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

In re: MARY MACHIN AKA MARY JOSEPHINE MACHIN, Debtor(s).	CASE NO.: 6:13-bk-28695-MJ CHAPTER: 7 <p style="text-align: center;">NOTICE OF SALE OF ESTATE PROPERTY</p>
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Sale Date: October 27, 2015	Time: 10:00 am
Location: Courtroom 301 of the United States Bankruptcy Court, 3420 Twelfth St, Riverside CA 9250	

Type of Sale: Public Private **Last date to file objections:** 10/13/15

Description of property to be sold: Real Property located at 22032 Waters Drive, Cedar Pines Park, California

Terms and conditions of sale: See attached Sale Motion

Proposed sale price: _____ \$50,000

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

Overbid procedure (if any): See Sale Motion

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

October 27, 2015 at 10:00 am
United States Bankruptcy Court
COURTROOM 301
3420 Twelfth Street, Riverside CA 92501

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

Melissa Davis Lowe
SHULLMAN HODGES & BASTIAN, 100 Spectrum Center
Drive, Suite 600, Irvine CA 92618
949-340-3400 / 949-340-3000
mlowe@shbllp.com

Date: 10/6/15

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6 Attorneys for Lynda T. Bui, Chapter 7 Trustee

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UNITED STATES BANKRUPTCY COURT

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CENTRAL DISTRICT OF CALIFORNIA, RIVERSIDE DIVISION

10

11 In re

Case No. 6:13-bk-28695-MJ

12 **MARY MACHIN AKA MARY**
JOSEPHINE MACHIN,

Chapter 7

13 Debtor.

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

14

- (1) **APPROVING THE SALE OF REAL
PROPERTY OF THE ESTATE FREE
AND CLEAR OF LIENS PURSUANT TO
BANKRUPTCY CODE §§ 363(b)(1) AND
(f), SUBJECT TO OVERBIDS,
COMBINED WITH NOTICE OF
BIDDING PROCEDURES AND
REQUEST FOR APPROVAL OF THE
BIDDING PROCEDURES UTILIZED;**
(2) **APPROVING PAYMENT OF REAL
ESTATE COMMISSION; AND**
(3) **GRANTING RELATED RELIEF
INCLUDING REIMBURSEMENT OF
CHAPTER 7 TRUSTEE FOR ACTUAL
COSTS INCURRED;**

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**MEMORANDUM OF POINTS AND
AUTHORITIES AND DECLARATIONS IN
SUPPORT THEREOF**

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23

[Real Property located at 22032 Waters Drive,
Cedar Pines Park, California]

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25

Hearing Date:

Date: October 27, 2015

Time: 10:00 a.m.

Place: Courtroom 301

3420 Twelfth Street

Riverside, CA 92501

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1 creditors in the case. The alternative is that the Estate would receive no benefit from the sale of
2 the Property and the Estate would be required to litigate whether the Palm Springs Property can
3 be sold free and clear of the secured creditor's lien.

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

6 **II. RELEVANT FACTS**

7 **A. Case Commencement**

8 On November 15, 2013, the Debtor filed a voluntary petition under Chapter 7 of the
9 Bankruptcy Code.

10 Lynda T. Bui is the duly appointed, qualified and acting Chapter 7 trustee in the Debtor's
11 bankruptcy case.

12 **B. The Property**

13 Among the assets of the Estate is the Property, which is legally described as follows:

14 LOTS 86, 87, 88 AND 89 IN BLOCK 11 AS SAID LOT AND BLOCK ARE
15 DELINEATED AND SO DESIGNATED ON THAT CERTAIN MAP
16 ENTITLED MAP OF CEDARPINES PARK NO. 4, IN THE COUNTY OF SAN
17 BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN
18 BOOK 23, PAGE 63 OF MAPS, IN THE OFFICE OF THE COUNTY
19 RECORDER OF SAN BERNARDINO COUNTY.

20 EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE
21 COUNTY OF SAN BERNARDINO IN DEED RECORDED JUNE 24, 1953 IN
22 BOOK 3212 PAGE 52 OF OFFICIAL RECORDS.

23 APN: 0342-253-58-0-000

24 Pursuant to Court order entered on November 21, 2014, the Trustee was authorized to
25 employ Richard A. Halderman, Jr. ("Broker") to assist the Trustee in the marketing and sale of
26 the Property.

27 The Trustee's Broker investigated the Property and believed that the value of the
28 Property was between \$50,000 to \$60,000. The Property was thus listed for the sale price of
\$60,000.00. The Property was listed on the Pacific West MLS and the Combined Regional MLS
(which covers all of Riverside, San Bernardino and San Diego counties) and also multiple
websites. It has been advertised for sale since approximately November 15, 2014. There has

1 been much interest in the Property, including at least fifteen showings, and the Broker received
2 at least three offers.

3 Pursuant to an order entered on April 8, 2015, this Court previously approved the sale of
4 the Property to a different buyer for the sum of \$55,000.00. Unfortunately, that buyer was
5 unable to obtain a loan and the sale contract has been cancelled. Since that time, the Broker
6 continued to market the Property for sale and the offer discussed herein is the highest and best
7 offer that the Estate has received. The Buyer's offer is all cash, giving the Trustee confidence
8 the sale will close to provide funds for the Estate.

9 As such, the Trustee believes the Buyer herein represents the best offer for the Estate.
10 The Trustee believes the sale of the Property will benefit the Estate and its creditors.

11 **C. Adversary Action on the Property**

12 The Debtor did not list the Property on her Bankruptcy Schedules. As of the Petition
13 Date, the Property was in the name of the Debtor and her ex-husband, Peter Machin ("Machin"),
14 as husband and wife. Pursuant to a Judgment of Dissolution entered on January 27, 2012
15 between the Debtor and Machin, the Property was awarded solely to the Debtor. A true and
16 correct copy of the Judgment of Dissolution is attached to the Declaration of Lynda T. Bui ("Bui
17 Declaration") as **Exhibit "1."**

18 On April 2, 2014, the Trustee filed a Complaint to Sell Property Pursuant to 11 U.S.C.
19 §363(h), for Turnover of Property of the Estate and for Declaratory Relief against Machin
20 seeking, *inter alia*, authority for turnover of the Property, commencing Adversary Case No.
21 6:14-ap-01087-MJ ("Adversary Action"). The Adversary Action related to the Property and also
22 a property located at 510 N. Villa Court #208, Palm Springs, CA 92262 ("Palm Springs
23 Property").

