also for the Brokers to
20 be compensated as follows: six percent (6%) brokers commission on the total sales price, to be
21 split between the Brokers and the Buyer's real estate broker.

22 **E. Liens and Encumbrances Against the Property and Their Proposed Treatment**
23 **Through the Sale**

24 The following chart sets forth the liens and encumbrances against the Property as detailed
25 in the Preliminary Title Report dated June 12, 2013 ("Preliminary Title Report"), a copy of
26 which is attached as **Exhibit "1"** to the Declaration of Karl T. Anderson ("Anderson Decl.") and
27 the proposed treatment of the liens and encumbrances through the sale:

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<u>Creditor</u>	<u>Description</u>	<u>Estimated Amount Owing</u>	<u>Treatment of Lien Through the Sale</u>
Riverside County Treasurer and Tax Collector	Real property taxes	\$0.00	All outstanding real property taxes will be paid through escrow on the sale transaction.
Citicorp Mortgage, Inc.	Deed of trust listed on the Debtor's Schedule D as owing \$15,514.13. Recorded on April 30, 1991 as Recording No. 142812. Assignment of the beneficial interest under said deed of trust, assigned to Citicorp Mortgage, Inc. on January 12, 2001, as Recording No. 14172.	\$15,514.13	This lien will be paid through escrow on the sale of the Property. Thus, this lien will be released, discharged and terminated at the close of escrow and the Property will be sold free and clear of this lien and the lien will not attach to the sale proceeds.

All costs of sale, including escrow fees and real estate commissions will be paid at closing. In addition, to the extent that there are any outstanding real property taxes, they will be paid through the sale.

F. The Purchase Offer and Summary of the Sale Terms

The Buyer has offered to purchase the Property for \$90,000.00. The purchase price includes a deposit of \$1,500.00. Attached as **Exhibit "2"** to the Anderson Decl. is a true and correct copy of the Residential Purchase Agreement and Joint Escrow Instructions and Counter Offers and related addendum (collectively the "Agreement").

A summary of the Agreement's terms and highlights 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:	Jane Valentine								
Purchase Price:	\$90,000.00 \$1,500.00 to be paid as a deposit and the remainder to be paid through a loan at closing.								
Escrow Holder and Escrow Closing Date:	The escrow holder shall be Emerald Escrow. Escrow is scheduled to close within ten to twenty (10-20) days from entry of the Order granting the Motion. The Trustee may extend this time under his sole discretion and based on his business judgment.								
Escrow, Title and Other Costs	The Buyer shall pay the escrow fees. The Seller shall pay for an owner's title insurance policy to be issued by Chicago Title. The Buyer shall be responsible for County and City transfer taxes or transfer fees.								
Bankruptcy Court Approval	The sale is expressly conditioned on approval of the United States Bankruptcy Court for the Central District of California, Riverside Division and entry of final order approving the Agreement. 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 Buyer's agent and the Estate's agent. The agents shall equally split a commission in the amount of \$5,400.00 (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;">Trustee's Broker Elich & Associates</td> <td style="text-align: center;">\$2,700.00</td> </tr> <tr> <td style="text-align: center;">Buyer's Broker Elich & Associates</td> <td style="text-align: center;">\$2,700.00</td> </tr> <tr> <td style="text-align: center;">Total Commission</td> <td style="text-align: center;">\$5,400.00</td> </tr> </tbody> </table>	<u>Agent</u>	<u>Commission</u>	Trustee's Broker Elich & Associates	\$2,700.00	Buyer's Broker Elich & Associates	\$2,700.00	Total Commission	\$5,400.00
<u>Agent</u>	<u>Commission</u>								
Trustee's Broker Elich & Associates	\$2,700.00								
Buyer's Broker Elich & Associates	\$2,700.00								
Total Commission	\$5,400.00								
Title Insurance	The title insurance policy shall be subject only to liens, encumbrances, clouds and other matters as may appear on the preliminary title report, that are not to be removed at the close of Escrow, and have not been objected to by the Buyer. Should Seller be unwilling or unable to eliminate those title matters disapproved by the Buyer as above, the Seller may terminate the Agreement or; should Seller fail to deliver good and marketable title as provided above, Seller and the Buyer may terminate the Agreement. In either case, the Buyer's deposit shall be returned to the Buyer, and the Buyer shall have no recourse against Seller, Karl T. Anderson, as Bankruptcy Trustee, individually, or the law firm of Shulman Hodges & Bastian LLP, the Estate or the Debtor, or any real estate agent, broker or attorney involved in the transaction.								
Purchase Without Warranties	The Buyer acknowledges that she is purchasing the Subject Property from the Seller "AS IS" without warranties of any kind, expressed or implied, being given by the Seller, concerning the condition of the Subject Property or the quality of the title thereto, or any other matters relating to the Subject Property. The Buyer represents and warrants that she is purchasing the Subject Property as a result of her own investigations and is not buying the Subject Property pursuant to any representation made by any broker, agent, accountant, attorney or employee acting at the direction, or on the behalf of the Seller. The Buyer acknowledges that the Buyer has inspected the Subject Property, and upon closing of Escrow governed by this Agreement, the Buyer forever waives, for herself, her heirs, successors and assigns, all claims against the Debtor, his attorneys, agents and employees, the Debtor's Estate, Karl T. Anderson as Trustee and individually, and his attorneys, agents and employees, arising or which might otherwise arise in the future concerning the Subject Property.								

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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 the Addendum, the assets, the sale of the Subject Property, or the physical condition of the Subject 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 Subject 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.
Hold Harmless	(a) The Buyer understands the terms and conditions of the entire purchase contract and holds 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. (b) The 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 Agreement. In the event this Escrow is not completed for any reason, Escrow is authorized to deduct and pay its fee, plus costs incurred from any funds on deposit.
Jurisdiction of the Bankruptcy Court	Any and all disputes which involve in any manner the Estate or Karl T. Anderson, Chapter 7 Trustee, arising from the Agreement and/or its Addendums or relating in any manner to the Subject Property, shall be resolved only in the United States Bankruptcy Court, Central District of California.
Outstanding Real Property Taxes	To be paid by through escrow.
Free and Clear of Liens and Encumbrances	The Property shall be delivered to the Buyer free and clear of all liens and encumbrances. Any liens and interests against the Property that are not paid in full through escrow shall attach to the sale proceeds generated through the sale with the same force, effect, validity, and priority as such liens or interests had with respect to the Property prior to the sale.
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.

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III. ARGUMENT

A. The Court has Authority to Employ the Brokers and Approve Payment of Real Estate Commission

Bankruptcy Code Section 327 allows, with court approval, the trustee to employ professional persons, “that do not hold or represent an interest adverse to the estate, and that are disinterested persons.” 11 U.S.C. § 327(a).

Bankruptcy Code Section 328 allows employment of a professional person under section 327 “on any reasonable terms and conditions of employment, including on a retainer, on an hourly basis, on a fixed or *percentage fee basis*, or on a contingent fee basis.” 11 U.S.C. § 328(a) (emphasis added).

Here, the Trustee is seeking to employ and compensate the Brokers by this Motion to finalize the sale of the Property for the benefit of unsecured creditors.

1. Compensation Procedure

In consideration for such services, subject to further application and Court order, the Brokers will receive, upon consummation of any such sale, a real estate agent’s commission in an amount up to six percent (6%) of the purchase price.

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

The Brokers have been informed and understand that the Property is being sold on an “as is – where as” basis with all faults and conditions then existing at the Property, and thus understand that (1) the Trustee is not making any representations, warranties, either express or implied, as to the condition of the Property, uses (prior, present and future), or otherwise; (2) the Trustee shall not provide the Buyer with any reports as to the use or condition of the Property; (3) the Trustee shall not provide the Buyer with any warranty protection plan with any building permits or plans; and (4) the Trustee is selling the Property solely in his capacity as the Chapter 7 trustee of the Debtor’s Estate.

///

1 The Brokers are aware of the provisions of Bankruptcy Code Section 328(a) and have
2 agreed, notwithstanding the terms and conditions of employment herein, that the Court may
3 allow compensation different from the compensation provided herein if such terms and
4 conditions prove to have been improvident in light of developments unanticipated at the time of
5 the fixing of such terms and conditions.

6 **2. The Brokers are “Disinterested”**

7 To the best of the Trustee’s knowledge, and as set forth in the Elich Decl. and the Castillo
8 Decl., the Brokers and their respective principals, employees and agents: (a) do not hold or
9 represent any interest adverse to the Trustee, the Debtor, his creditors and the Estate; (b) have no
10 connection with the Debtor (other than in their capacity as his broker in devising and effectuating
11 the initial steps of this sale), the Debtor’s creditors, any other party in interest, their respective
12 attorneys and accountants, the United States Trustee, any person employed in the office of the
13 United States Trustee, or any bankruptcy judge presiding in the United States Bankruptcy Court
14 for the Central District of California; and (c) are disinterested persons as that term is defined in
15 Bankruptcy Code Section 101 (14) and used in Bankruptcy Code Section 327(a).

16 The Trustee is informed and believes and on that basis alleges that employment of the
17 Broker on the terms and conditions provided for herein is in the best interest of the Estate.

18 As such, through this Motion, as provided in the Agreement, the Trustee seeks
19 authorization to pay a real estate broker commission in the amount of six percent (6%) of the
20 purchase price. Through escrow on the sale of the Property, and subject to Bankruptcy Court
21 approval, the Trustee shall pay a real estate broker’s commission as follows:

<u>Agent</u>	<u>Commission</u>
Trustee’s Broker: Elich & Associates	\$2,700.00
Buyer’s Broker: Elich & Associates	\$2,700.00
Total Commission:	\$5,400.00

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1 **B. The Court May Authorize the Sale When There is a Good Faith Purchaser**

2 The Trustee, after notice and hearing, may sell property of the estate. 11 U.S.C. § 363(b).
3 The standards to establish are that there is a sound business purpose for the sale, that the sale is
4 in the best interests of the estate, i.e., the sale is for a fair and reasonable price, that there is
5 accurate and reasonable notice to creditors and that the sale is made in good faith. *In re Wilde*
6 *Horse Enterprises, Inc.*, 136 B.R. 830, 841 (Bankr. C.D. Cal. 1991); *In re Lionel Corp.*, 722 F.2d
7 1063, 1069 (2d Cir. 1983). Business justification would include the need to close a sale to one of
8 very few serious bidders where an asset has been shopped and a delay could jeopardize the
9 transaction. *See, e.g., In re Crowthers McCall Pattner, Inc.*, 114 B.R. 877, 885 (Bankr. S.D.N.Y.
10 1990) (extreme difficulty finding a buyer justified merger when buyer found). The Trustee's
11 proposed sale of the Property meets the foregoing criteria.

12 **1. Sound Business Purpose**

13 The Ninth Circuit has adopted a flexible, case-by-case test to determine whether the
14 business purpose for a proposed sale justifies disposition of property of the estate under Section
15 363(b). *In re Walter*, 83 B.R. 14 (B.A.P. 9th Cir. 1988). In *Walter*, the Ninth Circuit, adopting
16 the reasoning of the Fifth Circuit in *In re Continental Air Lines, Inc.*, 780 F.2d 1223 (5th Cir.
17 1986), and the Second Circuit in *In re Lionel Corp.*, 722 F.2d 1063 (2d Cir. 1983), set forth the
18 following standard to be applied under Bankruptcy Code Section 363(b):

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

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

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1 Here, the facts surrounding the sale of the Property support the Trustee's business
2 decision that the proposed sale is in the best interests of the Estate and its creditors. Through the
3 sale, the Trustee expects to generate net proceeds of approximately \$67,285.87 as follows
4 (amounts are estimated):

5 Sale Price	\$90,000.00
6 Less real estate commission and costs of sale (8%)	(\$7,200.00)
7 Less estimated amounts due Bank of America, N.A. on the 1 st Deed of Trust (as of July 25, 2013)	(\$15,514.13)
8 Estimated Net Sale Proceeds for the benefit of the Estate	\$67,285.87

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

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

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

15 The Trustee believes that it would be in the best interest of the Estate and its creditors to
16 sell the Property. The benefits to the Estate, as set forth above, are tremendous due to the funds
17 to be generated from the sale that are anticipated to fully pay all unsecured claims. If the Motion
18 is not approved, the Estate will not receive the sale proceeds and will likely lose the Buyer. The
19 Trustee does not want to lose this beneficial business opportunity. Thus, the Trustee has made a
20 business decision that it is in the best interest of the creditors of the Estate that this Motion be
21 approved.

22 **3. [Accurate and Reasonable Notice](#)**

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

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 to creditors and parties in interest. The
27 Notice of Motion will include a summary of the terms and conditions of the proposed sale, the
28 time fixed for filing objections, and a general description of the Property, including the Bidding

1 Procedures. The Trustee submits that the notice requirements will have been satisfied, thereby
2 allowing creditors and parties in interest an opportunity to object to the sale. Hence, no further
3 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 an “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 between
10 the seller and buyer, or any attempt to take unfair advantage of other potential
11 purchasers. . . . And, with respect to making such determinations, the court and
12 creditors must be provided with sufficient information to allow them to take a
13 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. Additionally, the Buyer’s side agreement with the Debtor will allow the
18 Debtor to continue to live in the Property, which he places great importance on, and allow him
19 with the option to buy back the Property for \$90,000.00 (the current sales price) within three (3)
20 years of the date of the sale. As set forth in the Notice of the Motion, the creditors will have
21 been provided with sufficient notice of the sale. Accordingly, the sale is in good faith and should
22 be approved. The Trustee shall request such a finding pursuant to Bankruptcy Code Section
23 363(m) at the hearing on this Motion.

24 **C. The Proposed Sale Should be Allowed Free and Clear of Liens**

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

- 28 (1) applicable non-bankruptcy law permits a sale of such property free and clear of such interest;
- (2) such entity consents;
- (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;

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- (4) such interest is in bona fide dispute; or
- (5) such entity could be compelled, in a legal or equitable proceeding, to accept money satisfaction of such interest.

11 U.S.C. § 363(f).

Section 363(f) is written in the disjunctive and thus only one of the enumerated conditions needs to be satisfied for Court approval to be appropriate. Based on the Preliminary Title Report, other than the deed of trust and any property taxes, the Trustee is not aware of any liens and encumbrances impacting the Property. Out of an abundance of caution, the Trustee seeks to the sell the Property free and clear of all such liens and encumbrances, with all such liens and encumbrances not satisfied through the sale to attach to the proceeds of the sale with the same priority, validity, force and effect as they existed with respect to the Property before the closing of the sale pending further Court order or agreement with the parties. Accordingly, the Trustee seeks to sell the Property under Bankruptcy Code Section 363(f)(3).

