

<p>Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address</p> <p>Lynda T. Bui, Trustee 3750 University Ave., Ste. 670 Riverside, CA 92501 Telephone: (949) 340-3400 Facsimile: (949) 340-3000 Email: trustee.bui@shbllp.com</p> <p>Chapter 7 Trustee</p> <p><input checked="" type="checkbox"/> Individual appearing without attorney <input type="checkbox"/> Attorney for:</p>	<p>FOR COURT USE ONLY</p>
--	---------------------------

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

<p>In re:</p> <p>KATHLEEN E. HOWES-EADS,</p> <p style="text-align: right;">Debtor(s).</p>	<p>CASE NO.: 6:13-bk-18010-DS CHAPTER: 7</p> <p style="text-align: center;">NOTICE OF SALE OF ESTATE PROPERTY</p>
---	--

<p>Sale Date: 01/09/2014</p>	<p>Time: 11:00 am</p>
<p>Location: Courtroom 304, U.S. Bankruptcy Court, 3420 Twelfth Street, Riverside, CA 92501</p>	

Type of Sale: Public Private **Last date to file objections:** 12/26/2013

Description of property to be sold: Real Property located at 3927 Barton Creek Circle, Corona, CA 92883

Terms and conditions of sale: Free and clear of all liens pursuant to Bankruptcy Code §§ 363(b)(1) and (f).
The total consideration to be paid is \$364,627.50 which includes (1) a discounted payoff to the senior lienholder of \$246,365.12, (2) a discounted payoff to the holders of judgment and unsecured property tax liens of \$30,000, (3) a bankruptcy fee carve-out of \$23,000 to be paid to the Estate, (4) broker commissions and (5) closing costs.
See attached for more information.

Proposed sale price: \$ 364,627.50

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

Overbid procedure (if any): Sale is subject to overbids. Bids are due 12/17/13 at 4:00 p.m. and Final Bidding Round to be held on 12/19/13 at 2:00 p.m. at the Law Offices of Shulman Hodges & Bastian LLP located at 8105 Irvine Center Drive, Suite 600, Irvine, CA. SEE ATTACHED FOR MORE INFORMATION ON THE BIDDING PROCEDURES.

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

January 9, 2014 at 11:00 A.M.

Courtroom 304

U.S. Bankruptcy Court

3420 Twelfth Street

Riverside, CA 92501

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

Lynda T. Bui, Chapter 7 Trustee

3750 University Ave., Ste. 670

Riverside, CA 92501

Telephone: (949) 340-3400

Facsimile: (949) 340-3000

Email: trustee.bui@shbllp.com

Date: 11/26/2013

**ATTACHMENT TO NOTICE
OF SALE OF ESTATE PROPERTY**

1 **In re Kathleen E. Howes-Eads**
2 **Case No. 6:13-bk-18010-DS**

3 **Attachment to Notice of Sale of Estate Property:**

4 **I. INTRODUCTION**

5 Lynda T. Bui, the Chapter 7 trustee ("Trustee") for the bankruptcy estate
6 ("Estate") of Kathleen E. Howes-Eads ("Debtor"), has filed a Motion for Order: (1)
7 Authorizing the Short Sale of Real Property of the Estate, to the Highest Bidder, Free
8 and Clear of Liens Pursuant to Bankruptcy Code §§ 363(b) and (f), Combined With
9 Notice of Bidding Procedures to Be Conducted Prior to the Court Hearing and Request
10 for Approval of Bidding Procedures Utilized; (2) Approving Payment of Real Estate
11 Commission; and (3) Granting Related Relief Including Use of Sale Proceeds to
12 Reimburse Trustee for Actual Costs Incurred ("Sale Motion").

13 Subject to the Final Bidding Round (defined below) to be conducted by the
14 Trustee or her agent on **December 19, 2013** as set forth below, this is a **short sale** of
15 the real property located at 3927 Barton Creek Circle, Corona, California 92883
16 ("Property"). The Trustee proposes to conduct the short sale free and clear of liens
17 under Bankruptcy Code sections 363(f)(1), (2) and (5).

18 The Trustee has received an offer from Preeminent Investment Corp. ("Buyer") to
19 purchase the Property free and clear of all liens for total consideration of \$364,627.50,
20 which includes a discounted payoff to the senior lienholder¹ of \$246,365.12 (which has
21 been tentatively approved by the lienholder), a discounted payoff to the holders of
22 judgments and unsecured property tax liens (collectively, the "Junior Lienholders") as
23 reflected in the Preliminary Title Report² of \$30,000 (which has been tentatively

24 ¹ As set forth below, the Preliminary Title Report on the Property indicates the senior lienholder is
25 Golden West Savings, Association Service Co., a California Corporation. The Debtor's Schedules
indicate that the senior lienholder is Wells Fargo Home Mortgage.

26 ² As set forth below, the Preliminary Title Report on the property indicates two Abstracts of
27 Judgment and one lien which were not listed on the Debtor's Schedule D, although the lienholders appear
28 to be listed as creditors on Schedule F. The total amount of these judgments and liens (not including
interest that would be due on each obligation calculated to the Petition Date) is \$27,526.44. The Trustee
believes that by the time of hearing on the Sale Motion, each of the Junior Lienholders will have agreed to
a discounted payoff such that the total payout to the Junior Lienholders will be no more than \$30,000.

1 approved by the senior lienholder), a bankruptcy fee “carve-out” of \$23,000 to be paid to
2 the Estate and numerous other costs.³ The Trustee is working on obtaining consent
3 from all lienholders and hope to have them by the time of the hearing on the Sale
4 Motion. This is a true short sale as the total consideration is less than the total amount
5 owed to the senior lienholder and the Junior Lienholders.