24 Pursuant to Summary Judgment entered on October 16, 2014, the Adversary Action was
25 adjudicated in the Trustee's favor such that the Property was declared property of the Estate and
26 ordered to be turned over to the Estate. The Palm Springs Property was also ordered to be sold
27 and the proceeds split 50% to the Estate and 50% to Machin. A true and correct copy of the
28 Summary Judgment is attached to the Bui Declaration as **Exhibit "2."**

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

The following chart sets forth the liens and encumbrances against the Property as detailed in the Preliminary Title Report dated July 16, 2015 (“Preliminary Title Report”), a copy of which is attached as **Exhibit “3”** to the Bui Declaration, and the proposed treatment of the liens and encumbrances through the sale:

<u>Creditor</u>	<u>Description</u>	<u>Estimated Amount Owing</u>	<u>Treatment of Lien Through the Sale</u>
San Bernardino County Treasurer-Tax Collector	Real property taxes	\$3,107.00	All outstanding real property taxes will be paid through escrow on the sale transaction.
San Bernardino County Department of Public Works Solid Waste Management Division	Waste management services. Lien recorded on September 13, 2011 as Instrument No. 2011-383659	\$90.00	All outstanding amounts will be paid through escrow on the sale transaction.
Mike Quagletti (“Quagletti”)	Judgment lien recorded July 27, 2011 as Recording No. 2011-0303343 and a partial satisfaction of judgment recorded June 20, 2012 as Instrument No. 2012-248592 (“Quagletti Lien”)	\$59,061	The Quagletti Lien attaches to the Property and also to the Palm Springs Property. Quagletti has agreed to the sale of the Property free and clear of the Quagletti Lien so long as Quagletti receives all the net proceeds from the sale of the Property up to the sum of \$59,061 and other than the sum of \$6,500 which will be paid to the Estate. Upon payment of such sum to Quagletti, the Quagletti Lien will be considered satisfied in full. Quagletti has also agreed to the sale of the Palm Springs Property free and clear of its lien. A motion for approval of the sale of the Palm Springs Property was filed on September 4, 2015 and is set for hearing concurrently with the hearing on this Motion. Accordingly, the Property can be sold free and clear of the Quagletti Lien under Section 363(f)(2).

<u>Creditor</u>	<u>Description</u>	<u>Estimated Amount Owing</u>	<u>Treatment of Lien Through the Sale</u>
Mary Machin, the debtor herein	Amount owed under a Judgment of Dissolution recorded March 2, 2012 (Recording No. 2012-87739); February 28, 2013 (Recording No. 2013-87020; and April 8, 2013 (Recording No. 2013-143255) (“Judgment Debtor Lien”)	\$67,055.91 (although this amount will be vastly reduced as it will be paid from the proceeds of the sale of the Palm Springs Property)	This lien will not be paid through the sale. The amounts owed are for spousal support payments due pre-petition to the Debtor and are thus property of the Estate. The Trustee does not object to the sale and non-payment of this claim. Accordingly, the Property can be sold free and clear of this lien under Section 363(f)(2).

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.

E. The Purchase Offer and Summary of the Sale Terms

The Buyer has offered to purchase the Property for \$50,000.00. The purchase price includes a deposit of \$5,000.00. Attached as **Exhibit “4”** to the Bui Declaration is a true and correct copy of the Residential Purchase Agreement and Joint Escrow Instructions and Counter Offer (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):

Buyer:	John Hatzidakis, 22885-B Savi Ranch Parkway, Yorba Linda, CA
Purchase Price:	\$50,000.00, subject to the Bidding Procedures set forth below. \$5,000.00 to be paid as a deposit, and the remainder in cash at closing.

1 2 3 4 5	Escrow: Escrow holder will be A&A Escrow. Escrow is scheduled to close as soon as possible after entry of the Court order approving the sale transaction (“Approval Order”), but no later than the first business day after fourteen days following entry of the Approval Order.
6 7 8 9 10 11 12	Buyer’s Due Diligence and Cancelation Right Buyer shall have ten calendar days from the date of Agreement to perform, complete, and satisfy all contingencies, inspections, investigations, tests and reviews of reports, and to complete all due diligence which the Buyer desires for this purchase of the Property, including, but not limited to and performing and completing any geological, soil, structural, environmental, or other tests, inspections, and investigations desired by Buyer.
13 14 15 16 17 18 19 20 21 22 23 24 25 26 27	Escrow, Title and Other Costs All real property taxes and assessments for the current tax year shown in the current County Tax Bill shall be prorated between Seller and Buyer and charged as of the closing date to the applicable accounts of Seller and Buyer. The sale shall be free and clear of any homeowner’s association assessments and all real property taxes (other than those prorated as provided above) enforceable against the Property through the closing date of the sale. Escrow fees shall be split between Buyer and Seller in the manner customary in the County where the Property is located. Seller shall pay any real property transfer tax. Seller shall pay the cost of a Natural Hazard Disclosure Report, from a vendor selected by Seller, to be furnished to Buyer through escrow. Buyer shall pay and have sole responsibility for compliance with any requirements imposed on the Property or this sale by any governmental agency(ies), including compliance with any applicable governmental retrofit requirements. Buyer shall pay the cost of recording the deed. Buyer and Seller shall each pay their own expenses of every other type except as specifically provided in this Addendum. Seller shall not be responsible to pay any one-year home warranty plan.
28	Bankruptcy Court Approval The sale is subject to notice to creditors, approval by the Bankruptcy Court, and higher and better bids received by Seller through and including the Bankruptcy Court hearing to confirm the sale. Payment of any and all real estate brokers’ commissions is also subject to notice to creditors and approval by the Bankruptcy Court.
	Real Estate Agent Commission Through escrow on the sale of the Property, and subject to Court approval, the Trustee shall pay compensation for real estate agent services to Richard A. Halderman, Jr., the Buyer’s agent and the Estate’s agent, in the amount of \$3,000.00 (6% of the purchase price) ¹ .
	Purchase Without Warranties Buyer acknowledges and agrees that, to the maximum extent permitted by law, the sale contemplated by this Addendum is made “as-is,” “where-is,” and “with all faults,” except as specifically provided in this Addendum. Seller and Brokers and agents herein have not made, do not make, and specifically negate and disclaim any representations, warranties, promises, covenants, Addendums, or guaranties of any kind or character whatsoever, whether express or implied, oral or written.
	Trustee’s Liability The Buyer acknowledges that the Trustee is acting in her official capacity only. No personal liability shall be sought or enforced against the Trustee with regard to the Agreement, including any addendums to the Agreement, the Property, the sale of the Property, or the physical condition of the Property. In the event that the Trustee fails or refuses to complete the transaction for any reason, then the limit of the Trustee’s liability is only to return any money paid to the Trustee by the Buyer, without deduction. Prior to and after the closing of escrow, the United States Bankruptcy Court shall have and retain the sole and exclusive jurisdiction over the Property and the Agreement; and all disputes arising before and after closing shall be resolved in said Court.