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

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

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

IV. CONCLUSION

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

- 1. Authorizing the Trustee to sell the Property to the Buyer pursuant to the terms and conditions as set forth in the Agreement attached as **Exhibit “2”** to the Anderson Decl.;

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DECLARATION

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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 (“Estate”) of Donald Coleman (“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 Employment of Real Estate Broker and Payment of Real Estate Commission; (2) 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 (3) Granting Related Relief (“Motion”). All capitalized terms not otherwise defined herein shall have the meaning set forth in the Motion.

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

4. The initial 341(a) Meeting of Creditors (“Meeting of Creditors”) was scheduled for November 9, 2012 at 11:00 a.m. The Meeting of Creditors was concluded on June 14, 2013.

5. The last day to file proof of claims in this case was on June 24, 2013 (“Claims Bar Date”). I have reviewed the claims register in this case and as of the filing of this Motion, nine (9) unsecured claims have been filed in this case totaling \$22,522.21.

6. An asset of the Estate is the Debtor’s interest in the real property located in Riverside County at 12863 Sunnyglen Drive, Moreno Valley, California (“Property”). The Property is legally described as stated in the Preliminary Title Report dated June 12, 2013, a true and correct copy of which is attached hereto as **Exhibit “1”**.

7. On October 29, 2012, the Debtor amended his bankruptcy schedules (“Amended Schedule”) A and C, to include an interest in the Property. On his Amended Schedule A, the Debtor states the Property was obtained through his parents’ last will and testament. The Debtor valued the Property at \$90,000.00 and listed a secured lien in the total amount of \$15,514.13. On

1 his Amended Schedule C, the Debtor claimed a homestead exemption of \$74,485.87 in the
2 Property.

3 8. On or about March 2013, I asked a broker to evaluate the Property and was
4 advised the Property is valued at between \$155,000.00 and \$165,000.00. Assuming a sales price
5 of \$160,000.00, less eight percent (8%) marketing costs (\$12,800.00), secured debt of
6 \$15,000.00 and the Debtor's claimed \$75,000.00 homestead exemption, I am informed and
7 believe there is approximately \$57,000.00 in net equity available for distribution to unsecured
8 creditors. In other words, it is anticipated that there is sufficient equity to fully fund the Estate.

9 9. In early April 2013 by and through my counsel, I offered the Debtor the following
10 options regarding the Property: (1) refinance (and or procure a private loan) in an amount that
11 would allow payment of all administrative costs and unsecured creditors (to be determined after
12 the Claims Bar Date); or (2) I would proceed to sell the Property and the Debtor would receive a
13 check for his claimed homestead exemption. The Debtor made it clear that he wanted to retain
14 the Property and would look into financing for an equity buy back from the Estate.

15 10. In July 2013, my counsel advised me that the Debtor was unable to refinance the
16 Property and/or arrange for a private loan. Therefore, the Debtor had listed the Property for sale
17 without informing my counsel or I, found a buyer and had opened escrow on the sale so he could
18 pay all the allowed claims and administrative costs. My counsel explained to the Debtor that the
19 Property was property of the Estate and that only the Chapter 7 Trustee, could market and sell
20 the Property, after Court approval.

21 11. After additional discussions between my counsel, the Brokers and the Debtor, I
22 agreed to step into the shoes of the Debtor and finalize the sale of the Property to the Buyer.

23 12. In order to finalize the sale to the Buyer, which is mutually beneficial to both the
24 Estate and the Debtor, I requested the Brokers revise the listing agreement to be between the
25 Trustee and the Broker. Accordingly, I request Court approval to employ the Brokers through
26 this Motion and also for the Brokers to be compensated as follows: six percent (6%) brokers'
27 commission on the total sales price, to be split between the Brokers and the Buyer's real estate
28 broker.

1 13. From my review of the Preliminary Title Report, it appears the Debtor has been
2 paying real property taxes, as there are no outstanding real property taxes listed.

3 14. At the current sale price, given that the Debtor has decided to waive his
4 homestead exemption, the net proceeds are estimated to be approximately \$67,285.87.

5 15. Attached hereto as **Exhibit "2"** is a true and correct copy of the Residential
6 Purchase Agreement and Joint Escrow Instructions and Counter Offers and related addendum
7 (collectively, the "Agreement") for which I am seeking Court approval.

8 16. I am seeking to sell the Estate's interest in the Property free and clear of all liens,
9 claims, and encumbrances as discussed in the Motion.

10 17. It is my understanding that the Debtor would like the sale of the Property to
11 proceed, because the offer from the Buyer allows the Debtor to continue to reside in the Property
12 with the option to purchase the Property back for \$90,000.00 (the current sales price) within
13 three (3) years of the date of the sale. In order to finalize the sale of the Property and provide for
14 a full distribution to unsecured creditors, the Debtor decided to waive his homestead exemption
15 in the Property so that the sale to the Buyer can proceed.

16 18. Through the sale, I expect to generate proceeds of \$67,285.87, which will benefit
17 the Estate by providing funds for payment in full of all unsecured creditors' claims.

18 19. 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 August 20, 2013, at Palm Springs, California.

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25 
26 Karl T. Anderson

DECLARATION

DECLARATION OF RIKA M. KIDO

I, Rika M. Kido, declare and state as follows:

1. I am an associate with Shulman Hodges & Bastian LLP, attorneys for Karl T. Anderson, the Chapter 7 Trustee (“Trustee”) for the bankruptcy estate (“Estate”) of *In re Donald Coleman* (“Debtor”), Case No. 6:12-bk-32724-MJ. 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.

2. I make this Declaration in support of the Trustee’s Motion for Order: (1) Approving Employment of Real Estate Broker and Payment of Real Estate Commission; (2) 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 (3) Granting Related Relief (“Motion”). Unless otherwise noted, capitalized terms herein have the meaning as set forth in the Motion.

3. On or about April 8, 2013, I sent correspondence to the Debtor confirming the Debtor’s discussion with the Trustee and informed the Debtor that after the Claims Bar Date, the Trustee’s counsel would work with the Debtor on a Settlement Agreement which would provide for payment of all allowed claims and administrative costs. Attached hereto as **Exhibit “3”** is a true and correct copy of the correspondence I sent to the Debtor on April 8, 2013.

4. On or about July 2, 2013, after the Claims Bar Date, I sent correspondence to the Debtor offering to resolve the claims related to the Property for the amount of \$41,000.00, the amount at that time which was estimated to allow the Trustee to fully fund the Estate.

5. On or about July 8, 2013, I received a telephone call from the Debtor in which the Debtor explained that he was unable to refinance the Property and/or arrange for the private loan needed to work out a resolution with the Trustee regarding the Estate’s interest in the Property. Therefore, the Debtor explained, he had listed the Property for sale, found a buyer and was closing escrow on the sale so he could pay all the allowed claims and administrative costs. I explained that the Property was property of the Estate and only the Trustee could market and sell the Property, after Court approval.

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1 6. On or about July 8, 2013, I spoke briefly with the Debtor's brokers, Robert Castillo
2 and Sara Elich of Elich & Associates ("Brokers"), regarding the arranged sale for the Property. I
3 was informed that the Debtor had arranged to sell the Property to Jane Valentine ("Buyer") for the
4 sale price of \$90,000.00. Included in the terms of the sale, the Buyer had agreed (1) to allow the
5 Debtor to lease back the Property for \$1,400.00 per month; and (2) to provide the Debtor with the
6 option to buy back the Property for \$90,000.00 within three years of the date of sale. I explained
7 that the Property was property of the Estate and only the Trustee could market and sell the
8 Property, after Court approval. The Brokers requested the Trustee step into the shoes of the
9 Debtor and finalize the sale of the Property to the Buyer.

10 7. On or about July 9, 2013, I again spoke with the Brokers and explained that the
11 sale price of the Property was significantly less than the amount the Trustee believed the Property
12 was worth. Additionally, the Trustee advised the Brokers that the Debtor had claimed a
13 homestead exemption in the Property. The Brokers replied that the Debtor wanted the sale of the
14 Property to the Buyer to go through, because the Debtor strongly believed the offer from the
15 Buyer was the most beneficial offer the Debtor would receive for the Property. The Brokers
16 explained that the Debtor would rather commence the sale and be allowed to continue to reside in
17 the Property with the option of purchasing it back for \$90,000.00 in the future than receive a
18 homestead exemption through the sale of the Property for a higher sales price. Accordingly, the
19 Debtor wanted to waive his homestead exemption in the Property so that the sale to the Buyer
20 could proceed and the Trustee could pay all the unsecured creditors.

21 8. After additional discussions between myself, the Brokers and the Debtor on July
22 17, 2013 and July 22, 2013, the Trustee agreed to step into the shoes of the Debtor and finalize
23 the sale of the Property to the Buyer.

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

26 Executed on August 20, 2013, at Irvine, California.

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/s/ Rika M. Kido
Rika M. Kido

DECLARATION

DECLARATION OF SARA C. ELICH

I, Sara C. Elich, 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 licensed California Real Estate Broker and am the owner of Elich & Associates, located at 387 Magnolia Avenue, Suite 103, Corona, CA 92879.

2. I make this declaration in support of the Motion for Order: (1) Approving Employment of Real Estate Broker and Payment of Real Estate Commission; (2) 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 (3) Granting Related Relief (“Motion”). Unless otherwise noted, capitalized terms herein have the meaning as set forth in the Motion filed by Karl T. Anderson, the Chapter 7 Trustee (“Trustee”) for the bankruptcy estate (“Estate”) of Donald Coleman (“Debtor”). All capitalized terms not otherwise defined herein shall have the meaning set forth in the Motion.

3. I have read the Motion and am familiar with the real property located at 12863 Sunnyglen Drive, Moreno Valley, California (“Property”).

4. A copy of my resume is attached as **Exhibit “4”**. I have agreed to accept employment on the terms and conditions set forth in the Application and as set forth in the Listing Agreement, a copy of which is attached hereto as **Exhibit “5”**.

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

6. I have been informed and understand that the Property is being sold on an “as is – where as” basis with all faults and conditions then existing at the Property, and thus understand that (1) the Trustee is not making any representations, warranties, either express or implied, as to the condition of the Property, uses (prior, present and future), or otherwise; (2) the Trustee shall not provide the Buyer with any reports as to the use or condition of the Property; (3) the Trustee shall not provide the Buyer with any warranty protection plan with any building permits or plans;

1 and (4) the Trustee is selling the Property solely in his capacity as the Trustee of the Debtor's
2 Estate.

3 7. I have agreed and understand that notwithstanding the terms and conditions of
4 employment herein set forth, that the Court may allow compensation different from the
5 compensation provided herein if such terms and conditions prove to have been improvident in
6 light of development unanticipated at the time of the fixing of such terms and conditions.

7 8. I have no pre-petition claim against the Debtor's Estate.

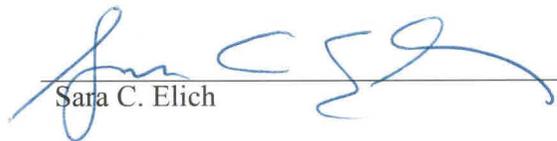
8 9. I received no retainer for the services to be performed herein.

9 10. To the best of my knowledge, I have not had any business, professional, or other
10 connection with the aforementioned estate, the Debtor (other than in my capacity as his broker in
11 devising and effectuating the initial steps of this sale), his creditors, or any party in interest in
12 this proceeding. To the best of my knowledge, I represent no interest which would be adverse to
13 this estate of its creditors or any party in interest in this proceeding and I am a "disinterested
14 person" as that term is defined in Bankruptcy Code Section 101(14).

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

17 Executed on August 19, 2013 at Corona, California.

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Sara C. Elich

DECLARATION

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DECLARATION OF ROBERT B. CASTILLO

I, Robert B. Castillo, 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 licensed California Real Estate Agent with Elich & Associates, located at 387 Magnolia Avenue, Suite 103, Corona, CA 92879.

2. I make this declaration in support of the Motion for Order: (1) Approving Employment of Real Estate Broker and Payment of Real Estate Commission; (2) 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 (3) Granting Related Relief (“Motion”). Unless otherwise noted, capitalized terms herein have the meaning as set forth in the Motion filed by Karl T. Anderson, the Chapter 7 Trustee (“Trustee”) for the bankruptcy estate (“Estate”) of Donald Coleman (“Debtor”). All capitalized terms not otherwise defined herein shall have the meaning set forth in the Motion.

3. I have read the Motion and am familiar with the real property located at 12863 Sunnyglen Drive, Moreno Valley, California (“Property”).

4. A copy of my resume and is attached as **Exhibit “6”**. I have agreed to accept employment on the terms and conditions set forth in the Application and as set forth in the Listing Agreement, a copy of which is attached to the Elich Decl. as **Exhibit “5”**.

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

6. I have been informed, understand and have advised my client, Jane Valentine (defined in the Motion as the Buyer), that the Property is being sold on an “as is – where as” basis with all faults and conditions then existing at the Property, and thus understand that (1) the Trustee is not making any representations, warranties, either express or implied, as to the condition of the Property, uses (prior, present and future), or otherwise; (2) the Trustee shall not provide the Buyer with any reports as to the use or condition of the Property; (3) the Trustee

1 shall not provide the Buyer with any warranty protection plan with any building permits or plans;
2 and (4) the Trustee is selling the Property solely in his capacity as the Trustee of the Debtor's
3 Estate.

4 7. I have agreed and understand that notwithstanding the terms and conditions of
5 employment herein set forth, that the Court may allow compensation different from the
6 compensation provided herein if such terms and conditions prove to have been improvident in
7 light of development unanticipated at the time of the fixing of such terms and conditions.

8 8. I have no pre-petition claim against the Debtor's Estate.

9 9. I received no retainer for the services to be performed herein.

10 10. To the best of my knowledge, I have not had any business, professional, or other
11 connection with the aforementioned estate, the Debtor (other than in my capacity as his broker in
12 devising and effectuating the initial steps of this sale), his creditors, or any party in interest in
13 this proceeding. To the best of my knowledge, I represent no interest which would be adverse to
14 this estate of its creditors or any party in interest in this proceeding and I am a "disinterested
15 person" as that term is defined in Bankruptcy Code Section 101(14).