6 **As set forth in the Declaration of Lynda T. Bui (“Bui Declaration”) annexed**
7 **to the Sale Motion, The short sale and discounted payoff amount to the senior**
8 **lienholder and Junior Lienholders has been given tentative consent by Wells**
9 **Fargo Home Mortgage Bank (“Wells”), the senior lienholder.** Based on this, the
10 Trustee believes that the senior lienholder will have no objection to the Sale Motion.
11 The Trustee understands (and is customary in the short sale industry) that at closing,
12 the senior lienholder may want to change and/or negotiate the final allowed or
13 disallowed costs and/or the final payoff to the lender. Provided that the Estate receives
14 the \$23,000 carve-out at closing (or an amount as increased by any overbid), the
15 Trustee requests authorization to work with and agree with the senior lienholder to
16 resolve the allowance and disallowance of costs and/or payoff amounts as part of the
17 escrow closing without the need for further notice, hearing or Court order. With the
18 senior lienholder payoff increasing every month, the Trustee believes that the sale must
19 not be delayed and the Property must be sold as soon as possible in order to maximize
20 the benefit for the Estate.

21 If this Sale Motion is not approved, any and all benefit to the Estate will be
22 completely lost as it is likely that the senior lienholder will foreclose on the Property on
23 account of its underwater status and the delinquent obligations. As will be discussed
24 further below, the Trustee believes that good cause exists to grant the Sale Motion so
25 the Trustee does not lose this favorable business opportunity.

26 ///

27 ///

28 _____

³ Including but not limited to escrow charges, title charges, documentary transfer taxes.

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

II. RELEVANT FACTS

A. Case Commencement

The Debtor commenced her bankruptcy case under Chapter 7 by filing a Voluntary Petition on May 3, 2013 (“Petition Date”).

Lynda T. Bui is the duly appointed, qualified and acting Chapter 7 trustee for the Debtor’s Estate.

B. The Property

An “asset”⁴ of the Estate is the Debtor’s interest in the Property located in Riverside County at 3927 Barton Creek Circle, Corona, California 92883. The Property is legally described as stated in the Preliminary Title Report dated September 25, 2013, a true and correct copy of which is attached to the Bui Declaration annexed to the Sale Motion as **Exhibit 1** and incorporated herein by this reference.

In her Schedules, the Debtor valued the Property at \$370,000 and listed a lien in favor of Wells in the amount of \$407,000. The Debtor has not claimed an exemption in the Property and the Property is not listed as being the Debtor’s residence. True and correct copies of the Debtor’s Schedules A, C and D are attached to the Bui Declaration annexed to the Sale Motion as **Exhibit 2**.

C. Employment of Real Estate Broker

On June 28, 2013, the Trustee filed an application to employ Brent Houston of NextGEN Real Estate Corp as her real estate broker (“Broker”) (“Employment Application”) (docket number 13) to assist her with effectively listing and marketing the Property for sale, as well as negotiating a short sale with the secured lenders and sale price to prospective buyers to provide a benefit to the Estate. The listing agreement called for real estate commission to be paid of six percent of the sale price (which includes fees for short sale negotiation). The Employment Application was approved pursuant to Court order entered on July 24, 2013 (docket number 21).

⁴ It should be noted that on its face, the Property has no equity. Through Trustee’s and her Broker’s hard work, the Trustee has created an “asset” for a case that is otherwise a no “asset” case.

1 **D. Basis for the Value of the Property**

2 The Broker has more than ten years of experience in the sale of real property as
3 well as property valuations and is familiar with valuing real property in today's economic
4 environment. The Broker listed the Property on the MLS for \$325,000.

5 From his over ten years of experience with short sales, the Broker is aware that
6 the lenders will often obtain their own appraisals or otherwise determine the fair market
7 value of the subject real property before approving the short sale. It is also not
8 uncommon for lenders to counter with the price they obtained the appraisal for if it is
9 higher than the offer price. In this case, the short sale and approved discounted payoff
10 amount of \$246,365.12 has been tentatively approved by Wells and that upon final
11 approval of the short sale, Wells would have had determined that the proposed sale
12 price for the Property is for fair market value.

13 **E. Marketing of the Property for Sale**

14 The Property has been on the market for over five months. Following the listing
15 of the Property for sale on the MLS, realtors and potential buyers were encouraged to
16 present all offers. There were at least 30 inquiries and at least 23 offers. The Broker
17 reviewed all initial purchase offers for the Property. Following the review of the multiple
18 offers, the Broker sent out requests to all interested parties and/or their agents to submit
19 the highest and best bids for the Property. The Buyer's offer is the highest and best
20 offer received by the Trustee following the Broker's bidding process.

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

23 The Trustee has reviewed the Preliminary Title Report. From the Debtor's
24 Schedules and the Preliminary Title Report, the Trustee believes that the total liens
25 against the Property exceed \$407,000. The following chart sets forth and accounts for
26 all of the recorded liens and encumbrances against the Property described in the
27 Preliminary Title Report and their proposed treatment through the sale:

28 ///

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

<u>Creditor</u> ⁵	<u>Description</u>	<u>Estimated Amount Owed</u>	<u>Proposed Payout Amount</u>	<u>Treatment of Lien Through the Sale</u>
Riverside County Treasurer and Tax Collector	Real property taxes	\$3,130.38 (pro-rata taxes)	\$3,130.38	All outstanding real property taxes will be paid in full through escrow on the sale transaction.
Wells	Current beneficiary of a first priority deed of trust recorded June 8, 2007, recording number 2007-377410. Listed in the Debtor's Schedules as being owed \$407,000	\$407,000.00	\$246,365.12	This lien will be paid through escrow on the sale of the Property in the amount approved by Wells. 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.
Midland Funding LLC	Abstract of Judgment recorded December 14, 2011 as Instrument No. 2011-553816	\$7,881.36	Amount to be determined	The Preliminary Title Report (Exhibit 1) indicates that the amount of the judgment is \$7,881.36 plus interest and costs. The Trustee believes that by the time of the sale, Midland Funding LLC will have agreed to accept a reduced payout in full satisfaction of its claim. As such, this lien will be paid through escrow on the sale of the Property in the amount approved by Midland Funding LLC. 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.