¹ The Trustee reserves the right to request a reduction to net the Estate additional fees. The Broker has been advised that the Court has the ultimate discretion to reduce the commission percentage as well.

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Hold Harmless	The Buyer understands the terms and conditions of the entire purchase contract and holds the Estate and the realtors, brokers, agents, Lynda T. Bui, Trustee, and her attorneys including Shulman Hodges & Bastian LLP, agents and employees, harmless from any liabilities arising from this contact. All parties 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 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. 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 Lynda T. Bui, Trustee, arising from the Agreement and/or its addendums or relating in any manner to the Property, shall be resolved only in the United States Bankruptcy Court, Central District of California.
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 Sale Motion.
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.

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F. Tax Consequences of Sale

Machin advised the Trustee that the Property has a tax basis of approximately \$40,000. The Trustee's accountant has advised he does not expect the sale of the Property to generate any capital gains or other taxes from the sale. If any taxes are generated, they would be minimal.

G. Notice of Bidding Procedures

The Trustee has determined that it would benefit the Estate to permit all interested parties to receive information and bid for the Property instead of selling the Property to the Buyer on an exclusive basis. Accordingly, in order to obtain the highest and best offer, the Trustee also seeks

1 Court approval of the following bidding procedures (“Bidding Procedures”):

2 1. Potential overbidder(s) must bid an initial amount of at least \$2,000.00 over the
3 Purchase Price, or \$52,000.00. Minimum bid increments thereafter shall be \$1,000.00. The
4 Trustee shall have sole discretion in determining which overbid is the best for the Estate and will
5 seek approval from the Court of the same.

6 2. Overbids must be in writing and be received by the Trustee and the Trustee’s
7 counsel, Shulman Hodges & Bastian LLP to the attention of Melissa Davis Lowe on or before
8 **5:00 p.m. (California time) on October 23, 2015.**

9 3. Overbids must be accompanied by certified funds in an amount equal to three
10 percent (3%) of the overbid purchase price.

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

16 5. The overbidder must seek to acquire the Property on terms and conditions not less
17 favorable to the Estate than the terms and conditions to which the Buyer has agreed to purchase
18 the Property as set forth in the Agreement attached as **Exhibit “4”** to the Bui Declaration
19 including closing on the sale of the Property in the same time parameters as the Buyer.

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

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

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

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

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

6 III. ARGUMENT

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

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

18 1. Sound Business Purpose

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

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

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

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3 Here, the facts surrounding the sale of the Property support the Trustee's business
4 decision that the proposed sale is in the best interests of the Estate and its creditors. Through the
5 sale, the Estate will obtain a carve-out from the Quagletti Lien in the amount of \$6,500.00 as
6 shown below:

7 Sale Price	\$50,000.00
8 <i>Less</i> real estate commission and costs of sale (8%)	(\$4,000.00)
9 <i>Less</i> reimbursement to the Trustee for property insurance	(\$882.74)
10 <i>Less</i> property taxes (will be pro-rated)	(\$3,107.00)
11 <i>Less</i> lien of San Bernardino County Department of Public Works	(\$90.00)
12 <i>Less Carve-out for Estate</i>	(\$6,500.00)
13 Estimated Proceeds to pay the Quagletti Lien	\$35,420.26

14 The \$6,500.00 to be paid to the Estate will benefit the Estate by providing funds for a
15 distribution to priority unsecured creditors. As part of the Trustee's agreement with Quagletti,
16 Quagletti also agreed to the sale of the Palm Springs Property free and clear of its lien. As such,
17 if the Motion is not approved, not only would the Estate not receive any benefit from the
18 Property, but the Estate would also likely incur attorneys' fees and expenses litigating whether
19 the Palm Springs Property can be sold free and clear of the Quagletti Lien under Section
20 363(f)(5).

21 Furthermore, the Trustee believes that the proposed sale, subject to overbids, will be at
22 fair market value because it is the best offer the Estate has received thus far for the Property
23 since the previous sale contract approved by the Court was cancelled and is the result of
24 negotiations between the Trustee and the Buyer for the best and highest offer. Therefore, the
25 Trustee respectfully submits that, if this Court applies the good business reason standard
26 suggested by the Second Circuit in *Lionel*, the sale should be approved.

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

28 The Trustee believes that it would be in the best interest of the Estate and its creditors to
sell the Property. The benefits to the Estate, as set forth above, are significant as the Estate will

1 receive the sum of \$6,500.00 and will avoid litigation over the sale of the Palm Springs Property
2 free and clear of the Quagletti Lien. If protracted litigation with Quagletti is required, it will
3 result in both the incurring of attorneys' fees and also the possible loss of the Buyer and the
4 buyer for the Palm Springs Property. If the Sale Motion is not approved, the Estate will not
5 receive the \$6,500.00 and will likely lose the Buyer. The Trustee does not want to lose this
6 beneficial business opportunity. Thus, the Trustee has made a business decision that it is in the
7 best interest of the creditors of the Estate that this Sale Motion be approved.

8 3. Accurate and Reasonable Notice

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

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

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

22 4. The Sale is Made in Good Faith

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

26 "Good faith" encompasses fair value, and further speaks to the integrity of the
27 transaction. Typical 'bad faith' or misconduct, would include collusion between
28 the seller and buyer, or any attempt to take unfair advantage of other potential
creditors must be provided with sufficient information to allow them to take a
position on the proposed sale.

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

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

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

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

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

20 11 U.S.C. § 363(f).

21 Here, Quagletti has agreed to the sale free and clear of its lien so long as Quagletti
22 receives all net proceeds up to the amount of \$59,061.00 other than the sum of \$6,500.00 which
23 will be paid to the Estate. Further, the Trustee (the real party in interest) desires to sell the
24 Property and release the Judgment Debtor Lien. The amounts owed pursuant to these liens relate
25 to spousal support payments owed pre-petition which are property of the Estate. *See, In re*
26 *Anders*, 151 B.R. 543 (Bankr. D. Nev. 1993). As such, the Estate can consent to sale of the
27 Property free and clear of such lien.

28 For these reasons, the Property can be sold free and clear of liens pursuant to Section
363(f)(2) and (f)(3).

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

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

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

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

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

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

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

28 ///

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

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

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

10 The Bidding Procedures will help the Trustee to obtain the highest and best possible price
11 for the Property which could result in additional funds for the Estate. In the event there are
12 overbids, it is possible Quagletti could be paid in full and the Estate would then obtain more than
13 the \$6,500 carve-out. The Bidding Procedures institute minimum overbid increments which the
14 Trustee believes are reasonable.