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

18 Executed on August 19, 2013 at Corona, California.

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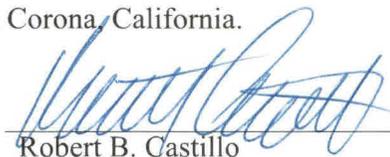
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Robert B. Castillo

EXHIBIT 1



560 E. Hospitality Lane
San Bernardino, CA 92408
Phone: (800)722-0824 / Fax: (909)384-7901

Donna Pathe
Emerald Escrow
462 S. Corona Mall, Suite 101
Corona, CA 91719

Date: June 12, 2013
Ref. No.: 64850
Order No.: 7101309025-MF
Borrower: June Valentine
Seller: DONald Coleman
Property: 12863 Sunnyside Drive
Moreno Valley, CA 92553

In connection with the above referenced transaction, please find the following enclosed:

- Preliminary Title Report

We appreciate the opportunity of being of service to you. If we can be of further assistance, please feel free to call upon us.

Sincerely,

Margaret Flowers
Title Officer
flowersm@ctt.com

lh

Enclosure(s)

PRELIMINARY REPORT FORM

Issued By:



**CHICAGO TITLE
COMPANY**

Prelim Number:

7101309025

In response to the application for a policy of title insurance referenced herein, **Chicago 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(ies) of title insurance to be issued hereunder will be policy(ies) of Chicago Title Insurance Company, a Nebraska 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.

Chicago Title Insurance Company

By:

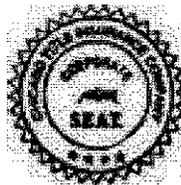
President

Attest:

Secretary

Countersigned By:

Authorized Officer or Agent



CHICAGO TITLE COMPANY

PRELIM NO. 7101309025

ORDER NO. 7101309025

ISSUING OFFICE	FOR SETTLEMENT INQUIRIES CONTACT
Title Officer: Margaret Flowers Chicago Title Company 560 E. Hospitality Lane San Bernardino, CA 92408 Phone: (909)384-7911 Fax: (909)384-7901 Main Phone: (800)722-0824 Email: flowersm@ctt.com	Escrow Officer: Donna Pathe Emerald Escrow 462 S. Corona Mall, Suite 101 Corona, CA 91719 Main Phone: 951-737-3630 Email: donna@emeraldescrow.com Escrow No.: 64850

Property Address(es): 12863 Sunnyglen Drive, Moreno Valley, CA

Effective date: May 30, 2013 at 07:30AM

The form of Policy or Policies of Title Insurance contemplated by this Report is:

ALTA Homeowner's Policy of Title Insurance 2010

ALTA Loan Policy 2006

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

Fee

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

Donald E. Coleman, an unmarried man, subject to proceedings pending in the bankruptcy court where a petition for relief was filed.

Name of Debtor: Donald E. Coleman
Date of Filing: October 5, 2012
U.S. District Court: Central
Case No: 12-32724

3. The Land referred to in this Report is described as follows:

For APN/Parcel ID(s): 292-092-039-4

Lot 7 of Tract No. 18823, in the City of Moreno Valley, County of Riverside, State of California, as per map recorded in book 131 pages 66, 67 and 68, of Maps, in the office of the county recorder of said county, and and as Amended by Certificate of Correction recorded January 29, 1985 as instrument no. 18312, Official Records.

CHICAGO TITLE COMPANY

PRELIM NO. 7101309025

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

1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2013-2014 .
2. Property taxes, including any personal property taxes and any assessments collected with taxes, are paid. For proration purposes the amounts were:

Tax Identification No.: 292-092-039-4
Fiscal Year: 2012-2013
1st Installment: \$666.86
2nd Installment \$666.86
Exemption: \$7,000.00
Code Area: 021-236

3. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (Commencing with Section 75) of the Revenue and Taxation Code of the State of California.
4. Covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, source of income, gender, gender identity, gender expression, medical condition or genetic information, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document

Recording Date: June 3, 1983
Recording No.: 110474, Official Records

Said covenants, conditions and restrictions provide that a violation thereof shall not defeat the lien of any mortgage or deed of trust made in good faith and for value.

Said instrument provides or establishes: an easement for public utilities

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

Granted to: Southern California Edison Company
Purpose: public utilities
Recording Date: June 3, 1983
Recording No.: 110475, Official Records
Affects: a portion of said land

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

Granted to: General Telephone Company of California
Purpose: public utilities
Recording Date: September 13, 1983
Recording No.: 186879, Official Records
Affects: a portion of said land

CHICAGO TITLE COMPANY

PRELIM NO. 7101309025

7. A deed of trust to secure an indebtedness in the amount shown below,

Amount: \$43,500.00
Dated: April 19, 1991
Trustor/Grantor Harold J. Coleman and Arline S. Coleman
Trustee: Consolidated Reconveyance Company, a California Limited Partnership
Beneficiary: Home Loan Funding Inc., a California Corporation
Recording Date: April 30, 1991
Recording No.: 142812, Official Records

An assignment of the beneficial interest under said deed of trust which names:

Assignee: Citicorp Mortgage Inc., a Delaware Corporation
Recording Date: January 12, 2001
Recording No.: 14172, Official Records

8. The lien of any state or federal estate tax by reason of the death of a former owner of said Land,

Decedent: Arline Coleman

END OF EXCEPTIONS

NOTES

1. Note: The current owner does NOT qualify for the \$20.00 discount pursuant to the coordinated stipulated judgments entered in actions filed by both the Attorney General and private class action plaintiffs, for the herein described Land.
2. 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.

CHICAGO TITLE COMPANY

PRELIM NO. 7101309025

3. If this company is requested to disburse funds in connection with this transaction, Chapter 598, Statutes of 1989 mandates hold periods for checks deposited to escrow or sub-escrow accounts. The mandatory hold period for cashier's checks, certified checks and teller's checks is one business day after the day deposited. Other checks require a hold period of from two to five business days after the day deposited. In the event that the parties to the contemplated transaction wish to record prior to the time that the funds are available for disbursement (and subject to Company approval), the Company will require the prior written consent of the parties. Upon request, a form acceptable to the company authorizing said early recording may be provided to Escrow for execution.

Wire Transfers

There is no mandated hold period for funds deposited by confirmed wire transfer. The Company may disburse such funds the same day.

Chicago Title will disburse by Wire (Wire-out) only collected funds or funds received by confirmed Wire (Wire-in). Wiring Instructions for Chicago Title Company, San Bernardino, CA, are as follows:

**Receiving Bank: Union Bank
1980 Saturn Street
Monterey Park, CA 91755**
ABA Routing No.: 122000496
Credit Account Name: Chicago Title Company
Credit Account No.: 9101051085
Escrow No.: 7101309025

These wiring instructions are for this specific transaction involving the Title Department of the San Bernardino office of Chicago Title Company. These instructions therefore should not be used in other transactions without first verifying the information with our accounting department. It is imperative that the wire text be exactly as indicated. Any extraneous information may cause unnecessary delays in confirming the receipt of funds.

4. 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.
5. No examination of the company's records has been made for, nor is report made in this preliminary report of, monetary liens, or encumbrances, if any, which may affect title to an estate or interest in the land described herein acquired by a prospective purchaser or purchasers.
6. Note: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.
7. Note: 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.
8. 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 residence, known as 12863 Sunnyside Drive, in the City of Moreno Valley, County of Riverside, State of California, to an Extended Coverage Loan Policy.

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END OF NOTES

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
 - the taking happened prior to the Policy Date and is binding on you if you bought the land without knowledge 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 Aor
 - in streets, alleys, or waterways that touch your land

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

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.
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 (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) whether or not recorded in the public records at Date of Policy, but 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 insured mortgage or for the estate or interest insured by this policy.
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 the 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 of 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, 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 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)**

**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:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 14:	1.00% of Policy Amount or \$2,500.00 (whichever is less)	<u>\$10,000.00</u>
Covered Risk 15:	1.00% of Policy Amount or \$5,000.00 (whichever is less)	<u>\$25,000.00</u>
Covered Risk 16:	1.00% of Policy Amount or \$5,000.00 (whichever is less)	<u>\$25,000.00</u>
Covered Risk 18:	1.00% of Policy Amount or \$2,500.00 (whichever is less)	<u>\$5,000.00</u>

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

LIMITATIONS ON COVERED RISKS

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

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

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

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$10,000.00
Covered Risk 18:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 19:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 21:	1.00% 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 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. 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 at 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.

NOTICE

You may be entitled to receive a Twenty And No/100 Dollars (\$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 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 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.

PRIVACY STATEMENT

Effective Date: May 1, 2008

Order No.: 7101309025--DG

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.

PRIVACY STATEMENT

Effective Date: May 1, 2008
(continued)

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.

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 filed 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 such discount. These discounts only apply to transactions 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.

Not all discounts are offered by every FNF Company. The discount will only be applicable to the FNF Company as indicated by the named discount.

FNF Underwritten Title Companies

CTC – Chicago Title Company
CLTC – Commonwealth Land Title Company
FNTC – Fidelity National Title Company
FNTCCA – Fidelity National Title Company of California
TICOR – Ticor Title Company of California
LTC – Lawyer's Title Company

Underwritten by FNF Underwriters

CTIC – Chicago Title Insurance Company
CLTIC – Commonwealth Land Title Insurance Company
FNTIC – Fidelity National Title Insurance Company
FNTIC – Fidelity National Title Insurance Company
CTIC – Chicago Title Insurance Company
CLTIC – Commonwealth Land Title Insurance Company

Available Discounts

CREDIT FOR PRELIMINARY TITLE REPORTS AND/OR COMMITMENTS ON SUBSEQUENT POLICIES (CTIC, 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 to 36 months and all or a portion of the charge previously paid for the report or commitment may be credited on a subsequent policy charge.

FEE REDUCTION SETTLEMENT PROGRAM (CTC, CTIC, CLTC, CLTIC, FNTC, FNTCCA, FNTIC, LTC, TICOR)

Eligible customers shall receive a \$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 et al. v. Fidelity National Title Insurance Company et al.*, Sacramento Superior Court Case No. 99AS02793, and related cases.

DISASTER LOANS (CTIC, CLTIC, 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 (CTIC, 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 32% to 50% of the appropriate title insurance rate, depending on the type of coverage selected.

EXHIBIT A

Order No.: 7101309025

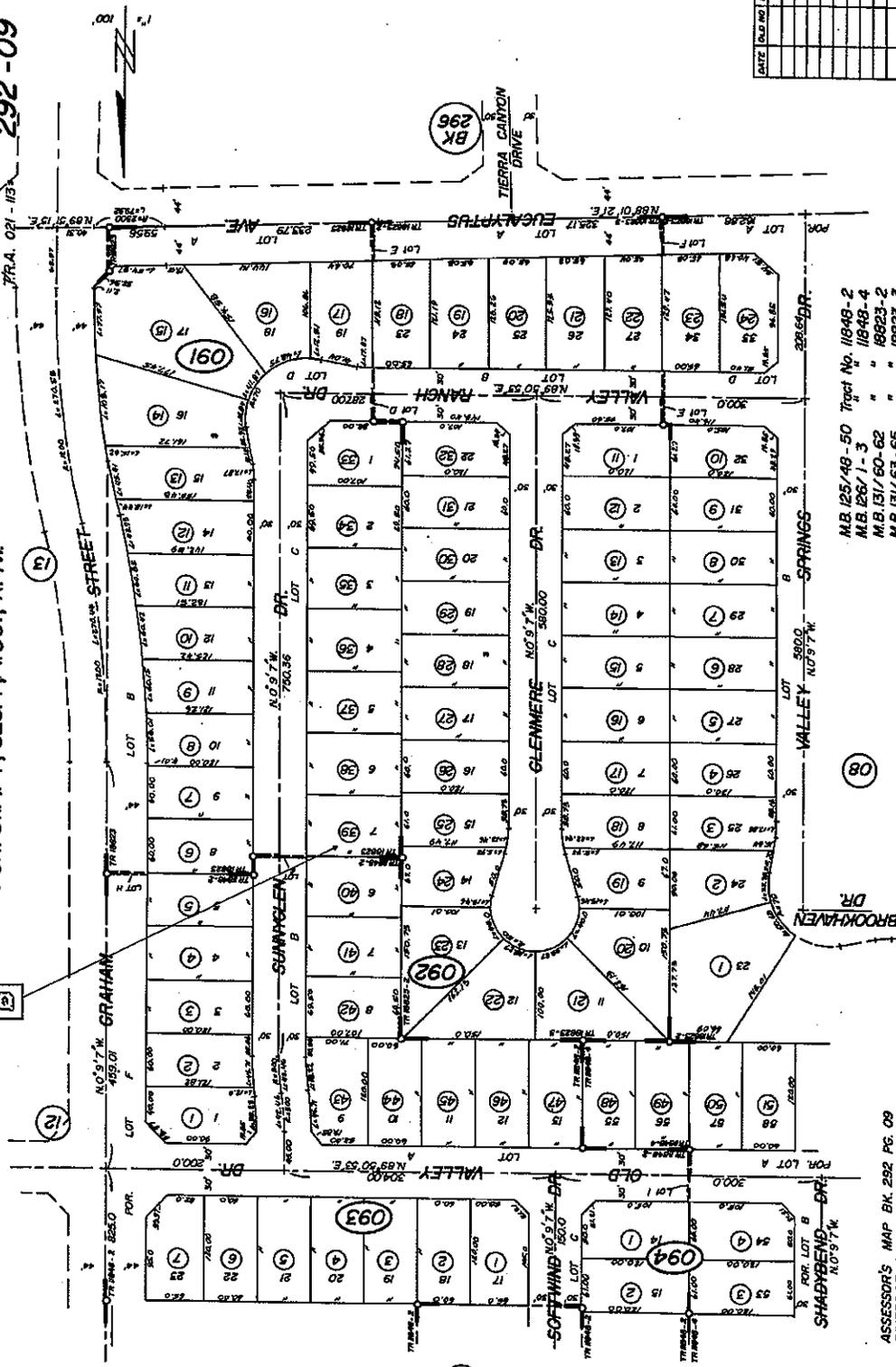
For APN/Parcel ID(s): 292-092-039-4

Lot 7 of Tract No. 18823, in the City of Moreno Valley, County of Riverside, State of California, as per map recorded in book 131 pages 66, 67 and 68, of Maps, in the office of the county recorder of said county, and and as Amended by Certificate of Correction recorded January 29, 1985 as instrument no. 18312, Official Records.

283-58-59, 63
292-09

POR. SW 1/4, SEC. 1, T.3S., R.4W

FIG



- M.B. 25/48-50 Tract No. 11848-2
- M.B. 26/1-3 " " 11848-4
- M.B. 131/60-62 " " 18823-2
- M.B. 131/63-65 " " 18823-3
- M.B. 131/66-68 " " 18823

ASSESSOR'S MAP BK 292 PG. 09
RIVERSIDE COUNTY, CALIF.

DATE	OLD NO.	NEW NO.