⁵ The preliminary title report indicates the senior lienholder is Golden West Savings, Association Service Co., a California Corporation and the Debtor's Schedules indicate that the senior lienholder is Wells Fargo Home Mortgage. The Preliminary Title Report lists additional liens against the Property which were not listed on the Debtor's Schedule D, although some of the lienholders appear to be listed as creditors on Schedule F.

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

<u>Creditor</u> ⁵	<u>Description</u>	<u>Estimated Amount Owed</u>	<u>Proposed Payout Amount</u>	<u>Treatment of Lien Through the Sale</u>
Riverside County Treasurer and Tax Collector	A lien for unsecured property taxes for 2011/2012; Account No. 009604742-6; recorded July 10, 2012 as Instrument No. 2012-319817	\$4,031.76	Amount to be determined	<p>The Preliminary Title Report (Exhibit 1) indicates that the amount of the lien is \$4,031.76.</p> <p>Riverside County Treasurer and Tax Collector has filed a secured Proof of Claim against the Estate in the amount of \$11,037.45.</p> <p>The Trustee believes that by the time of the sale, Riverside County Treasurer and Tax Collector will have agreed to accept a reduced payout in full satisfaction of its claim. As such, this lien will be paid through escrow on the sale of the Property in the amount approved by Riverside County Treasurer and Tax Collector. 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.</p>
GCFS, Inc., a California Corporation	Abstract of Judgment recorded September 18, 2012 as Instrument No. 2012-443416	\$10,413.00	Amount to be determined	<p>The Preliminary Title Report (Exhibit 1) indicates that the amount of the judgment is \$10,413.00 plus interest and costs.</p> <p>GCFS, Inc. has filed a secured Proof of Claim against the Estate in the amount of \$11,268.60.</p> <p>The Trustee believes that by the time of the sale, GCFS, Inc. will have agreed to accept a reduced payout in full satisfaction of its claim. As such, this lien will be paid through escrow on the sale of the Property in the amount approved by GCFS, Inc. 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.</p>

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

<u>Creditor</u> ⁵	<u>Description</u>	<u>Estimated Amount Owed</u>	<u>Proposed Payout Amount</u>	<u>Treatment of Lien Through the Sale</u>
Eagle Glen Master Homeowners, Association	A claim of lien recorded February 14, 2013 as Instrument No. 2013-77040	\$1,130.00	Amount to be determined	<p>The Preliminary Title Report (Exhibit 1) indicates that the amount of the lien is \$1,130.00.</p> <p>Eagle Glen Master Homeowners, Association has filed a secured Proof of Claim against the Estate in the amount of \$1,396.00.</p> <p>The Trustee believes that by the time of the sale, Eagle Glen Master Homeowners, Association will have agreed to accept a reduced payout in full satisfaction of its claim. As such, this lien will be paid through escrow on the sale of the Property in the amount approved by Eagle Glen Master Homeowners Association. 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.</p>
Riverside County Treasurer and Tax Collector	A lien for unsecured property taxes for 2012/2013; Account No. 009604742-6; recorded June 27, 2013 as Instrument No. 2013-309082	\$4,070.32	Amount to be determined	<p>The Preliminary Title Report (Exhibit 1) indicates that the amount of the lien is \$4,031.76.</p> <p>Riverside County Treasurer and Tax Collector has filed a secured Proof of Claim against the Estate in the amount of \$11,037.45.</p> <p>The Trustee believes that by the time of the sale, Riverside County Treasurer and Tax Collector will have agreed to accept a reduced payout in full satisfaction of its claim. As such, this lien will be paid through escrow on the sale of the Property in the amount approved by Riverside County Treasurer and Tax Collector. 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.</p>

1 **G. Summary of the Purchase Offer and Summary of the Sale Terms**

2 The Trustee has received the highest and best offer from the Buyer to purchase
3 the Property for the total consideration of \$364,627.50, which includes (1) an approved
4 discounted payoff to the senior lienholder of \$246,365.12, (2) a discounted payoff to the
5 Junior Lienholders of \$30,000, (3) a bankruptcy fee “carve-out” of \$23,000 to be paid to
6 the Estate, (4) real property taxes, (5) brokerage commissions, (6) closing costs, and (7)
7 other monetary obligations the Trustee on behalf of the Estate as the seller of the
8 Property would normally need to pay at the close of escrow.⁶ This is a true short sale
9 as the carve-out for the Estate and the other costs of sale will be from funds that would
10 otherwise go to the senior lienholder on the Property based on the large debt it is owed.

11 Attached as Exhibit 3 to the Bui Declaration annexed to the Sale Motion is a true
12 and correct copy of the Residential Purchase Agreement and Joint Escrow Instructions
13 and related addendum (collectively, the “Agreement”) for which the Trustee is seeking
14 Court approval. Attached as Exhibit 4 to the Bui Declaration annexed to the Sale
15 Motion is a true and correct copy of the HUD-1 estimated settlement statement for the
16 transaction.