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

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

28 ///

1 Thus, approval of the Bidding Procedures will serve the best interests of the Estate and its
2 creditors.

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

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

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

11 **E. Request for Payment of Trustee’s Costs Incurred**

12 Section 506(c) provides as follows:

13 The trustee may recover from property securing an allowed secured claim
14 the reasonable, necessary costs and expenses of preserving, or disposing
15 of, such property to the extent of any benefit to the holder of such claim,
16 including the payment of all ad valorem property taxes with respect to the
17 property.

18 Here, the Trustee learned that the Debtor did not maintain insurance on the Property. In
19 order to protect the Estate and the Property from damage, especially considering the Property has
20 been vacant, the Trustee was required to obtain an insurance policy and has been paying for
21 property insurance since approximately May 2015. The Trustee has incurred a total of \$882.74
22 for insurance payments. True and correct copies of invoices for the payment of insurance are
23 attached to the Bui Declaration as **Exhibit “5.”**

24 As such, the Trustee requests she be paid the sum of \$882.74 from the net proceeds of the
25 Purchase Price as such payments were necessary to preserve the Property for the benefit of the
26 Estate.

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

28 Bankruptcy Code Section 327 allows, with court approval, for the trustee to employ
professional persons, “that do not hold or represent an interest adverse to the estate, and that are

1 disinterested persons.” 11 U.S.C. § 327(a). By an Order entered on November 21, 2014, the
2 Trustee was authorized to employ the Broker to assist the Trustee in the marketing and sale of
3 the Property.

4 Bankruptcy Code Section 328 allows employment of a professional person under section
5 327 “on any reasonable terms and conditions of employment, including on a retainer, on an
6 hourly basis, on a fixed or percentage fee basis, or on a contingent fee basis.” 11 U.S.C. §
7 328(a) (emphasis added). Through this Sale Motion, as provided in the Agreement, the Trustee
8 seeks authorization to pay a real estate broker commission in the amount of six percent (6%) of
9 the purchase price.

10 Through escrow on the sale of the Property, and subject to Bankruptcy Court approval,
11 the Trustee shall pay a real estate broker’s commission to Richard A. Halderman, Jr. in the
12 amount of no more than \$3,000.00.

13 **IV. CONCLUSION**

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

- 16 1. Approving the Bidding Procedures set forth above for the sale of the Property.
- 17 2. Authorizing the Trustee to sell the Property to the Buyer (or Successful Bidder)
18 pursuant to the terms and conditions as set forth in the Agreement attached as **Exhibit “4”** to the
19 Bui Declaration.
- 20 3. Authorizing the sale of the Property free and clear of liens with all liens to attach
21 to the proceeds of the sale in the same validity, extent and priority as before the sale.
- 22 4. Authorizing the Trustee to sign any and all documents convenient and necessary
23 in pursuit of the sale as set forth above, including but not limited to any and all conveyances
24 contemplated by the Agreement attached as **Exhibit “4”** to the Bui Declaration.
- 25 5. Approving the payment of the real estate commission in the total amount not to
26 exceed six percent (6%) of the purchase price.
- 27 6. Authorizing the Trustee to pay from the proceeds of the sale of the Property
28 through escrow the following: (1) the Quagletti Lien in the estimated amount of \$35,683; (2)

1 property taxes in the estimated amount of \$3,107.00; (3) San Bernardino County Department of
2 Public Works in the estimated amount of \$90.00; (4) reimbursement to the Trustee for property
3 insurance in the amount of \$882.74; and (5) all ordinary and customary costs of sale, including
4 escrow fees. The Estate will retain the total sum of \$6,500.00.

5 7. A determination by the Court that the Buyer is in good faith pursuant to
6 Bankruptcy Code Section 363(m).

7 8. Waiving the fourteen day stay of the order approving the sale of the Property
8 under Federal Rules of Bankruptcy Procedure 6004(h).

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

11 Respectfully submitted,

12 **SHULMAN HODGES & BASTIAN LLP**

13 Dated: October 6, 2015

14 /s/Melissa Davis Lowe

15 Leonard M. Shulman

16 Melissa Davis Lowe

17 Attorneys for Lynda T. Bui, Chapter 7 Trustee for
18 the bankruptcy estate of Mary Machin

DECLARATION OF LYNDA T. BUI

I, Lynda T. Bui, declare:

1. I am the duly appointed, qualified and acting Chapter 7 Trustee for the bankruptcy estate of Mary Machin (“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.

2. I make this Declaration in support of my Motion for Order: (1) Approving the Sale of Real Property of the Estate Free and Clear of Certain Liens Pursuant to Bankruptcy Code §§ 363(b)(1) and (f); (2) Approving Payment of Real Estate Commission; and (3) Granting Related Relief Including Reimbursement to Chapter 7 Trustee for Actual Costs Incurred (“Sale Motion”). All capitalized terms not otherwise defined herein shall have the meaning set forth in the Sale Motion.

3. Pursuant to Court order entered on November 21, 2014, I was authorized to employ Richard A. Halderman, Jr. (“Broker”), to assist me in the marketing and sale of the Property.

4. The Debtor did not list the Property on her Bankruptcy Schedules. As of the Petition Date, the Property was in the name of the Debtor and her ex-husband, Peter Machin (“Machin”), as husband and wife. Pursuant to a Judgment of Dissolution entered on January 27, 2012 between the Debtor and Machin, the Property was awarded solely to the Debtor. A true and correct copy of the Judgment of Dissolution is attached hereto as **Exhibit “1.”**

5. On April 2, 2014, through my counsel, I filed a Complaint to Sell Property Pursuant to 11 U.S.C. §363(h), for Turnover of Property of the Estate and for Declaratory Relief against Machin seeking, *inter alia*, authority for turnover of the Property, commencing Adversary Case No. 6:14-ap-01087-MJ (“Adversary Action”).

6. Pursuant to Summary Judgment entered on October 16, 2014, the Adversary Action was adjudicated in my favor such that the Property was declared property of the Estate and ordered to be turned over to the Estate. The Palm Springs Property was also ordered sold and the proceeds split 50% to the Estate and 50% to Machin. A true and correct copy of the Summary Judgment is attached hereto as **Exhibit “2.”**

1 7. The Sale Motion sets forth the proposed treatment of all the liens and
2 encumbrances against the Property as detailed in Preliminary Title Report dated July 16, 2015, a
3 true and correct copy of which is attached hereto as **Exhibit “3.”**

4 8. Through my Broker, I received an offer from the Buyer to purchase the Property
5 for \$50,000.00 all cash. Attached hereto as **Exhibit “4”** is a true and correct copy of the
6 Residential Purchase Agreement and Joint Escrow Instructions and Counter Offers and related
7 addendum (collectively, the “Agreement”) for which I am seeking Court approval.