OCT. 95 17

EXHIBIT 1

EXHIBIT 2



CALIFORNIA ASSOCIATION OF REALTORS*

California Main Document 57 of 93 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)

1. OFFER: Date May 27, 2013

A. THIS IS AN OFFER FROM Jane Valentine ("Buyer").

B. THE REAL PROPERTY TO BE ACQUIRED is described as 12863 Sunnyvale Dr, Moreno valley, CA 92553

Assessor's Parcel No. Moreno valley, County of Riverside, California, ("Property").

C. THE PURCHASE PRICE offered is Ninety Thousand Dollars \$ 90,000.00

D. CLOSE OF ESCROW shall occur on August 30, 2013 (date) (or 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 Elich & Associates (Print Firm Name) is the agent of (check one): [] the Seller exclusively; or [] both the Buyer and Seller.

Selling Agent Elich & Associates (Print Firm Name) (if not the same as the Listing Agent) is the agent of (check one): [] the Buyer exclusively; or [] the Seller exclusively; or [] both the Buyer and Seller.

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 \$ 1,500.00

(1) Buyer shall deliver deposit directly to Escrow Holder by personal check, [x] electronic funds transfer, [] other within 3 business days after acceptance (or [] Other);

OR (2) (If checked) [] Buyer has given the deposit by personal check (or []) to the agent submitting the offer (or to [] Emerald Escrow). The deposit shall be held uncashed until Acceptance and then deposited with Escrow Holder (or [] into Broker's trust account) within 3 business days after Acceptance (or [] Other).

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

If a liquidated damages clause is incorporated into this Agreement, Buyer and Seller shall sign a separate liquidated damages clause (C.A.R. Form RID) for any increased deposit at the time it is Delivered.

C. LOAN(S):

(1) FIRST LOAN: In the amount of \$ 72,000.00

This loan will be conventional financing or, if checked, [] FHA, [] VA, [] Seller (C.A.R. Form SFA), [] assumed financing (C.A.R. Form PAA), [] Other. This loan shall be at a fixed rate not to exceed % or, [] an adjustable rate loan with initial rate not to exceed %. Regardless of the type of loan, Buyer shall pay points not to exceed 1.00 % of the loan amount.

(2) [] SECOND LOAN: In the amount of \$

This loan will be conventional financing or, if checked, [] Seller (C.A.R. Form SFA), [] assumed financing (C.A.R. Form PAA), [] Other. This loan shall be at a fixed rate not to exceed % or, [] an adjustable rate loan with initial rate not to exceed %. Regardless of the type of loan, Buyer shall pay points not to exceed % of the loan amount.

(3) FHA/VA: For any FHA or VA loan specified above, Buyer has 17 (or []) Days After Acceptance to Deliver to Seller written notice (C.A.R. Form FVA) of any lender-required repairs or costs that Buyer requests Seller to pay for or otherwise correct. Seller has no obligation to pay or satisfy lender requirements unless otherwise agreed in writing.

D. ADDITIONAL FINANCING TERMS:

E. BALANCE OF DOWN PAYMENT OR PURCHASE PRICE in the amount of \$ 16,500.00 to be deposited with Escrow Holder within sufficient time to close escrow.

F. PURCHASE PRICE (TOTAL): \$ 90,000.00

Buyer's Initials (Jv) ()

Seller's Initials () ()



Property Address: Moreno valley, CA 92553

Date: May 27, 2013

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 Any Reliable Co 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 property disclosure 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 Both buyer and seller costs
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 Chicago Title
(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 \$ 400.00 _____, of a one-year home warranty plan, issued by Sellers Choice _____, with the following optional coverages:
 Air Conditioner Pool/Spa Code and Permit upgrade Other: _____
Buyer is informed that home warranty plans have many optional coverages in addition to those listed above. Buyer is advised to investigate these coverages to determine those that may be suitable for Buyer.
(7) Buyer Seller shall pay for _____
(8) Buyer Seller shall pay for _____

Buyer's Initials (AS) (_____)

Seller's Initials (AS) (_____)



12863 Sunnyglan Dr

Property Address: Moreno valley, CA 92553

Date: May 27, 2013

6. 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 N/A 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 or actual knowledge of release of illegal controlled substance, notice of special tax and/or assessments (or, if allowed, substantially equivalent notice regarding the Mello-Roos Community Facilities Act and Improvement Bond Act of 1915) and, if Seller has actual knowledge, of industrial use and military ordinance location (C.A.R. Form SPQ or SSD).

(2) Buyer shall, within the time specified in paragraph 14B(1), return Signed Copies of the Statutory and Lead Disclosures to Seller.

(3) In the event Seller, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items. However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies of which Buyer is otherwise aware, or which are disclosed in reports provided to or obtained by Buyer or ordered and paid for by Buyer.

(4) If any disclosure or notice specified in 6A(1), or subsequent or amended disclosure or notice is Delivered to Buyer after the offer is Signed, Buyer shall have the right to cancel this Agreement within 3 Days After Delivery in person, or 5 Days After Delivery by deposit in the mail, by giving written notice of cancellation to Seller or Seller's agent.

(5) Note to Buyer and Seller: Waiver of Statutory and Lead Disclosures is prohibited by Law.

B. NATURAL AND ENVIRONMENTAL HAZARDS: Within the time specified in paragraph 14A, Seller shall, if required by Law: (i) Deliver to Buyer earthquake guides (and questionnaire) and environmental hazards booklet; (ii) even if exempt from the obligation to provide a NHD, disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.

C. WITHHOLDING TAXES: Within the time specified in paragraph 14A, to avoid required withholding, Seller shall Deliver to Buyer or qualified substitute, an affidavit sufficient to comply with federal (FIRPTA) and California withholding Law (C.A.R. Form AS or QS).

D. MEGAN'S LAW DATABASE DISCLOSURE: Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Seller nor Brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's inspection contingency period. Brokers do not have expertise in this area.)

E. NOTICE REGARDING GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES: This notice is being provided simply to inform you that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) Internet Web site maintained by the United States Department of Transportation at http://www.npms.phmsa.dot.gov/. To seek further information about possible transmission pipelines near the Property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP Code and county on the NPMS Internet Web site.

7. CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES:

A. SELLER HAS: 7 (or 5) 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);

Buyer's Initials (GM) (_____)

Seller's Initials (JK) (_____)

Reviewed by JK Date 5/14/2013



Property Address: 12863 Sunnyglen Dr
Moreno valley, CA 92553

Date: May 27, 2013

- (3) The following additional items: N/A
 (4) Seller represents that all items included in the purchase price, unless otherwise specified, are owned by Seller.
 (5) All items included shall be transferred free of liens and without Seller warranty.
- C. **ITEMS EXCLUDED FROM SALE:** Unless otherwise specified, audio and video components (such as flat screen TVs and speakers) are excluded if any such item is not itself attached to the Property, even if a bracket or other mechanism attached to the component is attached to the Property; and N/A
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 indemnify and Seller protection for entry upon property: Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer Investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of 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:
 Seller Property Questionnaire (C.A.R. Form SPQ) OR Supplemental Contractual and Statutory Disclosure (C.A.R. Form SSD)
- B. **Addenda (if checked):** Addendum # (C.A.R. Form ADM)
 Wood Destroying Pest Inspection and Allocation of Cost Addendum (C.A.R. Form WPA)
 Purchase Agreement Addendum (C.A.R. Form PAA) Septic, Well and Property Monument Addendum (C.A.R. Form SWPI)
 Short Sale Addendum (C.A.R. Form SSA) Other
- C. **Advisories (if checked):** Buyer's Inspection Advisory (C.A.R. Form BIA)
 Probate Advisory (C.A.R. Form PAK) Statewide Buyer and Seller Advisory (C.A.R. Form SBSA)
 Trust Advisory (C.A.R. Form TA) REO Advisory (C.A.R. Form REO)
- D. **Other Terms:** Addendum to Purchase Agreement dated 7/30/2013;
Addendum No. 7 dated 7/30/2013

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, 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 (JA) (_____)

Seller's Initials (JA) (_____)

Reviewed by JA Date 7/14/2013



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Date: May 27, 2013

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 (JA) (_____)

Seller's Initials (AK) (_____)

Reviewed by _____ Date _____



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

Buyer's Initials (JA) (_____)

Seller's Initials (AK) (_____)

Reviewed by _____ Date _____



Property Address: Moreno valley, CA 92553

Date: May 27, 2013

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 AW / _____ Seller's Initials AS / _____

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 AW / _____ Seller's Initials AS / _____

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 AW (_____) (_____)

Seller's Initials AS (_____) (_____)



12863 Sunnyglen Dr
 Property Address: Moreno valley, CA 92553

Date: May 27, 2013

28. 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 6-1-13
 BUYER Jane E Valentine
Jane Valentine
 (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.

(If checked) SUBJECT TO ATTACHED COUNTER OFFER (C.A.R. Form CO) DATED: _____
 Date X 8/15/2013
 SELLER X Karl T. Anderson
Karl T. Anderson Chapter 7 Trustee
 (Print name)
12863 Sunnyglen Dr. Moreno Valley, CA 92553
 (Address)

SELLER _____
 (Print name)

(RA) (Initials) CONFIRMATION OF ACCEPTANCE: A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date) 8/15/2013 at 2:40 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) Elich & Associates DRE Lic. # 01245790
 By Robert Curbish DRE Lic. # 01205257 Date 6-1-13
 Address 387 MAGNOLIA AVE #103 City CORONA State CA Zip 92579
 Telephone 602 799 7199 Fax 602 916 1926 E-mail urhome@sbcglobal.net

Real Estate Broker (Listing Firm) Elich & Associates DRE Lic. # 01245790
 By Sara Elich DRE Lic. # 01245790 Date 6-1-13
 Address 387 MAGNOLIA AVE 103 City CORONA State CA Zip 92579
 Telephone 951 903 5944 Fax 602 916 1926 E-mail ra@magnumaz.com

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

PRESENTATION OF OFFER: (RA) Listing Broker presented this offer to Seller on 8/8/2013 (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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 525 South Virgil Avenue, Los Angeles, California 90020

Reviewed by _____ Date 8/14/2013
 Broker or Designee



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.

Buyer Signature _____ Date _____
Jane Valentine
 Seller Signature _____ Date _____
Karl T. Anderson 8/12/13
 Karl T. Anderson Chapter 7 Trustee

Buyer Signature _____ Date _____
 Seller Signature _____ Date _____

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CALIFORNIA ASSOCIATION OF REALTORS

WATER HEATER AND SMOKE DETECTOR STATEMENT OF COMPLIANCE (C.A.R. Form WHSD, Revised 11/10)

Property Address: 12863 Sunnyqlen Dr, Moreno valley, CA 92553

NOTE: A seller who is not required to provide one of the following statements of compliance is not necessarily exempt from the obligation to provide the other statement of compliance.

WATER HEATER STATEMENT OF COMPLIANCE

- 1. STATE LAW: California Law requires that all new and replacement water heaters and existing residential water heaters be braced, anchored or strapped to resist falling or horizontal displacement due to earthquake motion.
2. LOCAL REQUIREMENTS: Some local ordinances impose more stringent water heater bracing, anchoring or strapping requirements than does California Law.
3. TRANSFEROR'S WRITTEN STATEMENT: California Health and Safety Code §19211 requires the seller of any real property containing a water heater to certify, in writing, that the seller is in compliance with California State Law.
4. CERTIFICATION: Seller represents that the Property, as of the Close Of Escrow, will be in compliance with Health and Safety Code §19211 by having the water heater(s) braced, anchored or strapped in place, in accordance with those requirements.

Seller/Landlord x [Signature] Karl T. Anderson Chapter 7 Trustee Date 8/12/13

Seller/Landlord [Signature] (Print Name) Date

The undersigned hereby acknowledges receipt of a copy of this document.

Buyer/Tenant [Signature] Jane Valentine Date 6-1-13

Buyer/Tenant [Signature] (Print Name) Date

SMOKE DETECTOR STATEMENT OF COMPLIANCE

- 1. STATE LAW: California Law requires that (I) every single-family dwelling and factory built housing unit sold on or after January 1, 1986, must have an operable smoke detector, approved and listed by the State Fire Marshal, installed in accordance with the State Fire Marshal's regulations (Health and Safety Code §13113.8) and (II) all used manufactured or mobilehomes have an operable smoke detector in each sleeping room.
2. LOCAL REQUIREMENTS: Some local ordinances impose more stringent smoke detector requirements than does California Law.
3. TRANSFEROR'S WRITTEN STATEMENT: California Health and Safety Code §13113.8(b) requires every transferor of any real property containing a single-family dwelling, whether the transfer is made by sale, exchange, or real property sales contract (installment sales contract), to deliver to the transferee a written statement indicating that the transferor is in compliance with California State Law concerning smoke detectors.
4. EXCEPTIONS: Generally, a written statement of smoke detector compliance is not required for transactions for which the Seller is exempt from providing a transfer disclosure statement.
5. CERTIFICATION: Seller represents that the Property, as of the Close Of Escrow, will be in compliance with the law by having operable smoke detector(s) (I) approved and listed by the State Fire Marshal installed in accordance with the State Fire Marshal's regulations Health and Safety Code §13113.8 or (II) in compliance with Manufactured Housing Construction and Safety Act (Health and Safety Code §18029.6) located in each sleeping room for used manufactured or mobilehomes as required by HCD and (III) in accordance with applicable local ordinance(s).

Seller/Landlord x [Signature] Karl T. Anderson Chapter 7 Trustee Date 8/12/13

Seller/Landlord [Signature] (Print Name) Date

The undersigned hereby acknowledge(s) receipt of a copy of this Water Heater and Smoke Detector Statement of Compliance.

Buyer/Tenant [Signature] Jane Valentine Date 6-1-13

Buyer/Tenant [Signature] (Print Name) Date

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Reviewed by _____ Date _____



WATER HEATER AND SMOKE DETECTOR STATEMENT OF COMPLIANCE (WHSD PAGE 1 OF 1)

Agent: Sara Ellich Phone: 951.963-5944 Fax: 951.371-5522 Prepared using zipForm® software Broker: Ellich & Associates 387 Magnolia Ave., #103-441 Corona, CA 92879

EXHIBIT "2"



DISCLOSURE AND CONSENT FOR REPRESENTATION OF MORE THAN ONE BUYER OR SELLER
(C.A.R. Form DA, 11/06)

A real estate broker, whether a corporation, partnership or sole proprietorship, ("Broker") may represent more than one buyer or seller provided the Broker has made a disclosure and the principals have given their consent. This multiple representation can occur through an individual licensed as a broker or through different associate licensees acting for the Broker. The associates licensees may be working out of the same or different office locations.