17 A summary⁷ of the terms and highlights of the Agreement between the Trustee
18 and the Buyer are discussed below:

19 Buyer:	Preeminent Investment Corp. 14728 Pipeline Avenue #B Chino Hills, CA 91709
20 Purchase Price:	Purchase price of \$340,000. In addition, the Buyer will pay (1) a carve-out 21 payment of \$23,000 to the Estate, and (2) all closing costs and other 22 monetary obligations the Agreement requires the Trustee on behalf of the 23 Estate as the seller of the Property to pay at the close of escrow (including 24 but not limited to escrow charges, title charges, documentary transfer taxes). Cash to be paid by the Buyer at closing – the total consideration to be paid by the Buyer is \$364,627.50.

25
26

27 ⁶ Except for the carve-out, all other costs are subject to final acceptance and approval by the senior
lienholder.

28 ⁷ The summary and discussion are not meant to be a complete review of every provision of the
Agreement.

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

Escrow Holder and Escrow Closing Date:	The escrow holder shall be Cavalcade Escrow, 17480 E. 17 th St., Suite 101, Tustin, CA 92780. Escrow is scheduled to close as soon as possible after Court approval of the sale.
Costs of Sale and Payments Through Escrow (including Real Estate Agent Commission)	<ul style="list-style-type: none"> • Outstanding real property taxes shall be paid.⁹ • \$246,365.12 to Wells in full satisfaction of the first priority lien. • An aggregate amount of no more than \$30,000 to the Junior Lienholders as indicated on the Preliminary Title Report attached as Exhibit 1. • 6% broker's commission, or \$20,400, to be split between the Trustee's Broker and the Buyer's real estate broker as follows: Trustee's Broker, Brent Houston of NextGEN Real Estate Corp in the amount of \$13,600 and Buyer's real estate broker, Bryan Salazar of Frontier Realty in the amount of \$6,800. • \$23,000 to the Trustee on behalf of the Estate (Carve-Out Amount). The Trustee on behalf of the Estate shall retain the Carve-Out Amount in the Estate free and clear of any liens of interests, to compensate the Estate inter alia for its efforts in connection with the sale of the Property. • Payment of closing costs and other monetary obligations the Agreement requires the Trustee on behalf of the Estate as the seller of the Property to pay at the close of escrow (including but not limited to escrow charges, title charges, documentary transfer taxes) without requiring the Estate to place any funds into escrow or have any continuing obligation to the senior lienholder. • Payment of the balance of the sale proceeds, if any, to Wells. However, if the sale of the Property closes on a successful overbid, subject to Court and lender approvals, the lender and the Trustee will split the excess net sale proceeds beyond that of the Buyer's purchase offer.
Bankruptcy Court Approval	The sale is expressly conditioned on approval of the United States Bankruptcy Court for the Central District of California and entry of final order approving this Sale Motion.
Final Approval From Lender	Except for the carve-out to the Estate, all other costs are subject to final acceptance and approval by Wells.

⁸ If necessary, given that this is a short sale, the Trustee may be seeking a carve-out from the Broker to make sure that there will be sufficient funds in the Estate to make a meaningful distribution.

⁹ All real property taxes and assessments for the current tax year shown in the current county tax bill shall be prorated between Seller and Buyer and charged as of the closing date to the applicable accounts of Seller and Buyer.

1 2 3 4 5 6 7	Terms of Sale - Purchase Without Warranties	Buyer acknowledges that Buyer is purchasing the Property from the Seller "AS IS" without warranties of any kind, expressed or implied, being given by the Seller, concerning the condition of the property or the quality of the title thereto, or any other matters relating to the Property. Buyer represents and warrants that Buyer is purchasing the Property as a result of its own investigations and is not buying the Property pursuant to any representation made by any broker, agent, accountant, attorney or employee acting at the direction, or on the behalf of the Seller, except as expressly set forth in the Agreement. Buyer acknowledges that Buyer has inspected the Property, and upon closing of Escrow governed by this Agreement, Buyer forever waives, for itself, its heirs, successors and assigns, all claims against the Debtor, her attorneys, agents and employees, the Estate, Lynda T. Bui as Trustee and individually, and her attorneys, the law firm for which she is associated, her agents and employees, arising or which might otherwise arise in the future concerning the Property.
8 9 10 11 12	Terms of Sale - Free and Clear of Liens and Encumbrances	The sale of the Property shall be free and clear of all liens, claims, interests and encumbrances pursuant to Bankruptcy Code Section 363(f). The Property shall be delivered to the Buyer free and clear of all liens and encumbrances. Out of an abundance of caution, any liens and interests against the Property that are not paid/resolved through escrow shall attach to the residual sale proceeds, if any , (but excluding the Estate's carve-out amount of \$23,000) that may be 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.
13 14 15	Terms of 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 Sale Motion.
16 17 18	Terms of Sale - Waiver of Rule 6004(h)	The Trustee requests that the Court waive the fourteen-day stay of the order approving the sale of the Property under Federal Rules of Bankruptcy Procedure 6004(h) such that the sale of the Property can close as soon as possible after entry of the Court order approving the Sale Motion and the Agreement.

19 **H. Tax Consequences**

20 This is a short sale. The sale will be for less than the Debtor's original purchase
21 price and improvement costs attributed to the Property. It is anticipated that there will
22 be no tax liability generated from the sale.

23 **I. Notice of Bidding Date and Deadline, Bidding Procedures and Process for**
24 **Closing on the Sale Transaction**

25 To ensure that the Estate and the senior lienholder receive the most value for the
26 Property, the Trustee seeks approval of and will be utilizing the following reasonable
27 and comprehensive bidding procedures ("Bidding Procedures"):

28 ///

1 1. Qualified Bidders and Bid Deadline.

2 To qualify and be a Qualified Bidder, an interested buyer must do the following:

3 • Submit in writing and be received by the Trustee to the attention of Lynda
4 T. Bui on or before **4:00 p.m. (California time) December 17, 2013 (2 business days**
5 **before the Final Bidding Round date of December 19, 2013)** the interested buyer's
6 intent to participate in the overbidding process.