8 9. Pursuant to an order entered on April 8, 2015, this Court previously approved the
9 sale of the Property to a different buyer for the sum of \$55,000.00. Unfortunately, that buyer
10 was unable to obtain a loan and the sale contract has been cancelled. Since that time, the Broker
11 continued to market the Property for sale and the offer discussed herein is the highest and best
12 offer that the Estate has received.

13 10. The Debtor and her ex-husband informed me that there was no insurance on the
14 Property. In order to protect the Estate and the Property from damage, especially considering the
15 Property has been vacant, I was required to obtain an insurance policy and have been paying for
16 property insurance since approximately May 2015. I have incurred a total of \$882.74 for
17 insurance payments. True and correct copies of invoices for the payment of insurance are
18 attached hereto as **Exhibit “5.”**

19 11. Quagletti agreed to the sale of the Property free and clear of its lien so long as it
20 retains all net proceeds of the sale up to the sum of \$59,061 other than the sum of \$6,500 to be
21 paid to the Estate. In addition, Quagletti agreed to the sale of the Palm Springs Property free
22 and clear of its lien. As such, if the Motion is not approved, not only would the Estate not
23 receive any benefit from the Property, but the Estate would likely incur attorneys’ fees and
24 expenses litigating whether the Palm Springs Property can be sold free and clear of the Quagletti
25 Lien under Section 363(f)(5).

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Main Document Page 27 of 98
DECLARATION OF RICHARD A. HALDERMAN, JR.

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I, Richard A. Halderman, Jr., declare:

1. I am a real estate agent, duly licensed in the State of California with an office located at 3857 Birch Street, Suite 480, Newport Beach, California 92660; telephone 714-664-0115. 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 Chapter 7 Trustee's Motion for Order: (1) Approving the Sale of Real Property of the Estate Free and Clear of Certain Liens Pursuant to Bankruptcy Code §§ 363(b)(1) and (f); (2) Approving Payment of Real Estate Commission; and (3) Granting Related Relief ("Sale Motion"). All capitalized terms not otherwise defined herein shall have the meaning set forth in the Sale Motion.

3. In late April 2014, I was asked by the Trustee to evaluate the Property. The Property is a single family residence cabin with approximately 441 square feet.

4. I reviewed properties comparable to the Property and believe the Property to be worth approximately \$55,000.

5. The Property was thus listed for the sale price of \$60,000. The Property was listed on the Pacific West MLS and the Combined Regional MLS (which covers all of Riverside, San Bernardino and San Diego counties) and multiple websites, and advertised for sale since approximately November 15, 2014. There was significant interest in the Property, including at least fifteen showings and three offers.

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

Executed on October 6, 2015, at Costa Mesa, California.


Richard Halderman

DECLARATION OF LEEANN DAVIS

I, Leeann Davis, declare:

1. I am over the age of eighteen. 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 Chapter 7 Trustee's Motion for Order: (1) Approving the Sale of Real Property of the Estate Free and Clear of Certain Liens Pursuant to Bankruptcy Code §§ 363(b)(1) and (f); (2) Approving Payment of Real Estate Commission; and (3) Granting Related Relief Including Reimbursement to Chapter 7 Trustee for Actual Costs Incurred ("Sale Motion"). All capitalized terms not otherwise defined herein shall have the meaning set forth in the Sale Motion.

3. I am the Chief Operating Officer of San Pasqual Fiduciary Trust Company, the duly appointed interim trustee of the Michael J. Quagletti and Peggy M. Quagletti Trust dated May 10, 1980 ("Trust"). As interim trustee, the Trust holds a lien pursuant to an abstract of judgment recorded against the Property on July 27, 2011 as Recording No. 2011-0303343 and a partial satisfaction of judgment recorded June 20, 2012 as Instrument No. 2012-248592. The Trust consents to the sale of the Property free and clear of the Quagletti Lien so long as the Trust receives all net proceeds from the sale of the Property up to the amount of \$59,061.00 other than the sum of \$6,500.00 which will be paid to the Estate. The Trust further consents to the sale of the Palm Springs Property free and clear of the Quagletti Lien. Upon payment of the net proceeds from the sale of the Property as set forth above, the Quagletti Lien will be considered satisfied in full.

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

Executed on October 6, 2015, at Los Angeles, CA.



Leeann Davis

EXHIBIT "1"

JUDGMENT OF DISSOLUTION

FL-180

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Title, and address): SARA A. WEINSTEIN LAW OFFICES OF SARA A. WEINSTEIN 11150 W. OLYMPIC BLVD., SUITE 1120 LOS ANGELES, CA 90064 TELEPHONE NO: (310) 785-9444 FAX NO (Optional): (310) 785-3922 E-MAIL ADDRESS (Optional): ATTORNEY FOR (Name): PETITIONER MARY JOSEPHINE MACHIN		FOR COURT USE ONLY ORIGINAL FILED JAN 27 2012 LOS ANGELES SUPERIOR COURT
SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES STREET ADDRESS: 111 NORTH HILL STREET MAILING ADDRESS: SAME AS ABOVE CITY AND ZIP CODE: LOS ANGELES, CA 90012 BRANCH NAME: CENTRAL DISTRICT		
MARRIAGE OF PETITIONER: MARY JOSEPHINE MACHIN RESPONDENT: PETER HENRY MACHIN		CASE NUMBER: BD 483 879
JUDGMENT <input checked="" type="checkbox"/> DISSOLUTION <input type="checkbox"/> LEGAL SEPARATION <input type="checkbox"/> NULLITY <input type="checkbox"/> Status only <input type="checkbox"/> Reserving jurisdiction over termination of marital or domestic partnership status <input type="checkbox"/> Judgment on reserved issues Date marital or domestic partnership status ends: JAN 27 2012		

- This judgment contains personal conduct restraining orders modifies existing restraining orders.
 The restraining orders are contained on page(s) _____ of the attachment. They expire on (date): _____
- This proceeding was heard as follows: Default or uncontested By declaration under Family Code section 2336
 Contested
 - Date: JAN 13, APRIL 8, 15, 26, MAY 9, 19, JUNE 23, 2011 Dept.: CE 88 Room: _____
 - Judicial officer (name): SCOTT M. GORDON Temporary judge
 - Petitioner present in court Attorney present in court (name): SARA A. WEINSTEIN
 - Respondent present in court Attorney present in court (name): _____
 - Claimant present in court (name): _____ Attorney present in court (name): _____
 - Other (specify name): _____
- The court acquired jurisdiction of the respondent on (date): APRIL 23, 2008
 - The respondent was served with process.
 - The respondent appeared.