Broker (individually or through its associate licensees) may be working with many prospective buyers at the same time. These prospective buyers may have an interest in, and make offers on, the same properties. Some of these properties may be listed with Broker and some may not. Broker will not limit or restrict any particular buyer from making an offer on any particular property whether or not Broker represents other buyers interested in the same property.

Broker (individually or through its associate licensees) may have listings on many properties at the same time. As a result, Broker will attempt to find buyers for each of those listed properties. Some listed properties may appeal to the same prospective buyers. Some properties may attract more prospective buyers than others. Some of these prospective buyers may be represented by Broker and some may not. Broker will market all listed properties to all prospective buyers whether or not Broker has another or other listed properties that may appeal to the same prospective buyers.

Buyer and Seller understand that Broker may represent more than one buyer or seller and even both buyer and seller on the same transaction

If Seller is represented by Broker, Seller acknowledges that Broker may represent prospective buyers of Seller's property and consents to Broker acting as a dual agent for both Seller and Buyer in that transaction.

If Buyer is represented by Broker, Buyer acknowledges that Broker may represent sellers of property that Buyer is interested in acquiring and consents to Broker acting as a dual agent for both Buyer and Seller with regard to that property.

In the event of dual agency, Seller and Buyer agree that: (a) Broker, without the prior written consent of the Buyer, will not disclose to Seller that the Buyer is willing to pay a price greater than the offered price; (b) Broker, without the prior written consent of the Seller, will not disclose to the Buyer that Seller is willing to sell property at a price less than the listing price; and (c) other than as set forth in (a) and (b) above, a Dual Agent is obligated to disclose known facts materially affecting the value or desirability of the property to both parties.

NON CONFIDENTIALITY OF OFFERS: Buyer is advised that Seller or Listing Agent may disclose the existence, terms, or conditions of Buyer's offer unless all parties and their agent have signed a written confidentiality agreement. Whether any such information is actually disclosed depends on many factors, such as current market conditions, the prevailing practice in the real estate community, the Listing Agent's marketing strategy and the instructions of the Seller.

Seller and/or Buyer acknowledges reading and understanding this Disclosure and Consent for Representation of More Than One Buyer or Seller and agrees to the dual agency possibility disclosed.

Seller Buyer Jane E. Valentine Date 6-1-13
Jane Valentine
 Seller Buyer Karl T Anderson Date 8/12/13
Karl T Anderson Chapter 7 Trustee for Don Coleman

Real Estate Broker (Firm) Elich & Associates DRE Lic # 01245790 Date 6-1-13

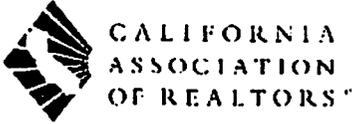
By Sara Elich/Robert Castillo DRE Lic # 01205757 Date 6-1-13

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Reviewed by [Signature] Date 8/14/13



ADDENDUM
(C.A.R. Form ADM, Revised 4/12)

No. 1 (one)

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

dated July 30, 2013, on property known as 12863 Sunnyglen Dr
Moreno Valley, CA 92553

in which Jane Valentine is referred to as ("Buyer/Tenant")
and Karl T. Anderson Chpt 7, Trustee for Don Coleman is referred to as ("Seller/Landlord").

Seller is a Chapter 7 Bankruptcy Trustee and shall provide only those disclosures as required by law, and Seller makes no representations or warranties. Buyer has fully investigated the property and accepts the property on an As-Is basis, without any representations and warranties.

Buyer and seller agree to incorporate the terms of the attached addendum from Karl T. Anderson, BK Trustee chapter 7 for the estate of Donald Coleman.

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

Date July 30, 2013

Date _____

Buyer/Tenant Jane Valentine

Seller/Landlord Karl T. Anderson Chpt 7

Buyer/Tenant _____

Seller/Landlord Trustee for Don Coleman

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525 South Virgil Avenue, Los Angeles, California 90020

ADM REVISED 4/12 (PAGE 1 OF 1)

Reviewed by _____ Date _____



ADDENDUM (ADM PAGE 1 OF 1)

Agent: Sara Elich Phone: 951.963-5844 Fax: 951.371-5522 Prepared using zipForm® software
Broker: Elich & Associates 387 Magnolia Ave., #103-441 Corona, CA 92879

ADDENDUM TO PURCHASE AGREEMENT

This Addendum to Residential Purchase Agreement (hereinafter called "Agreement") is entered into on this 30th day of July, 2013, by and between Jane Valentine (hereinafter the "Buyer") and Karl T. Anderson, solely in his capacity as the Chapter 7 Trustee for the bankruptcy estate of Donald Coleman, (hereinafter called "Seller" or "Trustee", collectively with the Buyer, the "Parties") pursuant to the terms and conditions as follows:

RECITALS

WHEREAS: Donald Coleman ("Debtor") in the bankruptcy proceeding entitled *In re Donald Coleman*, Case No. 6:12-bk-32724-MJ, is the owner of record of certain real property commonly known as 12863 Sunnyglen Drive, Moreno Valley, CA 92553, Assessor's Parcel Number 292-092-039-4 (hereinafter the "Subject Property").

WHEREAS: On October 15, 2012, the Debtor filed a petition seeking relief pursuant to Chapter 7, of Title 11, of the United States Bankruptcy Code.

WHEREAS: As a result of the filing of the Chapter 7 petition, Karl T. Anderson was appointed as the Trustee to administer the assets of the bankruptcy estate ("Estate"), one of which was the Debtor's interest in the Subject Property.

WHEREAS: Pursuant to 11 U.S.C. Section 363, Karl T. Anderson, Chapter 7 Trustee and/or his attorneys will seek a Court Order authorizing the sale of the Subject Property.

NOW THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

CONDITIONS OF SALE

1. **Purchase Price.** The purchase price for the Subject Property shall be Ninety Thousand Dollars (\$90,000.00).
2. **Termite Report and Repairs.** The Buyer has agreed to waive the requirements and costs for a termite report.
3. **Escrow Holder and Closing.** The escrow holder shall be Emerald Escrow. Escrow is scheduled to close within ten to twenty (10-20) days from entry of the Order granting the Sale Motion. The Trustee may extend this time under his sole discretion and based on his business judgment.
4. **Escrow and Title Costs.** The Buyer shall pay the escrow fees. The Seller shall pay for an

owner's title insurance policy to be issued by Chicago Title.

5. **Other Costs.** The Buyer shall be responsible for County and City transfer taxes or transfer fees.
6. **Bankruptcy Court Approval.** The sale is expressly conditioned on approval of the United States Bankruptcy Court for the Central District of California, Riverside Division and entry of final order approving the Agreement.
7. **Real Estate Agent Commission.** Through escrow on the sale of the Subject Property, and subject to Bankruptcy Court approval, the Trustee shall pay compensation for real estate agent services to the Buyer's agent and the Estate's agent in an amount of six percent (6%) of the purchase price.
8. **No Assignment.** The Agreement is between the Buyer and the Trustee. The Buyer shall have no right to assign the Escrow, the Agreement, or transfer the Subject Property concurrent with closing without consent of the Seller.
9. **Title Insurance.** The title insurance policy shall be subject only to liens, encumbrances, clouds and other matters as may appear on the preliminary title report, that are not to be removed at the close of Escrow, and have not been objected to by the Buyer. Should Seller be unwilling or unable to eliminate those title matters disapproved by the Buyer as above, the Seller may terminate the Agreement or; should Seller fail to deliver good and marketable title as provided above, Seller and the Buyer may terminate the Agreement. In either case, the Buyer's deposit shall be returned to the Buyer, and the Buyer shall have no recourse against Seller, Karl T. Anderson, as Bankruptcy Trustee, individually, or the law firm of Shulman Hodges & Bastian LLP, the Estate or the Debtor, or any real estate agent, broker or attorney involved in the transaction.
10. **Limitations of Sale.** The Parties acknowledge that the operation of the law has placed the Trustee in a unique role as the Seller of the Subject Property. Due to the nature of the Trustee's role in administering the Estate, there are limitations as to the extent, type and character of the Agreement under which the Trustee can convey the Subject Property. The Trustee proposes to sell Subject Property under certain limitations. The Parties acknowledge that they understand the terms under which the Subject Property is to be conveyed may vary substantially from the normal customs and trade within the real estate industry. Except where expressly mandated by operation of law, the Buyer consents to any such modifications and amendments.

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11. **Purchase without Warranties.** The Buyer acknowledges that she is purchasing the Subject Property from the Seller "AS IS" without warranties of any kind, expressed or implied, being

given by the Seller, concerning the condition of the Subject Property or the quality of the title thereto, or any other matters relating to the Subject Property. The Buyer represents and warrants that she is purchasing the Subject Property as a result of her own investigations and is not buying the Subject Property pursuant to any representation made by any broker, agent, accountant, attorney or employee acting at the direction, or on the behalf of the Seller. The Buyer acknowledges that the Buyer has inspected the Subject Property, and upon closing of Escrow governed by this Agreement, the Buyer forever waives, for herself, her heirs, successors and assigns, all claims against the Debtor, his attorneys, agents and employees, the Debtor's Estate, Karl T. Anderson as Trustee and individually, and his attorneys, agents and employees, arising or which might otherwise arise in the future concerning the Subject Property.

12. Trustee's Liability. The Buyer acknowledges that the Trustee is acting in his official capacity only. No personal liability shall be sought or enforced against the Trustee with regard to the Agreement, including the Addendum, the assets, the sale of the Subject Property, or the physical condition of the Subject 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 Subject 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.

13. Hold Harmless:

(a) The Buyer understands the terms and conditions of the entire purchase contract and holds 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.

(b) The 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 Agreement. In the event this Escrow is not completed for any reason, Escrow is authorized to deduct and pay its fee, plus costs incurred from any funds on deposit.

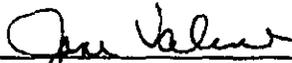
///

14. Jurisdiction of the Bankruptcy Court. Any and all disputes which involve in any manner the Estate or Karl T. Anderson, Chapter 7 Trustee, arising from the Agreement and/or its

Addendums or relating in any manner to the Subject Property, shall be resolved only in the United States Bankruptcy Court, Central District of California.

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

Dated: 7/30/13



Jane Valentine, Buyer

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

Dated: 8/12/13

By: 

Karl T. Anderson, solely in his capacity as
The Chapter 7 Trustee for the Bankruptcy Estate of
Donald Coleman

SO AGREED.

Dated: 8/14/2013



Sara Elich, Trustee's Agent

Dated: 8/14/2013



Sara Elich, Buyer's Agent

EXHIBIT 3



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

April 8, 2013

Donald Coleman
12863 Sunnyglen Drive
Moreno Valley, CA 92553

Re: In re Donald Coleman
Case No.: 6:12-bk-32724-MJ

Dear Mr. Coleman:

As you are aware, this firm is proposed counsel for Karl T. Anderson, Chapter 7 Trustee ("Trustee") for your bankruptcy case. On your amended Schedules A and C, you list the real property located at 12863 Sunnyglen Drive, Moreno Valley, CA 92553 ("Property") with a fair market value of \$90,000.00 and a mortgage with CitiMortgage in the amount of \$15,514.13 ("Mortgage"). As the Trustee discussed with you at your 341(a) Meeting of Creditors on Friday, April 5, 2013 ("341(a) Meeting"), he has been informed that the Property is worth approximately \$155,000.00 to \$165,000.00. Based on the Trustee's valuation of the Property, there is sufficient equity in the Property to pay your unsecured creditors in full.

As you discussed with the Trustee at the 341(a) Meeting, all proof of claims in this case must be filed by June 24, 2013 ("Claims Bar Date"). Once the Claims Bar Date has passed and we have confirmed the amount of the claims filed in this case, we will work with you on a Settlement Agreement which will provide payment for all allowed claims and administrative costs.

If you have not already, please provide the Trustee with a copy of the most recent Mortgage statement for the Property. Additionally, please a copy of the property insurance for the Property.

Donald Coleman
April 8, 2013
Page 2

Please send the requested documents to our Irvine office on or before **Monday, April 22, 2013**. Please do not hesitate to contact me if you have any questions.

Very truly yours,

SHULMAN HODGES & BASTIAN LLP



Rika M. Kido

RMK/amv

cc: Karl T. Anderson, Chapter 7 Trustee (Via Email)
Leonard M. Shulman, Esq. (i/o)

Z:\C-D\Coleman\Ltr\Coleman 001.docx
4654-000/34

EXHIBIT 4

RESUME OF SARA C. ELICH

387 MAGNOLIA AVE STE 103
CORONA, CA 92879
URHOME@SBCGLOBAL.NET
951-963-5944

PROFESSIONAL EXPERIENCE

REAL ESTATE BROKER / OWNER

ELICH & ASSOCIATES

MARCH 2001 TO JANUARY 2004; JULY 2007 TO PRESENT

BROKER ASSOCIATE

PRUDENTIAL CALIFORNIA REALTY

OCTOBER 1998 TO MARCH 2001; JANUARY 2004 TO JUNE 29, 2007

- * Develop real estate business through telemarketing, geographic farming, social media and networking within the community.
- * Hire, train and manage sales agents and staff.
- * Utilize state-of-the-art technology in the listing, marketing, and selling of residential real estate properties.
- * Advise customers with respect to purchasing strategies, contract negotiations, financing options and escrow matters. Provide clients with staging and repair recommendations and marketing plans for optimal real estate disposition.
- * Preserve and manage institutionally owned real estate assets; Negotiate vacancy agreements; Testify at unlawful detainer proceedings as necessary.
- * Prepare and/or review sales files for completeness and regulatory compliance; Coordinate closing activities with cooperating agents, escrow, title and lenders.
- * Review industry literature weekly in order to keep abreast of latest technology, real estate trends, local market conditions, inventory, and economic forecasts.
- * Listed and sold over 400 private and institutionally owned assets and have prepared more than 800 comparative market analysis and/or Broker Price Opinions for private and institutional sellers. Awards received from Prudential for gross sales and commissions earned. Ranked as one of Wilshire Credit Company's Top 200 agents nationwide.

ATTORNEY

LAW OFFICE OF SARA ELICH, LAGUNA NIGUEL, CA

JUNE 1993 TO JULY 2002

- * Advise and represent corporations and employees on matters pertaining to contract law with a primary focus on hiring, promotions, benefits, and termination of employment
- * Draft employee handbooks, company policies and procedures, pay scales, training materials, and severance packages; Negotiate employment and severance contracts.
- * Perform business development, hiring, and management of law practice.