7 • Submit an overbid in writing of at least \$10,000 over the consideration
8 offered by the Buyer, or a total consideration of \$374,700.

9 • The overbid must be accompanied by certified funds in an amount equal
10 to three percent of the overbid purchase price.

11 • **The overbidder must also provide evidence of having sufficient**
12 **specifically committed funds to complete the transaction or a lending**
13 **commitment for the bid amount and such other documentation relevant to the**
14 **bidder's ability to qualify as the purchaser of Property and ability to close the sale**
15 **and immediately and unconditionally pay the winning bid purchase price at**
16 **closing.**

17 • To the extent available, the overbidder must inspect the Property and
18 waive inspection contingency before participating in the Final Bidding Round.

19 2. Bidding Terms and Final Bidding Round.

20 • The initial bid price shall be at least \$10,000 over the consideration offered
21 by the Buyer, or a total consideration of \$374,700. Minimum bid increments thereafter
22 shall be \$2,000.

23 • The Qualified Bidder must seek to acquire the Property on terms and
24 conditions not less favorable to the Estate than the terms and conditions to which the
25 Buyer has agreed to purchase the Property as set forth in the Buyer's Agreement,
26 including closing on the sale in the same time parameters as the Buyer.

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

40 • If overbids are received from one or more Qualified Bidders, in order to
41 allow all Qualified Bidders and Buyer to increase their bids, a final bidding round shall
42 be conducted by the Trustee or her agent on **December 19, 2013 at 2:00 p.m.**, at the
43 law offices of Shulman Hodges & Bastian LLP located at 8105 Irvine Center Drive, Suite
44 600, Irvine, CA 92618 ("Final Bidding Round").

1 • At the Final Bidding Round, all Qualified Bidders will be permitted to
2 increase their bids. The bidding shall start at the price proposed to be paid in the
3 highest Qualified Bid, as determined in the Trustee's sole discretion, and continue in
4 increments of at least \$2,000.

5 • The Trustee may adopt rules for the bidding process at the Final Bidding
6 Round that, in her reasonable judgment, will better promote the goals of the bidding
7 process. All such rules will provide that: (i) the procedures must be fair and open, with
8 no participating Qualified Bidder disadvantaged in any material way as compared to any
9 other Qualified Bidder, (ii) all bids shall be made and received in one room, on an open
10 basis, and all other bidders shall be entitled to be present for all bidding with the
11 understanding that the true identity of each bidder shall be fully disclosed to all other
12 bidders and that all material terms of each bid will be fully disclosed to all other bidders
13 throughout the entire open bidding process, and (iii) no Qualified Bidder will be
14 permitted more than five minutes to respond to the previous bid at the open Final
15 Bidding Round, and failure to respond within such time period shall disqualify such
16 bidder from further eligibility to bid at the open Final Bidding Round.

17 • Only a Qualified Bidder who has submitted a bid is eligible to participate at
18 the open Final Bidding Round.

19 • At the Final Bidding Round, the Trustee shall (i) review each overbid on
20 the basis of financial and contractual terms, fewest contingencies, factors relevant to the
21 sale process including length of time to close sale, highest non-refundable deposit, and
22 factors affecting the speed and certainty of consummating the sale, and (ii) in the
23 exercise of the Trustee's business judgment, identify the Qualified Bidder who has
24 made the highest and best offer to purchase the Property, consistent with the Bidding
25 Procedures ("Successful Bidder"). In addition, to identifying the Successful Bidder, the
26 Trustee may identify at least two-back up bids (the "First Back-Up Bidder" and "Second
27 Back-Up Bidder").

28 • The Trustee shall have sole discretion in determining which overbid is the
best for the Estate and will seek approval from the Court of the same.

3. Court Approval of the Sale Transaction and Closing.

1 • At the hearing on the Sale Motion, the Trustee will seek entry of an order,
inter alia, authorizing and approving the sale of the Property to the Successful Bidder
and if applicable, approval of the bids received from the First Back-Up Bidder and
Second Back-Up Bidder.

2 • The hearing on the Sale Motion may be adjourned or rescheduled without
notice other than by an announcement of the adjourned date at the hearing on the Sale
Motion.

3 • In the event the Successful Bidder fails to close on the sale of the Property
within the time parameters approved by the Court, the Trustee shall retain the
Successful Bidder's deposit and will be released from her obligation to sell the Property
to the Successful Bidder and the Trustee may then sell the Property to the First Back-
Up Bidder selected by the Trustee and approved by the Court at the hearing on the Sale
Motion.

4 • In the event First Back-Up Bidder fails to close on the sale of the Property
within the time parameters approved by the Court, the Trustee shall retain the First
Back-Up Bidder's deposit and will be released from her obligation to sell the Property to
the First Back-Up Bidder and the Trustee may then sell the Property to the Second

1 Back-Up Bidder selected by the Trustee and approved by the Court at the hearing on
the Sale Motion.

2

3 **Any questions regarding the Bidding Procedures should be directed to the**
4 **Trustee at 3750 University Avenue, Suite 670, Riverside, CA 92501; telephone 949-**
5 **340-3400; facsimile 949-340-3000 or email at trustee.bui@shbllp.com.**

6 The Bidding Procedures are fair and intended to provide for a “level playing field”
7 for all prospective bidders. The Bidding Procedures establish a reasonable but
8 expeditious timeline for allowing the Trustee to give notice of the proposed sale and
9 qualified bidders to conduct reasonable due diligence and submit competing offers,
10 thereby potentially generating additional value for the Property. As such, the Bidding
11 Procedures should be approved.