THE COURT ORDERS, GOOD CAUSE APPEARING

- Judgment of dissolution is entered. Marital or domestic partnership status is terminated and the parties are restored to the status of single persons
 - on (specify date): **JAN 27 2012**
 - on a date to be determined on noticed motion of either party or on stipulation.
 - Judgment of legal separation is entered.
 - Judgment of nullity is entered. The parties are declared to be single persons on the ground of (specify): _____
- This judgment will be entered nunc pro tunc as of (date): _____
- Judgment on reserved issues.
- The petitioner's respondent's former name is restored (specify): _____
- Jurisdiction is reserved over all other issues, and all present orders remain in effect except as provided below.
- This judgment contains provisions for child support or family support. Each party must complete and file with the court a *Child Support Case Registry Form* (form FL-191) within 10 days of the date of this judgment. The parents must notify the court of any change in the information submitted within 10 days of the change, by filing an updated form. The *Notice of Rights and Responsibilities-Health Care Costs and Reimbursement Procedures and Information Sheet on Changing a Child Support Order* (form FL-192) is attached.

FL-180

CASE NAME (Last name, first name of each party)	C. JMBER: BD 483 879
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4. (Cont'd.)

- i. A settlement agreement between the parties is attached.
- j. A written stipulation for judgment between the parties is attached.
- k. The children of this marriage or domestic partnership.
 - (1) The children of this marriage or domestic partnership are:

Name	Birthdate
------	-----------
 - (2) Parentage is established for children of this relationship born prior to the marriage or domestic partnership.
- l. Child custody and visitation are ordered as set forth in the attached
 - (1) settlement agreement, stipulation for judgment, or other written agreement.
 - (2) Child Custody and Visitation Order Attachment (form FL-341).
 - (3) Stipulation and Order for Custody and/or Visitation of Children (form FL-355).
 - (4) other (specify):
- m. Child support is ordered as set forth in the attached
 - (1) settlement agreement, stipulation for judgment, or other written agreement.
 - (2) Child Support Information and Order Attachment (form FL-342).
 - (3) Stipulation to Establish or Modify Child Support and Order (form FL-350).
 - (4) other (specify):
- n. Spousal or partner support is ordered as set forth in the attached
 - (1) settlement agreement, stipulation for judgment, or other written agreement.
 - (2) Spousal, Partner, or Family Support Order Attachment (form FL-343).
 - (3) other (specify):

NOTICE: It is the goal of this state that each party will make reasonable good faith efforts to become self-supporting as provided for in Family Code section 4320. The failure to make reasonable good faith efforts may be one of the factors considered by the court as a basis for modifying or terminating spousal or partner support.

- o. Property division is ordered as set forth in the attached
 - (1) settlement agreement, stipulation for judgment, or other written agreement.
 - (2) Property Order Attachment to Judgment (form FL-345).
 - (3) other (specify):
- p. Other (specify):

Each attachment to this judgment is incorporated into this judgment, and the parties are ordered to comply with each attachment's provisions.
 Jurisdiction is reserved to make other orders necessary to carry out this judgment.
 Date: _____

5. Number of pages attached: _____ JUDICIAL OFFICER
 SIGNATURE FOLLOWS LAST ATTACHMENT

NOTICE

Dissolution or legal separation may automatically cancel the rights of a spouse or domestic partner under the other spouse's or domestic partner's will, trust, retirement plan, power of attorney, pay-on-death bank account, transfer-on-death vehicle registration, survivorship rights to any property owned in joint tenancy, and any other similar thing. It does not automatically cancel the rights of a spouse or domestic partner as beneficiary of the other spouse's or domestic partner's life insurance policy. You should review these matters, as well as any credit cards, other credit accounts, insurance policies, retirement plans, and credit reports, to determine whether they should be changed or whether you should take any other actions.

A debt or obligation may be assigned to one party as part of the dissolution of property and debts, but if that party does not pay the debt or obligation, the creditor may be able to collect from the other party.

An earnings assignment may be issued without additional proof if child, family, partner, or spousal support is ordered.

Any party required to pay support must pay interest on overdue amounts at the "legal rate," which is currently 10 percent.

1 PETITIONER: MARY J. MACHIN
2 RESPONDENT: PETER H. MACHIN

MACHIN DISSOLUTION
Case No.: BD 483879

3 Judgment Continuation

4 1. The court finds that due to the nature of the litigation in this matter, the Court
5 ordered the parties to prepare and file a list of the specific requests and orders sought by the
6 respective parties in the trial in this matter. Each of the parties filed the ordered document.

7 2. On April 26, 2011, the Petitioner filed a pleading entitled, "Petitioner Mary
8 Machin's Requested Proposed Orders." In her pleadings, the Petitioner requested the following:

9 A. The Petitioner requested that the following property be confirmed to her
10 as her sole and separate property:

- 11 i. The Hawaii Condominium (at the stipulated value of \$280,000);
12 ii. The Boarding House located on G Street in San Bernardino (at the
13 stipulated value of \$355,000);
14 iii. The proceeds of the Wells Fargo accounts, valued at \$125; and
15 iv. The proceeds of the sale of a 1995 Lincoln Continental automobile,
16 \$900.

17 B. The Petitioner further requested that the following property be awarded
18 to the Respondent as his sole and separate property:

- 19 i. Union Bank account, \$448 balance;
20 ii. Bank of America account, \$2,227 balance;
21 iii. E-Trade accounts in existence at date of separation value -
22 \$73,730;
23 iv. "Community property interest in Hermosa Beach property (valued
24 per stipulation at \$645,951 divided in half (320,975) as a result of the loss of the civil lawsuit);
25 and Agreement in connection with the right of first refusal to purchase the property next door
26 valued by Respondent at \$100,000";