LICENSES

June 1993 - Admitted to practice law in California and in the U.S. District Court,
Ninth Circuit

October 1998 - Licensed California Real Estate Broker

September 2010 – Arizona Real Estate Broker License

PROFESSIONAL MEMBERSHIPS

Arizona & California Association of Realtors

National Association of Realtors

The Inland Gateway (Riv. & SB County) Association of Realtors

Phoenix Association of Realtors

National Association of Real Estate Brokers

California Bar Association

CASA Certified 10-21-2003

Open Table Youth Ministry Member

EDUCATION

Syracuse University, Syracuse New York

Bachelor of Arts degrees in English and Political Science

Western State University School of Law, Irvine, CA

Juris Doctorate Degree

EXHIBIT 5



CALIFORNIA ASSOCIATION OF REALTORS®

RESIDENTIAL LISTING AGREEMENT - AGENCY (Agency Authorization and Right to Sell) (C.A.R. Form RLAA, Revised 4/13)

- 1. EXCLUSIVE AGENCY RIGHT TO SELL: Karl T. Anderson Chpt 7, Trustee for Don Coleman ("Seller") Elich & Associates ("Broker") 1, 2013 and ending at 11:59 P.M. on (date) October 30, 2013 ("Listing Period") Moreno Valley, Assessor's Parcel No. 12863 Sunnyglen Dr ("Property").
2. ITEMS EXCLUDED AND INCLUDED: Unless otherwise specified in a real estate purchase agreement, all fixtures and fittings that are attached to the Property are included, and personal property items are excluded, from the purchase price.
3. LISTING PRICE AND TERMS: A. The listing price shall be Ninety Thousand Dollars (\$ 90,000.00).
4. COMPENSATION TO BROKER: Notice: The amount of real estate commissions is not fixed by law. They are set by each Broker individually and may be negotiable between Seller and Broker (real estate commissions include all compensation and fees to Broker).
A. Seller agrees to pay Broker as compensation for services irrespective of agency relationship(s), either [X] 6.000 percent of the listing price (or purchase agreement is entered into, of the purchase price), or [] \$
(1) If during the Listing Period, or any extension, Broker or any other broker or agent procures a ready, willing, and able buyer(s) whose offer to purchase the Property on any price and terms is accepted by Seller, provided the Buyer completes the transaction and is not prevented from doing so by Seller. (Broker is entitled to compensation whether any escrow resulting from such offer is during or after the expiration of the Listing Period, or any extension.)
OR (2) If within 120 calendar days (a) after the end of the Listing Period or any extension, or (b) after any cancellation of the Agreement in writing by anyone ("Prospective Buyer") or that person's related entity: (i) who physically entered and was shown the Property during the Listing Period or any extension by Broker or a cooperating broker; or (ii) for whom Broker or any cooperating broker submitted a signed, written offer to acquire, lease, exchange or obtain an option on the Property. Seller; however, Seller shall have no obligation to pay compensation to Broker under this paragraph 4A(2) unless, not later than 3 calendar days after the end of the Listing Period or any extension, Broker has given Seller a written notice of the names of such Prospective Buyers.
OR (3) If, without Seller's prior written consent, the Property is withdrawn from sale, conveyed, leased, rented, otherwise transferred, or otherwise unmarketable by a voluntary act of Seller during the Listing Period, or any extension, except as specified in paragraph 4G below.
B. If completion of the transaction is prevented by a party to the transaction other than Seller, then compensation due under paragraph 4A shall be payable to Seller and when Seller collects damages by suit, arbitration, settlement, or otherwise, and then in an amount equal to the lesser of one-half of the damages recovered or the above compensation, after first deducting title and escrow expenses and fees of collection, if any.
C. In addition, Seller shall pay Broker:
D. Seller has been advised of Broker's policy regarding cooperation with, and the amount of compensation offered to, other brokers.
(1) Broker is authorized to cooperate with and compensate brokers participating through the multiple listing service(s) ("MLS"): (i) by offering compensation to other brokers: either [] percent of the purchase price, or [] \$; OR (ii) (if check [X]) as per Broker's policy.
(2) Broker is authorized to cooperate with and compensate brokers operating outside the MLS as per Broker's policy.
E. Seller hereby assigns to Broker the above compensation from Seller's funds and proceeds in escrow. Broker may give instructions to compensate Broker pursuant to paragraph 4A, to any escrow regarding the Property involving Seller, Buyer, Prospective Buyer or other transferee.
F. (1) Seller represents and warrants that Seller has not previously entered into a listing agreement with another broker regarding the Property, unless specifically stated otherwise below:
(2) Seller warrants that Seller has no obligation to pay compensation to any other broker regarding the Property unless the Property is sold to anyone listed above during the time Seller is obligated to compensate another broker: (i) Broker is not entitled to compensation under this Agreement; and (ii) Broker is not obligated to represent Seller in such transaction.
G. This is an exclusive listing. Seller reserves the right to sell the Property directly to a purchaser without any obligation to pay compensation to a broker, unless otherwise specified in paragraph 4C above or elsewhere in writing.

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Seller acknowledges receipt of a copy of this page. Seller's Initials () () Reviewed by Date



RESIDENTIAL LISTING AGREEMENT - AGENCY (RLAA PAGE 1 OF 4)

Agent: Sara Elich Broker: Elich & Associates Phone: 951.963-5944 Fax: 951.371-5522 Prepared using zipForm® software Magnolia Ave., #103-441 Corona, CA 92879

- 5. **OWNERSHIP, TITLE AND AUTHORITY:** Seller warrants that: (i) Seller is the owner of the Property; (ii) no other persons or entities have title to the Property; and (iii) Seller has the authority to both execute this Agreement and sell the Property. Exceptions to ownership, title and authority are as follows: Sale & terms are subject to approval by Bankruptcy Trustee.
- 6. **MULTIPLE LISTING SERVICE:** All terms of the transaction, including financing, if applicable, will be provided to the selected MLS for publication, dissemination and use by persons and entities on terms approved by the MLS. Seller acknowledges that Broker is required to comply with all applicable MLS rules as a condition of entry of the listing into the MLS and Seller authorizes Broker to comply with all applicable MLS rules. MLS rules require that the listing sales price be reported to the MLS. MLS rules allow MLS data to be made available by the MLS to additional Internet sites unless Broker gives the MLS instructions to the contrary. MLS rules generally provide that residential real property and vacant lot listings be submitted to the MLS within 48 hours or some other period of time after all necessary signatures have been obtained on the listing agreement. However, Broker will not have to submit this listing to the MLS if, within that time, Broker submits to the MLS a form signed by Seller (C.A.R. Form SEL or the locally required form).

Information that can be excluded:

A. Internet Display:

- (1) Seller can instruct Broker to have the MLS not display the Property on the Internet. Seller understands that this would mean consumers searching for listings on the Internet may not see information about the Property in response to their search; (2) Seller can instruct Broker to have the MLS not display the Property address on the Internet. Seller understands that this would mean consumers searching for listings on the Internet may not see the Property's address in response to their search.

B. Features on MLS Participant and Subscriber Websites:

- (1) Seller can instruct Broker to advise the MLS that Seller does not want visitors to MLS Participant or Subscriber Websites that display the Property listing to have (i) the ability to write comments or reviews about the Property on those sites; or (ii) the ability to hyperlink to another site containing such comments or reviews if the hyperlink is in immediate conjunction with the Property. Seller understands (i) that this opt-out applies only to Websites of MLS Participants and Subscribers who are real estate broker and agent members of the MLS; (ii) that other Internet sites may or may not have the features set forth herein; and (iii) that neither Broker nor the MLS may have the ability to control or block such features on other Internet sites. (2) Seller can instruct Broker to advise the MLS that Seller does not want MLS Participant or Subscriber Websites that display the Property listing to operate (i) an automated estimate of the market value of the Property; or (ii) have the ability to hyperlink to another site containing such automated estimate of value if the hyperlink is in immediate conjunction with the Property. Seller understands (i) that this opt-out applies only to Websites of MLS Participants and Subscribers who are real estate brokers and agent members of the MLS; (ii) that other Internet sites may or may not have the features set forth herein; and (iii) that neither Broker nor the MLS may have the ability to control or block such features on other Internet sites.

Seller acknowledges that for any of the above opt-out instructions to be effective, Seller must make them on a separate instruction to Broker signed by Seller (C.A.R. Form SEL or the locally required form). Information about this listing will be provided to the MLS of Broker's selection unless a form instructing Broker to withhold the listing from the MLS is attached to this listing Agreement.

- 7. **SELLER REPRESENTATIONS:** Seller represents that, unless otherwise specified in writing, Seller is unaware of: (i) any Notice of Default recorded against the Property; (ii) any delinquent amounts due under any loan secured by, or other obligation affecting, the Property; (iii) any bankruptcy, insolvency or similar proceeding affecting the Property; (iv) any litigation, arbitration, administrative action, government investigation or other pending or threatened action that affects or may affect the Property or Seller's ability to transfer it; and (v) any current, pending or proposed special assessments affecting the Property. Seller shall promptly notify Broker in writing if Seller becomes aware of any of these items during the Listing Period or any extension thereof.
- 8. **BROKER'S AND SELLER'S DUTIES:** (a) Broker agrees to exercise reasonable effort and due diligence to achieve the purposes of this Agreement. Unless Seller gives Broker written instructions to the contrary, Broker is authorized to (i) order reports and disclosures as necessary, (ii) advertise and market the Property by any method and in any medium selected by Broker, including MLS and the Internet, and, to the extent permitted by these media, control the dissemination of the information submitted to any medium; and (iii) disclose to any real estate licensee making an inquiry the receipt of any offers on the Property and the offering price of such offers. (b) Seller agrees to consider offers presented by Broker, and to act in good faith to accomplish the sale of the Property by, among other things, making the Property available for showing at reasonable times and referring to Broker all inquiries of any party interested in the Property. Seller is responsible for determining at what price to list and sell the Property. Seller further agrees to indemnify, defend and hold Broker harmless from all claims, disputes, litigation, judgments and attorney fees and costs arising from any incorrect information supplied by Seller, or from any material facts that Seller knows but fails to disclose.
- 9. **DEPOSIT:** Broker is authorized to accept and hold on Seller's behalf any deposits to be applied toward the purchase price.

10. AGENCY RELATIONSHIPS:

- A. **Disclosure:** If the Property includes residential property with one-to-four dwelling units, Seller shall receive a "Disclosure Regarding Agency Relationships" (C.A.R. Form AD) prior to entering into this Agreement.
- B. **Seller Representation:** Broker shall represent Seller in any resulting transaction, except as specified in paragraph 4F.
- C. **Possible Dual Agency With Buyer:** Depending upon the circumstances, it may be necessary or appropriate for Broker to act as an agent for both Seller and buyer, exchange party, or one or more additional parties ("Buyer"). Broker shall, as soon as practicable, disclose to Seller any election to act as a dual agent representing both Seller and Buyer. If a Buyer is procured directly by Broker or an associate-licensee in Broker's firm, Seller hereby consents to Broker acting as a dual agent for Seller and such Buyer. In the event of an exchange, Seller hereby consents to Broker collecting compensation from additional parties for services rendered, provided there is disclosure to all parties of such agency and compensation. Seller understands and agrees that: (i) Broker, without the prior written consent of Seller, will not disclose to Buyer that Seller is willing to sell the Property at a price less than the listing price; (ii) Broker, without the prior written consent of Buyer, will not disclose to Seller that Buyer is willing to pay a price greater than the offered price; and (iii) except for (i) and (ii) above, a dual agent is obligated to disclose known facts materially affecting the value or desirability of the Property to both parties.

Seller acknowledges receipt of a copy of this page.

Seller's Initials () ()

Reviewed by _____ Date _____



Donald Coleman

- D. **Other Sellers:** Seller understands that Broker may have or obtain listings on other properties, and that potential buyers may consider, make offers on, or purchase through Broker, property the same as or similar to Seller's Property. Seller consents to Broker's representation of sellers and buyers of other properties before, during and after the end of this Agreement.
- E. **Confirmation:** If the Property includes residential property with one-to-four dwelling units, Broker shall confirm the agency relationship described above, or as modified, in writing, prior to or concurrent with Seller's execution of a purchase agreement.
- 11. **SECURITY AND INSURANCE:** Broker is not responsible for loss of or damage to personal or real property, or person, whether attributable to use of a key safe/lockbox, a showing of the Property, or otherwise. Third parties, including but not limited to, appraisers, inspectors, brokers and prospective buyers, may have access to, and take videos and photographs of, the interior of the Property. Seller agrees: (i) to take reasonable precautions to safeguard and protect valuables that might be accessible during showings of the Property; and (ii) to obtain insurance to protect against these risks. Broker does not maintain insurance to protect Seller.
- 12. **PHOTOGRAPHS AND INTERNET ADVERTISING:**
 - A. In order to effectively market the Property for sale it is often necessary to provide photographs, virtual tours and other media to buyers. Seller agrees (or if checked, does not agree) that Broker may photograph or otherwise electronically capture images of the exterior and interior of the Property ("Images") for static and/or virtual tours of the Property by buyers and others on Broker's website, the MLS, and other marketing sites. Seller acknowledges that once Images are placed on the Internet neither Broker nor Seller has control over who can view such Images and what use viewers may make of the Images, or how long such Images may remain available on the Internet. Seller further agrees that such Images are the property of Broker and that Broker may use such Images for advertisement of Broker's business in the future.
 - B. Seller acknowledges that prospective buyers and/or other persons coming onto the Property may take photographs, videos or other images of the Property. Seller understands that Broker does not have the ability to control or block the taking and use of Images by any such persons. (If checked) Seller instructs Broker to publish in the MLS that taking of Images is limited to those persons preparing Appraisal or Inspection reports. Seller acknowledges that unauthorized persons may take images who do not have access to or have not read any limiting instruction in the MLS or who take images regardless of any limiting instruction in the MLS. Once Images are taken and/or put into electronic display on the Internet or otherwise, neither Broker nor Seller has control over who views such Images nor what use viewers may make of the Images.
- 13. **KEYSAFE/LOCKBOX:** A key safe/lockbox is designed to hold a key to the Property to permit access to the Property by Broker, cooperating brokers, MLS participants, their authorized licensees and representatives, authorized inspectors, and accompanied Prospective Buyers. Broker, cooperating brokers, MLS and Associations/Boards of REALTORS® are not insurers against injury, theft, loss, vandalism or damage attributed to the use of a key safe/lockbox. Seller does (or if checked does not) authorize Broker to install a key safe/lockbox. If Seller does not occupy the Property, Seller shall be responsible for obtaining occupant(s)' written permission for use of a key safe/lockbox (C.A.R. Form KLA).
- 14. **SIGN:** Seller does (or if checked does not) authorize Broker to install a FOR SALE/SOLD sign on the Property.
- 15. **EQUAL HOUSING OPPORTUNITY:** The Property is offered in compliance with federal, state and local anti-discrimination laws.
- 16. **ATTORNEY FEES:** In any action, proceeding or arbitration between Seller and Broker regarding the obligation to pay compensation under this Agreement, the prevailing Seller or Broker shall be entitled to reasonable attorney fees and costs, except as provided in paragraph 20A.
- 17. **ADDITIONAL TERMS:** REO Advisory Listing (C.A.R. Form REOL) Short Sale Information and Advisory (C.A.R. Form SSI)

- 18. **MANAGEMENT APPROVAL:** If an associate licensee in Broker's office (salesperson or broker-associate) enters into this Agreement on Broker's behalf, and Broker or Manager does not approve of its terms, Broker or Manager has the right to cancel this Agreement, in writing, within 5 Days After its execution.
- 19. **SUCCESSORS AND ASSIGNS:** This Agreement shall be binding upon Seller and Seller's successors and assigns.
- 20. **DISPUTE RESOLUTION:**
 - A. **MEDIATION:** Seller and Broker agree to mediate any dispute or claim arising between them regarding the obligation to pay compensation under this Agreement, before resorting to arbitration or court action. 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 20C.
 - B. **ARBITRATION OF DISPUTES:** Seller and Broker agree that any dispute or claim in Law or equity arising between them regarding the obligation to pay compensation under this Agreement, which is not settled through mediation, shall be decided by neutral, binding arbitration. 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 20C.