12 Subject to Court and lender approvals, the lender and the Trustee will split the
13 excess net sale proceeds in the event the sale of the Property closes on a Successful
14 Bidder.

15

16

17

18

19

20

21

22

23

24

25

26

27

28

PROOF OF SERVICE OF DOCUMENT

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

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

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) **November 26, 2013**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- Lynda T. Bui (TR) trustee.bui@shbllp.com, C115@ecfbis.com *Chapter 7 Trustee*
- Robin J Hoff rjhlaw1@juno.com *Attorney for the Debtor*
- Avi Schild bk@atlasacq.com *NEF for Interested Party*
- United States Trustee (RS) ustpreion16.rs.ecf@usdoj.gov *Office of United States Trustee*

Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

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

Service information continued on attached page

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

Judge's Copy (via Messenger)

U.S. Bankruptcy Court
Attn: Honorable Deborah J. Saltzman
3420 Twelfth Street, Bin Outside of Courtroom 304
Riverside, CA 92501-3819

Service information continued on attached page

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

November , 2013
Date

Erlanna Lohayza
Printed Name

/s/ Erlanna Lohayza
Signature

EMAIL SERVICE LIST

Interested Party

Greg Norris
The Bruce Norris Financial Group
Email: greg@thenorrisgroup.com

Interested Party

Danette Talas
New Century Realty & Lending
Email: homesbydanette@yahoo.com

Interested Party

Diana Nieves
Keller Williams Realty
Email: dianan50@gmail.com

Interested Party

Bryan Salazar
Frontier Realty
Email: bsalazar@pic-invest.com

Interested Party

Yong Yi
First Team Sns Realty
Email: yonggyi@gmail.com

Interested Party

Lindsey Scharfer
Southern Cali Investors Inc
Email: lscharfer@sci-re.com

Interested Party

Cheri Todaro
Inlands Elite/RJM Realty Group
Email: yourierealtor@live.com

Interested Party

John Crispo
Coldwell Banker Beachside
Email: jrcrispoiii@gmail.com

Interested Party

Elda Serna
Keller Williams
Email: eldaserna@kw.com

Interested Party

Maria Moreland
Re/Max Real Prog
Email:
morelandmaria@yahoo.com

Interested Party

Lucille Alves
Century 21 Astro
Email: lucille.alves@c21astro.com

Interested Party

Christy Thompson
Keller Williams Realty
Email: homes@robertandcfristy.com

Interested Party

Blanca Romo
Nextgen
Email: blanca.romo@ngres.com

Interested Party

Alisa Argandona
Realty One Group
Email: alisaargandona@gmail.com

Interested Party

Michelle Cervantes
Callaway Real Estate
Email: michelle@callawayre.com

Interested Party

Hung Steve Ngo
Etopbroker Inc
Email: steve@etopbroker.com

Interested Party

Kenny Nguyen
Smart Choice Realty
Email: kenny9014@yahoo.com

Interested Party

Derek Oie
Century 21 The Oie Group
Email: doie@oiegroup.com

U.S. MAIL SERVICE LIST

Buyer

Preeminent Investment Corp.
14728 Pipeline Avenue #B
Chino Hills, CA 91709

Buyer's Broker

Bryan Salazar
Frontier Realty
14728 Pipeline Avenue #B
Chino Hills, CA 91709

Trustee's Broker

Brent Houston
NextGEN Real Estate
14724 Ventura Blvd., Suite 707
Sherman Oaks, CA 91403

Secured Party

Riverside County Tax Collector
4080 Lemon Street
P.O. Box 12005
Riverside, CA 92502-2205

Secured Party

Wells Fargo Home Mortgage Bank
Attn Short Sale Department
P.O. Box 10335
Des Moines, IA 50306

Additional Notice for Secured Party

Wells Fargo Home Mortgage
P.O. Box 659558
Attn: Short Sales Fulfillment, MAC T7422-010
San Antonio, TX 78265-9558

Secured Party

Midland Funding LLC
c/o Legal Recovery Law Offices, Inc.
Mark D. Walsh
5030 Camino De La Siesta, #340
San Diego, CA 92108

Secured Party

GCFS, Inc., a California Corporation
4301 Secondwind Way, #110
P.O. Box 3410
Paso Robles, CA 93446

Secured Party

Eagle Glen Master Homeowners Association
P.O. Box 514909
Los Angeles, CA 90051-4909

Secured Party

Eagle Glen Master Homeowner's Association
c/o Walters Management
25109 Jefferson Avenue, #300
Murrieta, CA 92562