27
28

- 1 v. "The three 10 acre parcels of Riverside County Cathedral City Real
2 Estate purchased by Respondent for the sum of \$100,000 which he subsequently deeded over
3 to his girlfriend, Yugi Jordan, her son and other(s) in exchange for no compensation/value and
4 as reflected by the zero documentary transfer tax on the deeds associated therewith";
- 5 vi. Cessna Airplane valued by Respondent in sum of \$15,000;
- 6 vii. The following vehicles: 1989 Jaguar (\$5,000), 1990 Van (\$1,000),
7 2008 Suzuki dirt bike (\$2,500), Ford explorer (\$1,248) and Chevrolet truck (\$75);
- 8 viii. P.H. Machin Enterprises (valued by Petitioner at \$75,000);
- 9 ix. "The difference in the cash received from the sale proceeds by the
10 Respondent in connection with the sale of the Manhattan Beach property, in the sum of
11 \$36,193; and
- 12 x. The parties' respective interests in the Petitioner's pension through
13 the Southern California United Food and Commercial Workers' Union and Food Employer's
14 Joint Trust Fund as divided by QDRO commencing May 1, 2011.
- 15 C. Additionally, the Petitioner sought the following reimbursements:
- 16 i. \$12,756 representing the post-separation community property
17 rental income received by Respondent in relation to the G Street boarding house;
- 18 ii. \$7,000 in community property pension income received by the
19 Petitioner until the issuance of the first *pendente lite* spousal support order;
- 20 iii. \$875 representing one-half of the proceeds of a community
21 property silver bar;
- 22 iv. \$5,330 representing rental income received by the Respondent as
23 rental income from the Hawaii condominium prior to the first *pendente lite* spousal support
24 order;
- 25 v. \$26,119 paid by Petitioner to civil counsel in relation to the parties'
26 civil litigation regarding the Hermosa Beach property;
- 27 vi. Spousal Support arrears from the Respondent to the Petitioner in
28 the amount of \$42,008 representing the period through April 31, 2011;

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vii. Equal division of the parties' coin collection; and

viii. In the event Petitioner is awarded the two properties [Hawaii and G Street] that the Court retain jurisdiction of the issue of spousal support. Otherwise that the Court order spousal support based on a percentage equivalent to 37% of the gross rental proceeds from the Hawaii and G Street properties.

D. The Respondent filed a pleading in response to the Court's order entitled, "Defendant's property split offered to Court and Plaintiff." In his pleading the Respondent made several alternate requests. The Respondent requested the following orders and division of property:

i. Proposal #1

Plaintiff is awarded:

Hawaii property \$250,000

Hermosa Beach property \$250,000

Plaintiff to pay one mortgage, Defendant to pay second mortgage

Value to Plaintiff \$530,000

Defendant is awarded:

San Bernardino property \$330,000

Crestline cabin \$ 40,000

Palm Springs condo \$ 50,000

Value to Defendant \$420,000

Gold and silver split evenly

ii. Proposal #2

Plaintiff is awarded:

Hawaii property \$280,000

All gold and silver

Defendant pays all mortgages, including that of the Hawaii property.

Value to Plaintiff \$780,000

Defendant is awarded:

1		Hermosa Beach property	\$250,000
2		San Bernardino property	\$330,000
3		Crestline cabin	\$ 40,000
4		Palm Springs property	\$ 50,000
5		Value to Defendant	\$670,000
6	iii.	Proposal #3	
7		Plaintiff is awarded:	
8		Hermosa Beach property	\$250,000
9		Palm Springs condo	\$ 50,000
10		Gold and Silver	\$500,000
11		Value to Plaintiff	\$800,000
12		Defendant is awarded:	
13		Hawaii property	\$280,000
14		San Bernardino property	\$330,000
15		Crestline cabin	\$ 40,000
16		Defendant to pay one mortgage	
17		Plaintiff to pay other mortgage	
18		Value to Defendant	\$650,000
19	iv.	Proposal #4	
20		Plaintiff is awarded:	
21		Hawaii property	\$280,000
22		Gold and silver Palm Springs	\$500,000
23		Palm Springs	\$ 50,000
24		Value to Plaintiff	\$830,000
25		Defendant is awarded:	
26		Hermosa Beach property	\$250,000
27		San Bernardino property	\$330,000
28		Crestline cabin	\$ 50,000

1 Value to Plaintiff: \$830,000
2 Defendant is awarded:
3 Hermosa Beach property \$250,000
4 San Bernardino property \$330,000
5 Crestline cabin \$ 40,000
6 Defendant to pay 1 mortgage — Plaintiff pays one mortgage
7 Value to Defendant: \$620,000

8 3. The Court further finds that during the course of the trial in this matter, the
9 parties entered into stipulations with regard to issues at bar in the case. The parties entered into
10 and the Court accepted the following stipulations:

11 i. The parties stipulated that the value of the Crestline property is \$40,000;

12 ii. The parties stipulated that the value of the G Street, San Bernardino
13 property is \$355,000;

14 iii. The parties stipulated that the value of the Hawaii property is \$280,000;

15 iv. The parties stipulated that the above listed properties have been fully paid
16 for and are not the subject of any encumbrances;

17 v. The parties stipulated that the value of the Palm Springs property is
18 \$50,000; and

19 vi. The parties stipulated that the following assets are community property:
20 Hermosa Beach property; G Street property in San Bernardino; Crestline property; Hawaii
21 property; the Palm Springs property; and gold and silver coins.

22 4. The Court further finds that during the course of the trial, the parties spent a great
23 deal of time litigating issues with regard to a collection of coins, gold and silver that the parties
24 kept in the family residence. The Respondent alleged that when the DVPA Order was granted
25 against him in this matter, the Petitioner took possession of the coins and precious metals. He
26 alleged during the course of the trial, that the value of this property was in excess of \$500,000.

27 5. The Court further finds that during the trial, the Petitioner testified that she placed
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1 a box of coins that was in the house in a safety deposit box in a bank for safekeeping. She did
2 not present any credible evidence with regard to the contents or value of the coins and precious
3 metals.

4 6. The Court further finds that the parties' son, Steven Michael Machin, testified that
5 when he was assisting his mother at the family residence, he found a 2' x 12" box that contained
6 what appeared to be gold and silver coins. He testified that there were no gold bars in the box
7 and that the box contained one silver bar. The Petitioner testified that she placed the box and
8 its contents in a safe deposit box.

9 7. The Court finds that the Petitioner introduced Exhibit 21 into evidence which
10 purports to be an inventory of the coin and precious metal property prepared by the Respondent.
11 This document lists approximately 27 coins or sets of coins. It does not contain any values.

12 8. Due the intense litigation between the parties and their failure to meet and confer
13 or introduce credible evidence with regard to the property, the Court appointed a Receiver to
14 inventory and sell the contents of the safety deposit box so that the proceeds could be
15 distributed to the parties.

16 9. The evidence produced at trial indicated that after the Date of Separation, the
17 Respondent sold one silver bar for the amount of \$1750.