Seller acknowledges receipt of a copy of this page.

Seller's Initials (AK) ()

Reviewed by _____ Date _____



12863 Sunnyglen Dr
Property Address: Moreno Valley, CA 92553

Date: June 4, 2013

"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."

Seller's Initials _____ / _____ Broker's Initials _____ / _____

C. ADDITIONAL MEDIATION AND ARBITRATION TERMS: The following matters shall be 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 or violation of the mediation and arbitration provisions.

21. ENTIRE AGREEMENT: All prior discussions, negotiations, and agreements between the parties concerning the subject matter of this Agreement are superseded by this Agreement, which constitutes the entire contract and a complete and exclusive expression of their agreement, 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. This Agreement and any supplement, addendum or modification, including any photocopy or facsimile, may be executed in counterparts.

By signing below, Seller acknowledges that Seller has read, understands, received a copy of and agrees to the terms of this Agreement.

Seller Karl T. Anderson Karl T. Anderson Chpt 7 Date 07/30/2013
Address 8105 Irvine Center Dr #600 City Irvine State CA Zip 92618
Telephone (949)340-3400 Fax (949)340-3000 Email rkido@shbllp.com

Seller _____ Trustee for Don Coleman Date _____
Address _____ City _____ State _____ Zip _____
Telephone _____ Fax _____ Email _____

Real Estate Broker (Firm) Elich & Associates DRE Lic. # 01245790
By (Agent) Sara Elich DRE Lic. # 01245790 Date 07/30/2013
Address 387 Magnolia Avenue #103-441 City Corona State CA Zip 92879
Telephone (951)963-5944 Fax (602)916-1926 Email rainmakernaz@gmail.com

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Reviewed by [Signature] Date 7/4/2013





ADDENDUM
(C.A.R. Form ADM, Revised 4/12)

No. 1 (one)

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

dated July 30, 2013, on property known as 12863 Sunnyglen Dr,
Moreno Valley, CA 92553,
in which Jane Valentine is referred to as ("Buyer/Tenant")
and Karl T. Anderson Chpt 7, Trustee for Don Coleman is referred to as ("Seller/Landlord").

Seller is a Chapter 7 Bankruptcy Trustee and shall provide only those disclosures as required by law and Seller makes no representations or warranties. Buyer has fully investigated the property and accepts the property on an As-Is basis, without any representations and warranties."

Buyer and seller agree to incorporate the terms of the attached addendum from Karl T. Anderson, BK Trustee Chapter 7 for the estate of Donald Coleman.

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

Date July 30, 2013 Date 8/12/13

Buyer/Tenant Jane Valentine Seller/Landlord Karl T. Anderson Chpt 7

Buyer/Tenant _____ Seller/Landlord Trustee for Don Coleman

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ADM REVISED 4/12 (PAGE 1 OF 1)

Reviewed by _____ Date _____



ADDENDUM (ADM PAGE 1 OF 1)

Agent: Sara Ellich Phone: 951.963-5944 Fax: 951.371-5522 Prepared using zipForm® software
Broker: Ellich & Associates Magnolia Ave., #103-441 Corona, CA 92879

EXHIBIT "5"



DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP

(Listing Firm to Seller) (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.

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.

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.

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 [X] Seller [] Landlord [] Tenant [] Karl T. Anderson Chpt 7 Date 06/01/2013

Buyer [] Seller [] Landlord [] Tenant [] Trustee for Don Coleman Date

Agent Ellich & Associates DRE Lic. # 01245790 Real Estate Broker (Firm)

By Sara Ellich DRE Lic. # 01245790 Date 6/1/2013 (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: DO NOT SIGN HERE)

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Reviewed by [Signature] Date 8/14/2013



CIVIL CODE SECTIONS 2079.16 APPEARS ON THE FRONT

Main Document Page 87 of 93

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 for the selling agent from the seller) by the listing agent, or the selling agent may deliver the disclosure form by certified mail addressed to the seller at his or her last known address, in which case no signed acknowledgement of receipt is required. (d) The selling agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase, except that if the offer to purchase is not prepared by the selling agent, the selling agent shall present the disclosure form to the buyer not later than the next business day after the selling agent receives the offer to purchase from the buyer.

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

2079.16 Reproduced on Page 1 of this AD form.

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

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

(DO NOT COMPLETE, SAMPLE ONLY)

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

(Name of Listing Agent)

(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.

Buyer's Initials () ()

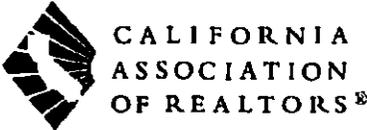
Seller's Initials () ()

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AD REVISED 11/12 (PAGE 2 OF 2)

Reviewed by _____ Date _____





SELLER'S AFFIDAVIT OF NONFOREIGN STATUS AND/OR CALIFORNIA WITHHOLDING EXEMPTION FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT (FIRPTA) AND CALIFORNIA WITHHOLDING LAW (Use a separate form for each Transferor) (C.A.R. Form AS, Revised 4/12)

Internal Revenue Code ("IRC") Section 1445 provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a "foreign person." California Revenue and Taxation Code Section 18662 provides that a transferee of a California real property interest must withhold tax unless an exemption applies.

I understand that this affidavit may be disclosed to the Internal Revenue Service and to the California Franchise Tax Board by the transferee, and that any false statement I have made herein may result in a fine, imprisonment or both.

12863 Sunnyglen Dr

1. **PROPERTY ADDRESS** (property being transferred): Moreno Valley, CA 92553 ("Property")

2. **TRANSFEROR'S INFORMATION:**

Full Name Karl T. Anderson Chpt 7 ("Transferor")

Telephone Number (949) 340-3400 (949) 340-3000

Address 8105 Irvine Center Dr #600, Irvine, CA 92618

(Use HOME address for individual transferors. Use OFFICE address for an "Entity" i.e.: corporations, partnerships, limited liability companies, trusts and estates.)

Social Security No., or Federal Employer Identification No. _____

For a corporation qualified to do business in California, California Corporation No. _____

Note: In order to avoid withholding, IRC Section 1445 (b) requires that the Seller (a) provides this affidavit to the Buyer with the Seller's taxpayer identification number ("TIN"), or (b) provides this affidavit, including Seller's TIN, to a "qualified substitute" who furnishes a statement to the Buyer under penalty of perjury that the qualified substitute has such affidavit in their possession. A qualified substitute may be (i) an attorney, title company, or escrow company (but not the Seller's agent) responsible for closing the transaction, or (ii) the Buyer's agent.

3. **AUTHORITY TO SIGN:** If this document is signed on behalf of an Entity Transferor, THE UNDERSIGNED INDIVIDUAL DECLARES THAT HE/SHE HAS AUTHORITY TO SIGN THIS DOCUMENT ON BEHALF OF THE TRANSFEROR.

4. **FEDERAL LAW:** I, the undersigned, declare under penalty of perjury that, for the reason checked below, if any, I am exempt (or if signed on behalf of an Entity Transferor, the Entity is exempt) from the federal withholding law (FIRPTA):

- (For individual Transferors) I am not a nonresident alien for purposes of U.S. income taxation.
- (For corporation, partnership, limited liability company, trust and estate Transferors) The Transferor is not a foreign corporation, foreign partnership, foreign limited liability company, foreign trust or foreign estate, as those terms are defined in the Internal Revenue Code and Income Tax Regulations.

5. **CALIFORNIA LAW:** I, the undersigned, declare under penalty of perjury that, for the reason checked below, if any, I am exempt (or if signed on behalf of an Entity Transferor, the Entity is exempt) from the California withholding law.

Certifications which fully exempt the sale from withholding:

- The total sales price for the Property is \$100,000 or less.
- The Property qualifies as my principal residence (or the decedent's, if being sold by the decedent's estate) within the meaning of IRC Section 121 (owned and occupied as such for two of the last five years).
- The Property was last used as my principal residence (or the decedent's, if being sold by the decedent's estate) within the meaning of IRC Section 121 without regard to the two-year time period.
- The transaction will result in a loss or zero gain for California income tax purposes. (Complete FTB Form 593-E.)
- The Property has been compulsorily or involuntarily converted (within the meaning of IRC Section 1033) and Transferor intends to acquire property similar or related in service or use to be eligible for non-recognition of gain for California income tax purposes under IRC Section 1033.
- Transferor is a corporation (or an LLC classified as a corporation) that is either qualified through the California Secretary of State or has a permanent place of business in California.
- Transferor is a partnership (or an LLC that is not a disregarded single member LLC, classified as a partnership) and recorded title to the Property is in the name of the partnership or LLC. If so, the partnership or LLC must withhold from nonresident partners or members as required.
- Transferor is exempt from tax under California or federal law.
- Transferor is an insurance company, qualified pension/profit sharing plan, IRA or charitable remainder trust.

Certifications which may partially or fully exempt the sale from withholding:

- The Property is being, or will be, exchanged for property of like kind within the meaning of IRC Section 1031.
- Payments for the Property are being made in installments, the transferor is a non-resident seller and withholding will be applied to each principal payment.
- As a result of the sale of the Property, Seller's tax liability, calculated at the maximum tax rate regardless of Seller's actual rate, will be less than the 3 1/3% withholding otherwise required. Seller will be required to sign a certification, under penalty of perjury, specifying the amount to be withheld. (Not to be used for sales closing prior to January 1, 2007)

By [Signature] Date 06/01/2013
(Transferor's Signature) (Indicate if you are signing as the grantor of a revocable/grantor trust.)

Karl T. Anderson Chpt 7 Title (If signed on behalf of Entity Transferor)
Typed or printed name

Buyer's unauthorized use or disclosure of Seller's TIN could result in civil or criminal liability.

Buyer Jane Valentine Date 7/30/2013
(Buyer acknowledges receipt of a Copy of this Seller's Affidavit) Jane Valentine

Buyer _____ Date _____
(Buyer acknowledges receipt of a Copy of this Seller's Affidavit)

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Reviewed by _____ Date _____



IMPORTANT NOTICE: An Affidavit should be signed by each individual or entity Transferor to whom or to which it applies. Before you sign, any questions relating to the legal sufficiency of this form, or to whether it applies to you or to a particular transaction, or about the definition of any of the terms used, should be referred to an attorney, certified public accountant, or other professional tax advisor, the Internal Revenue Service, or the California Franchise Tax Board. For further information on federal guidelines, see C.A.R. Legal Q & A "Federal Withholding: The Foreign Investment in Real Property Tax Act," and/or IRS Publication 515 or 519. For further information on state guidelines, see C.A.R. Legal Q & A "California Nonresident Withholding," and/or California FTB Pub. 1016.

FEDERAL GUIDELINES

FOREIGN PERSONS DEFINED. The following general information is provided to assist sellers in determining whether they are "foreign persons" for purposes of the Foreign Investment in Real Property Tax Act (FIRPTA), IRC §1445. FIRPTA requires a buyer to withhold and send to the Internal Revenue Service 10% of the gross sales price of a United States (U.S.) real property interest if the seller is a foreign person. No withholding is required for a seller who is a U.S. person (that is, not a foreign person). In order for an individual to be a U.S. person, he/she must be either a U.S. citizen or a U.S. resident alien. The test must be applied separately to each seller in transactions involving more than one seller. Even if the seller is a foreign person, withholding will not be required in every circumstance.

NONRESIDENT ALIEN INDIVIDUAL. An individual whose residence is not within the U.S. and who is not a U.S. citizen is a nonresident alien. The term includes a nonresident alien fiduciary. An alien actually present in the U.S. who is not just staying temporarily (i.e., not a mere transient or sojourner), is a U.S. resident for income tax purposes. An alien is considered a U.S. resident and not subject to withholding under FIRPTA if the alien meets either the green card test or the substantial presence test for the calendar year.

GREEN CARD TEST. An alien is a U.S. resident if the individual was a lawful permanent resident of the U.S. at any time during the calendar year. This is known as the "green card test."

SUBSTANTIAL PRESENCE TEST. An alien is considered a U.S. resident if the individual meets the substantial presence test for the calendar year. Under this test, the individual must be physically present in the U.S. on at least: (1) 31 days during the current calendar year; and (2) 183 days during the current year and the two preceding years, counting all the days of physical presence in the current year but only 1/3 the number of days present in the first preceding year, and 1/6 the number of days present in the second preceding year.

DAYS OF PRESENCE IN THE U.S. TEST. Generally, a person is treated as physically present in the country at any time during the day. However, if a person regularly commutes to work in the U.S. from a residence in Canada or Mexico, or is in transit between two points outside the U.S. and is physically present in the country for less than 24 hours, he/she is not treated as present in the U.S. on any day during the transit or commute. In addition, the individual is not treated as present in the U.S. on any day during which he/she is unable to leave the U.S. because of a medical condition which arose while in the U.S.