CONTINUED ON FOLLOWING PAGE

U.S. MAIL SERVICE LIST CONTINUED

DEBTOR

KATHLEEN E HOWES-EADS
521 DESERT WEST DRIVE
RANCHO MIRAGE, CA 92270-
1363

ATTORNEY FOR THE DEBTOR

ROBIN J HOFF
LAW OFFICE OF ROBIN J. HOFF
17621 IRVINE BLVD STE 200
TUSTIN, CA 92780-3131

INTERESTED PARTY

UNITED STATES TRUSTEE (RS)
3801 UNIVERSITY AVENUE, SUITE
720
RIVERSIDE, CA 92501-3255

SCHEDULES

ALLY BANK
PO BOX 380901
MINNEAPOLIS, MN 55438

COURT NOTICE MATRIX

AT&T MOBILITY
PO BOX 60017
LOS ANGELES, CA 90060-0017

COURT NOTICE MATRIX

AEGIS RECEIVABLES
MANAGEMENT, INC
PO BOX 404
FORT MILL, SC 29716-0404

COURT NOTICE MATRIX

AMERICAN EXPRESS
PO BOX 981537
EL PASO, TX 79998-1537

COURT NOTICE MATRIX

BANK OF AMERICA
PO BOX 26078
GREENSBORO, NC 27420-6078

COURT NOTICE MATRIX

BRIGHTON HUSHING-KLINE
4301 SECOND WIND WAY, STE 110
P.O. BOX 3410
PASO ROBLES, CA 93447-3410

COURT NOTICE MATRIX

CBCS
PO BOX 163250
COLUMBUS, OH 43216-3250

COURT NOTICE MATRIX

CHASE BANK
PO BOX 15298
WILMINGTON, DE 19850-5298

COURT NOTICE MATRIX

CAPITAL MANAGEMENT
SERVICES, LLP
726 EXCHANGE STREET, STE 700
BUFFALO, NY 14210-1464

COURT NOTICE MATRIX

CARDMEMBER SERVICE
PO BOX 15548
WILMINGTON, DE 19850-5548

COURT NOTICE MATRIX

CITIBUSINESS/AA ADVANTAGE
P.O. BOX 44180
JACKSONVILLE, FL 32231-4180

COURT NOTICE MATRIX

CITIBANK SHELL
PO BOX 6497
SIOUX FALLS, SD 57117-6497

COURT NOTICE MATRIX

CITY OF ORANGE
FINANCE DEPARTMENT,
UTILITIES DIV.
300 E CHAPMAN AVE
ORANGE, CA 92866-1591

COURT NOTICE MATRIX

CLIENT SERVICES, INC
3451 HARRY TRUMAN BLVD
SAINT CHARLES, MO 63301-9816

COURT NOTICE MATRIX

CONVERGENT OUTSOURCING
INC.
800 SW 39TH ST
PO BOX 9004
RENTON, WA 98057-9004

COURT NOTICE MATRIX

COUNTY OF RIVERSIDE
4080 LEMON STREET
PO BOX 12005
RIVERSIDE, CA 92502-2205

COURT NOTICE MATRIX

EMP OF RANCHO MIRAGE, INC
PO BOX 637205
CINCINNATI, OH 45263-7205

COURT NOTICE MATRIX

EOS CCA
700 LONGWATER DRIVE
NORWELL, MA 02061-1624

COURT NOTICE MATRIX

EOS CCA
PO BOX 5012
NORWELL, MA 02061-5012

COURT NOTICE MATRIX

ERS SOLUTIONS, INC.
800 SW 39TH STREET
PO BOX 9004
RENTON, WA 98057-9004

COURT NOTICE MATRIX

EAGLE GLEN MASTER HOA
PO BOX 514909
LOS ANGELES, CA 90051-4909

COURT NOTICE MATRIX

EAGLE GLEN MASTER
HOMEOWNER'S ASSOC
C/O WALTERS MANAGEMENT
25109 JEFFERSON AVENUE,
#300
MURRIETA, CA 92562-8119

COURT NOTICE MATRIX

EAGLE GLEN MASTER
HOMEOWNERS ASSOC.
9665 CHESAPEAKE, STE 300
SAN DIEGO, CA 92123-1364

COURT NOTICE MATRIX

EISENHOWER MEDICAL CENTER
DPT 7969
LOS ANGELES, CA 90084-0001

COURT NOTICE MATRIX

ESCALANTE, LLC
PO BOX 630906
CINCINNATI, OH 45263-0906

COURT NOTICE MATRIX

FAIRWAY FINANCIAL SERVICES
68950 ADELINA ROAD
CATHEDRAL CITY, CA 92234-3747

COURT NOTICE MATRIX

FINANCIAL ASSET MANAGEMENT
SYSTEMS
P.O. BOX 451409
ATLANTA, GA 31145-9409

COURT NOTICE MATRIX
FIRST SOURCE ADVANTAGE
INC
205 BRYANT WOODS SOUTH
BUFFALO, NY 14228-3609

COURT NOTICE MATRIX
GC SERVICES LP
COLLECTION AGENCY DIVISION
6330 GULFTON
HOUSTON, TX 77081-1108

COURT NOTICE MATRIX
GCFS LEGAL DEPARTMENT
PO BOX 3410
PASO ROBLES, CA 93447-3410

COURT NOTICE MATRIX
HEALTH CARE RECOVERY
SOLUTIONS
1515 190TH ST, STE 350
GARDENA, CA 90248-4910

COURT NOTICE MATRIX
HOME DEPOT CREDIT SERVICES
PO BOX 182676
COLUMBUS, OH 43218-2676

COURT NOTICE MATRIX
INNOVATION COLLECTION
SERVICES
CITY OF RIVERSIDE
PO BOX 3500
TUSTIN, CA 92781-3500

COURT NOTICE MATRIX
LTD FINANCIAL SERVICES, L.P.
7322 SOUTHWEST FREEWAY,
STE 1600
HOUSTON, TX 77074-2134

COURT NOTICE MATRIX
LVNV FUNDING, LLC
PO BOX 10497
GREENVILLE, SC 29603-0497

COURT NOTICE MATRIX
LAW OFFICE OF ROBERT A WILKS
& ASSOC
1801 E PARK COURT PLACE STE
E-103
SANTA ANA, CA 92701-5038

COURT NOTICE MATRIX
LEGAL RECOVERY LAW
OFFICES, INC.
MARK D WALSH, ESQ.
5030 CAMINO DE LA SIESTA,
STE 340
SAN DIEGO, CA 92108-3118