EXEMPT INDIVIDUAL. For the substantial presence test, do not count days for which a person is an exempt individual. An exempt individual is anyone in the following categories:

- (1) An individual temporarily present in the U.S. because of (a) full-time diplomatic or consular status, (b) full-time employment with an international organization or (c) an immediate family member of a person described in (a) or (b).
- (2) A teacher or trainee temporarily present in the U.S. under a "J" visa (other than as a student) who substantially complies with the requirements of the visa. An individual will not be exempt under this category for a calendar year if he/she was exempt as a teacher or trainee or as a student for any two calendar years during the preceding six calendar years.
- (3) A student temporarily present in the U.S. under an "F" or "J" visa who substantially complies with the requirements of the visa. Generally, a person will not be exempt as a student for any calendar year after the fifth calendar year for which he/she was exempt as a student, teacher or trainee. However, the individual may continue to be exempt as a student beyond the fifth year if he/she is in compliance with the terms of the student visa and does not intend to permanently reside in the U.S.

CLOSER CONNECTION TO A FOREIGN COUNTRY. Even if an individual would otherwise meet the substantial presence test, that person is not treated as meeting the test for the current calendar year if he/she:

- (1) Is present in the U.S. on fewer than 183 days during the current year, and
- (2) Has a tax home in a foreign country and has a closer connection to that country than to the U.S.

SPECIAL RULES. It is possible to be both a nonresident alien and a resident alien during the same tax year. Usually this occurs for the year a person arrives in or departs from the U.S. Other special provisions apply to individuals who were U.S. residents for at least three years, cease to be U.S. residents, and then become U.S. residents again.

NONRESIDENT ALIEN INDIVIDUALS MARRIED TO U.S. CITIZENS OR RESIDENT ALIENS may choose to be treated as resident aliens for most income tax purposes. However, these individuals are considered nonresidents for purposes of withholding taxes.

A FOREIGN PERSON OR PARTNERSHIP is one that does not fit the definition of a domestic corporation or partnership. A domestic corporation or partnership is one that was created or organized in the U.S., or under the laws of the U.S., or of any U.S. state or territory.

GUAM AND U.S. VIRGIN ISLANDS CORPORATIONS. A corporation created or organized in or under the laws of Guam or the U.S. Virgin Islands is not considered a foreign corporation for the purpose of withholding tax for the tax year if:

- (1) at all times during the tax year, less than 25% in value of the corporation's stock is owned, directly or indirectly, by foreign persons, and
- (2) at least 20% of the corporation's gross income is derived from sources within Guam or at least 65% of the corporation's income is effectively connected with the conduct of a trade or business in the U.S. Virgin Islands or the U.S. for the 3-year period ending with the close of the preceding tax year of the corporation, or the period the corporation has been in existence if less.

A NONRESIDENT ALIEN TRUSTEE, ADMINISTRATOR OR EXECUTOR of a trust or an estate is treated as a nonresident alien, even though all the beneficiaries of the trust or estate are citizens or residents of the U.S.

Buyer's Initials (SV) (_____)

Seller's Initials (JK) (_____)

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AS REVISED 4/12 (PAGE 2 OF 2)

Reviewed by [Signature] Date 4/14/13



SELLER'S AFFIDAVIT OF NONFOREIGN STATUS AND/OR CALIFORNIA WITHHOLDING EXEMPTION (AS PAGE 2 OF 2)



CALIFORNIA
ASSOCIATION
OF REALTORS®

SELLER'S ADVISORY

(C.A.R. Form SA, Revised 11/11)

Property Address: 12863 Sunnyglen Dr, Moreno Valley, CA 92553 ("Property")

1. **INTRODUCTION:** Selling property in California is a process that involves many steps. From start to finish, it could take anywhere from a few weeks to many months, depending upon the condition of your Property, local market conditions and other factors. You have already taken an important first step by listing your Property for sale with a licensed real estate broker. Your broker will help guide you through the process and may refer you to other professionals as needed. This advisory addresses many things you may need to think about and do as you market your Property. Some of these things are requirements imposed upon you, either by law or by the listing or sale contract. Others are simply practical matters that may arise during the process. Please read this document carefully and, if you have any questions, ask your broker or appropriate legal or tax advisor for help.

2. **DISCLOSURES:**

A. General Disclosure Duties: You must affirmatively disclose to the buyer, in writing, any and all known facts that materially affect the value or desirability of your Property. You must disclose these facts whether or not asked about such matters by the buyer, any broker, or anyone else. This duty to disclose applies even if the buyer agrees to purchase your Property in its present condition without requiring you to make any repairs. If you do not know what or how to disclose, you should consult a real estate attorney in California of your choosing. Broker cannot advise you on the legal sufficiency of any disclosures you make. If the Property you are selling is a residence with one to four units except for certain subdivisions, your broker also has a duty to conduct a reasonably competent and diligent visual inspection of the accessible areas and to disclose to a buyer all adverse material facts that the inspection reveals. If your broker discovers something that could indicate a problem, your broker must advise the buyer.

B. Statutory Duties: (For one-to-four Residential Units):

- (1) You must timely prepare and deliver to the buyer, among other things, a Real Estate Transfer Disclosure Statement ("TDS"), and a Natural Hazard Disclosure Statement ("NHD"). You have a legal obligation to honestly and completely fill out the TDS form in its entirety. (Many local entities or organizations have their own supplement to the TDS that you may also be asked to complete.) The NHD is a statement indicating whether your Property is in certain designated flood, fire or earthquake/seismic hazard zones. Third-party professional companies can help you with this task.
- (2) Depending upon the age and type of construction of your Property, you may also be required to provide and, in certain cases you can receive limited legal protection by providing, the buyer with booklets entitled "The Homeowner's Guide to Earthquake Safety," "The Commercial Property Owner's Guide to Earthquake Safety," "Protect Your Family From Lead in Your Home" and "Environmental Hazards: A Guide For Homeowners and Buyers." Some of these booklets may be packaged together for your convenience. The earthquake guides ask you to answer specific questions about your Property's structure and preparedness for an earthquake. If you are required to supply the booklet about lead, you will also be required to disclose to the buyer any known lead-based paint and lead-based paint hazards on a separate form. The environmental hazards guide informs the buyer of common environmental hazards that may be found in properties.
- (3) If you know that your property is: (i) located within one mile of a former military ordnance location; or (ii) in or affected by a zone or district allowing manufacturing, commercial or airport use, you must disclose this to the buyer. You are also required to make a good faith effort to obtain and deliver to the buyer a disclosure notice from the appropriate local agency(ies) about any special tax levied on your Property pursuant to the Mello-Roos Community Facilities Act, the Improvement Bond Act of 1915, and a notice concerning the contractual assessment provided by section 5898.24 of the Streets And Highways Code (collectively, "Special Tax Disclosures").
- (4) If the TDS, NHD, or lead, military ordnance, commercial zone or Special Tax Disclosures are provided to a buyer after you accept that buyer's offer, the buyer will have 3 days after delivery (or 5 days if mailed) to terminate the offer, which is why it is extremely important to complete these disclosures as soon as possible. There are certain exemptions from these statutory requirements; however, if you have actual knowledge of any of these items, you may still be required to make a disclosure as the items can be considered material facts.

C. Death and Other Disclosures: Many buyers consider death on real property to be a material fact in the purchase of property. In some situations, it is advisable to disclose that a death occurred or the manner of death; however, California Civil Code Section 1710.2 provides that you have no disclosure duty "where the death has occurred more than three years prior to the date the transferee offers to purchase, lease, or rent the real property, or [regardless of the date of occurrence] that an occupant of that property was afflicted with, or died from, Human T-Lymphotropic Virus Type III/Lymphadenopathy-Associated Virus." This law does not "immunize an owner or his or her agent from making an intentional misrepresentation in response to a direct inquiry from a transferee or a prospective transferee of real property, concerning deaths on the real property."

D. Condominiums and Other Common Interest Subdivisions: If the Property is a condominium, townhouse, or other property in a common interest subdivision, you must provide to the buyer copies of the governing documents, the most recent financial statements distributed, and other documents required by law or contract. If you do not have a current version of these documents, you can request them from the management of your homeowner's association. To avoid delays, you are encouraged to obtain these documents as soon as possible, even if you have not yet entered into a purchase agreement to sell your Property.

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SA REVISED 11/11 (PAGE 1 OF 2)

Seller's Initials (*SE*) ()

Reviewed by Date



SELLER'S ADVISORY (SA PAGE 1 OF 2)

Agent: Sara Elich Phone: 951.963-5944 Fax: 951.371-5522 Prepared using zipForm® software
Broker: Elich & Associates 387 Magnolia Ave., #103-441 Corona, CA 92879

EXHIBIT "5"

12863 Sunnyglen Dr

Property Address: Moreno Valley, CA 92553

Date: June 1, 2013

3. CONTRACT TERMS AND LEGAL REQUIREMENTS:

- A. **Contract Terms and Conditions:** A buyer may request, as part of the contract for the sale of your Property, that you pay for repairs to the Property and other items. Your decision on whether or not to comply with a buyer's requests may affect your ability to sell your Property at a specified price.
- B. **Withholding Taxes:** Under federal and California tax laws, a buyer is required to withhold a portion of the purchase price from your sale proceeds for tax purposes unless you sign an affidavit of non-foreign status and California residency, or some other exemption applies and is documented.
- C. **Prohibition Against Discrimination:** Discriminatory conduct in the sale of real property against individuals belonging to legally protected classes is a violation of the law.
- D. **Government Retrofit Standards:** Unless exempt, you must comply with government retrofit standards, including, but not limited to, installing operable smoke detectors, bracing water heaters, and providing the buyer with corresponding written statements of compliance. Some city and county governments may impose additional retrofit standards, including, but not limited to, installing low-flow toilets and showerheads, gas shut-off valves, tempered glass, and barriers around swimming pools and spas. You should consult with the appropriate governmental agencies, inspectors, and other professionals to determine the retrofit standards for your Property, the extent to which your Property complies with such standards, and the costs, if any, of compliance.
- E. **EPA's LEAD-BASED PAINT RENOVATION, REPAIR AND PAINTING RULE:** The new rule requires that contractors and maintenance professionals working in pre-1978 housing, child care facilities, and schools with lead-based paint be certified; that their employees be trained; and that they follow protective work practice standards. The rule applies to renovation, repair, or painting activities affecting more than six square feet of lead-based paint in a room or more than 20 square feet of lead-based paint on the exterior. Enforcement of the rule begins October 1, 2010. See the EPA website at www.epa.gov/lead for more information.
- F. **Legal, Tax and Other Implications:** Selling your Property may have legal, tax, insurance, title or other implications. You should consult an appropriate professional for advice on these matters.

4. MARKETING CONSIDERATIONS:

- A. **Pre-Sale Considerations:** You should consider doing what you can to prepare your Property for sale, such as correcting any defects or other problems. Many people are not aware of defects in or problems with their own Property. One way to make yourself aware is to obtain professional home inspections prior to sale, both generally, and for wood destroying pests and organisms, such as termites. By doing this, you then have an opportunity to make repairs before your Property is offered for sale, which may enhance its marketability. Keep in mind, however, that any problems revealed by such inspection reports or repairs that have been made, whether or not disclosed in a report, should be disclosed to the buyer (see "Disclosures" in paragraph 2 above). This is true even if the buyer gets his/her own inspections covering the same area. Obtaining inspection reports may also assist you during contract negotiations with the buyer. For example, if a pest control report has both a primary and secondary recommendation for clearance, you may want to specify in the purchase agreement those recommendations, if any, for which you are going to pay.
- B. **Post-Sale Protections:** It is often helpful to provide the buyer with, among other things, a home protection/warranty plan for the Property. These plans will generally cover problems, not deemed to be pre-existing, that occur after your sale is completed. In the event something does go wrong after the sale, and it is covered by the plan, the buyer may be able to resolve the concern by contacting the home protection company.
- C. **Safety Precautions:** Advertising and marketing your Property for sale, including, but not limited to, holding open houses, placing a key safe/lockbox, erecting FOR SALE signs, and disseminating photographs, video tapes, and virtual tours of the premises, may jeopardize your personal safety and that of your Property. You are strongly encouraged to maintain insurance, and to take any and all possible precautions and safeguards to protect yourself, other occupants, visitors, your Property, and your belongings, including cash, jewelry, drugs, firearms and other valuables located on the Property, against injury, theft, loss, vandalism, damage, and other harm.
- D. **Expenses:** You are advised that you, not the Broker, are responsible for the fees and costs, if any, to comply with your duties and obligations to the buyer of your Property.

5. OTHER ITEMS:

Seller has read and understands this advisory. By signing below, Seller acknowledges receipt of a copy of this document.

Seller *Karl T. Anderson* Date 8/12/13
Print Name Karl T. Anderson Chpt 7 Trustee for Don Coleman

Seller _____ Date _____
Print Name Trustee for Don Coleman

Real Estate Broker Elich & Associates By *Sara Elich*
Address 387 Magnolia Avenue #103-441 City Corona State CA Zip 92879
Telephone (951) 963-5944 Fax (602) 916-1926 E-mail rainmakernaz@gmail.com

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Reviewed by *Sara Elich* Date 8/14/2013



EXHIBIT 6

RESUME OF ROBERT B. CASTILLO

387 MAGNOLIA AVENUE, SUITE 103
CORONA, CA 92879
602-799-2199

PROFESSIONAL EXPERIENCE

REAL ESTATE AGENT

Elich & Associates
May 2004 to Present

Prudential California Realty
May 1995 - September 2001

Develop real estate business through corporate relocation contacts, telemarketing and networking within the community and charitable organizations. Promote residential properties through marketing and advertising. Guide and represent customers through the sales process by establishing rapport and determining customer needs in order to facilitate the sale. Represent customers in all aspects of contract negotiations and purchasing strategies, escrow, finance and litigation. Pursue continuing education and market research pertaining to local market conditions, inventory, and economic forecasts. Review industry trends and literature weekly from local and national associations.

FINANCE MANAGER/ LOAN OFFICER

September 2001 to May, 2004

Manage production of 10 loan officers and 5 processors. Personally responsible for weekly meetings to motivate and train office staff and loan officers. Originate residential and commercial loans throughout the United States. Develop business contacts with Realtors for purpose of qualifying and/or financing potential buyers.

REAL ESTATE ADVERTISING SALES REPRESENTATIVE

Open House Magazine
January 1993- May 1995

Homes & Land Magazine
February 1990 - December 1992

Develop and assist real estate professionals in design layout and copy writing in promoting luxury estate properties. Responsible for securing real estate advertising for I. T. T., Sheraton and William Lyon Properties.

AWARDS RECEIVED

- Over 300 REO properties sold - Elich and Associates
 - Fine Homes Designation
 - Leading Edge Society
 - Honors Society
- Top 6% of all Prudential Agents Nationally
Top 20% of all Prudential Agents