COURT NOTICE MATRIX
MACY'S
BANKRUPTCY PROCESSING
PO BOX 8066
MASON, OH 45040-8066

COURT NOTICE MATRIX
MBF LEASING, LLC
132 W 31ST STREET, 14TH FLOOR
NEW YORK, NY 10001-3405

COURT NOTICE MATRIX
MCM
DEPT 12421
OAKS, PA 19456

COURT NOTICE MATRIX
MERCHANT SERVICES
6789 QUAL HILL PARKWAY #432
IRVINE, CA 92603-4233

COURT NOTICE MATRIX
MIDLAND CREDIT MANAGEMENT
8875 AERO DR
SAN DIEGO, CA 92123-2255

COURT NOTICE MATRIX
NCO FINANCIAL SYSTEMS, INC
507 PRUDENTIAL ROAD
HORSHAM, PA 19044-2368

COURT NOTICE MATRIX
NORDSTROM BANK
PO BOX 6565
ENGLEWOOD, CO 80155-6565

COURT NOTICE MATRIX
NORTHLAND GROUP INC
PO BOX 390905 CSB1
MINNEAPOLIS, MN 55439-0905

COURT NOTICE MATRIX
OMNI CREDIT SERVICES OF
FLORIDA, IN
PO BOX 33631
TAMPA, FL 33631-3179

COURT NOTICE MATRIX
ONLINE COLLECTIONS
PO BOX 1489
WINTERVILLE, NC 28590-1489

COURT NOTICE MATRIX
PARK VIEW HOA
FNA MISSION HILLS PHASE V HOA
68950 ADELINA RD
CATHEDRAL CITY, CA 92234-3747

COURT NOTICE MATRIX
PENN CREDIT
916 S 14TH STREET
PO BOX 988
HARRISBURG, PA 17108-0988

COURT NOTICE MATRIX
PETERS & FREEDMAN L.L.P.
43-100 COOK STREET, SUITE 202
PALM DESERT, CA 92211-3124

COURT NOTICE MATRIX
PINNACLE CREDIT SERVICES
7900 HIGHWAY 7 #100
MINNEAPOLIS, MN 55426-4045

COURT NOTICE MATRIX
RMS
77 HARTLAND STREET, SUITE
401
PO BOX 280431
EAST HARTFORD, CT 06128-
0431

COURT NOTICE MATRIX
RICHARD J BOUDREAU & ASSOC
LLC
6 MANOR PARKWAY
SALEM, NH 03079-2841

COURT NOTICE MATRIX
SEARS/CITIBANK
PO BOX 6241
SIOUX FALLS, SD 57117-6241

COURT NOTICE MATRIX
SEARS/CITIBANK
PO BOX 6286
SIOUX FALLS, SD 57117-6286

COURT NOTICE MATRIX
SOUTHERN CALIFORNIA EDISON
PO BOX 600
ROSEMEAD, CA 91770-0600

COURT NOTICE MATRIX
SOUTHWEST COLLECTION SVC
1111 E KATELLA AVE, STE 260
ORANGE, CA 92867-5060

COURT NOTICE MATRIX
STEVE SUZUKAWA, CPA
19700 TUBA STREET
CHATSWORTH, CA 91311-3546

COURT NOTICE MATRIX
TALBOTS CLASSIC FINANCE
COMPANY, IN
PO BOX 740158
CINCINNATI, OH 45274-0158

COURT NOTICE MATRIX
THE BRANCHFELD LAW GROUP
880 APOLLO ST, SUITE 155
EL SEGUNDO, CA 90245-4783

COURT NOTICE MATRIX
TIME WARNER CABLE
PO BOX 60074
CITY OF INDUSTRY, CA 91716-
0074

COURT NOTICE MATRIX
TOYOTA MOTOR /LEXUS
FINANCIAL SVCS
PO BOX 5236
CAROL STREAM, IL 60197-5236

COURT NOTICE MATRIX
TRANSWORLD SYSTEMS
PO BOX 17221
WILMINGTON, DE 19850-7221

COURT NOTICE MATRIX
UNITED COLLECTION BUREAU
5620 SOUTHWYCK BLVD, SUITE
206
TOLEDO, OH 43614-1501

COURT NOTICE MATRIX
VENGROFF, WILLIAMS &
ASSOCIATES, IN
PO BOX 4155
SARASOTA, FL 34230-4155

COURT NOTICE MATRIX
WAYNE S GURALNICK, APC
40-004 COOK STREET, SUITE 3
PALM DESERT, CA 92211-5802

COURT NOTICE MATRIX
WELLS FARGO BUSINESS
DIRECT
PO BOX 348750
SACRAMENTO, CA 95834-8750

COURT NOTICE MATRIX
WELLS FARGO BUSINESS LINE
ACCOUNT
PO BOX 53476
PHOENIX, AZ 85072-3476

COURT NOTICE MATRIX
WELLS FARGO CARD SERVICES
P.O. BOX 10347
DES MOINES, IA 50306-0347

COURT NOTICE MATRIX
WELLS FARGO HOME
MORTGAGE
PO BOX 10335
DES MOINES, IA 50306-0335

NOTICE PURPOSES
INTERNAL REVENUE SERVICE
CENTRALIZED INSOLVENCY
OPERATIONS
PO BOX 7346
PHILADELPHIA, PA 19101-7346

NOTICE PURPOSES
CALIFORNIA FRANCHISE TAX
BOARD
BANKRUPTCY SECTION, MS: A-340
PO BOX 2952
SACRAMENTO, CA 95812-2952

RETURNED MAIL

**7/12/13 SEE NEW ADDRESS
ABOVE**
COURT NOTICE MATRIX
TRANSWORLD SYSTEMS
PO BOX 12103
TRENTON, NJ 08650-2103

7/12/13 RTS/UTF
COURT NOTICE MATRIX
APM FINANCIAL SOLUTIONS, LLC
2C SOUTH GOLD DRIVE
TRENTON, NJ 08691-1633

7/15/13 RTS/UTF
COURT NOTICE MATRIX
SCANA ENERGY MARKETING
3340 PEACHTREE RD NE STE
ATLANTA, GA 30326-1000