18 10. On July 20, 2011, pursuant to Court Order, the Receiver did conduct an inventory
19 of the coins and other property. While the Receiver did find numerous items and coins in the
20 safety deposit box, there were few items of value. The total value of the property that the
21 Receiver was able to sell was \$365.49. This amount was applied against the fees and costs of
22 the Receiver.

23 11. In the matter of *Prentis-Margulis v. Margulis* (2011) G041948, the court
24 addressed the issue of the valuation and apportionment of property that had been dissipated
25 while in the control of one of the spouses. In this matter, it is clear that the coins and precious
26 metals had been in the control of the Respondent prior to the date of separation and in the
27 control of the Petitioner after the date of separation. However, in this matter, unlike the facts
28 presented in *Margulis*, neither party made a prima facie case as the nature and extent of the

1 coins and precious metals. Although throughout this case, the issues surrounding the coins and
2 metals remained a major point of contention between the parties. Neither party introduced any
3 credible evidence as to the value of the coins and precious metals.

4 12. The Court orders that the Respondent reimburse the Petitioner \$875 with regard
5 to the proceeds of the silver bar that was sold by the Respondent. The remaining proceeds from
6 the Receiver's sale of the coins and other contents of the safety deposit box shall be applied to
7 the fees and costs of the Receiver. The parties shall equally share in any remaining costs and
8 fees for the Receiver.

9 **P.H. Machin Enterprises**

10 13. The evidence produced in this case shows that in 2002, the Respondent
11 started a small business selling knives, clocks and other items at swap meets. The evidence
12 introduced showed that he had small booths set up at swap meets selling these items. The
13 Respondent testified that he stopped selling the items at swap meets in 2008 and that the
14 business has not functioned since that time.

15 14. The Petitioner offered evidence regarding the business and its possible
16 value through the testimony of David Semus, a forensic accountant retained by the Petitioner.
17 Mr. Semus testified that the value of the business P.H. Machin Enterprises was \$75,000. Mr.
18 Semus testified that he derived this value from Exhibit 42, an unsigned and undated document
19 that purported to be a copy of minutes of a board meeting of the business.

20 15. The Court finds that the evidence introduced at trial indicated that the
21 business, P.H. Machin Enterprises, was a small opportunistic business that was engaged in
22 selling small items at swap meets. There was no credible evidence presented at trial that
23 indicated that the business has any assets of value or any goodwill that could be valued. The
24 was no credible evidence presented that indicated that the business, P.H. Machin Enterprises
25 was in business after 2008 or that it had or has any value that could be assigned or divided. The
26 Petitioner's request in this regard is denied.

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1 **Hawaii Condominium**

2 16. The parties have stipulated that this property is community property and that it
3 has a value of \$280,000. The Court adopts the parties' stipulation in regard to this property.
4 The Petitioner requests that the Court order that the Respondent reimburse her for having
5 received \$5,330 in rents from the rental of this property prior to the Court's first *pendente lite*
6 spousal support order. It is clear that prior to the Court's later orders in this matter, the
7 Respondent controlled and managed the rental of this property. The Petitioner has presented
8 evidence that there was \$5,330 in rental income received from the property prior to the Court's
9 *pendente lite* support order. The Respondent has not controverted this evidence or offered any
10 credible evidence in rebuttal of the Petitioner's evidence. However, at the Petitioner's request
11 and argument, these funds were used to calculate the *pendente lite* spousal support orders.¹ The
12 Court relied on those arguments in making the prior spousal support orders. Therefore, the
13 Petitioner's request for reimbursement of these funds is denied.

14 **Boarding House located on G Street in San Bernardino**

15 17. The parties have stipulated that this property is community property and that it
16 has a value of \$355,000. The Court adopts the parties' stipulation in regard to this property.
17 The Petitioner requested that the Court award her \$12,756 in post-separation rents from the
18 boarding house property. It is clear that prior to the Court's later orders in this matter, the
19 Respondent controlled and managed the rental of this property. The Petitioner has presented
20 evidence that there was rental income received from the property prior to the Court's *pendente*
21 *lite* support order. The Respondent has not controverted this evidence or offered any credible
22 evidence in rebuttal of the Petitioner's evidence. However, at the Petitioner's request and
23 argument, these funds were used to calculate the *pendente lite* spousal support orders. The
24 Court relied on those arguments in making the prior spousal support orders. Therefore, the
25 Petitioner's request for reimbursement of these funds is denied.

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28 ¹ See the Court's Statements of Decision and Rulings on the issues of *pendente lite*
spousal support dated December 24, 2008 and July 27, 2010.

1 Southern California United Food and Commercial Workers' Union and Food
2 Employer's Joint Trust Fund Pension

3 18. The Court orders that the parties' respective interests in the Petitioner's pension
4 through the Southern California United Food and Commercial Workers' Union and Food
5 Employer's Joint Trust Fund be divided by QDRO commencing May 1, 2011. The Petitioner
6 requested that the Court order the Respondent to reimburse the Petitioner \$7,000 in community
7 property pension income received by the Petitioner until the issuance of the first *pendente lite*
8 spousal support order. However, at Petitioner's request, these funds were considered in the
9 award of the calculation of the *pendente lite* spousal support and attorney awards. Therefore this
10 request for reimbursement is denied.

11 **Hermosa Beach Property**

12 19. The parties stipulated that the Hermosa Beach residential property is community
13 property. The Court accepts the parties' stipulation in this regard. During the course of this
14 litigation, the parties were engaged in litigation with regard to this property with a third party
15 in the case of Quageletti v. Machin, Case No. Y060534. The Petitioner filed with the Court and
16 the Court takes judicial notice of the findings in Case No. Y060534 issued by the Honorable
17 Judge Cary Nishimoto on April 12, 2011. The Court ruled that the parties in the instant matter
18 own a 50% share of the Hermosa Beach property and that Mike Quageletti owns a 50% share
19 of the property. Judge Nishimoto further found that both the Petitioner and the Respondent in
20 the instant matter committed material breaches of their fiduciary duties owed to Mr. Quageletti
21 with regard to the Hermosa Beach property. The Court ordered that Mr. Quageletti have
22 complete control of the Hermosa Beach property with regard to rental and leasing issues,
23 dissolution of the partnership with regard to the property and issues related to the marketing and
24 sale of the property. The Court further ruled that the liens against the property in the amount
25 of \$182,000 are confirmed to the Petitioner and Respondent in this matter and shall be deducted
26 from any eventual sale proceeds due the Petitioner and Respondent.

27 20. The Court further finds that the parties' interest in the Hermosa Beach property
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1 is community property of the parties in this matter. The Court orders that the parties hold this
2 interest in accordance with the above described ruling in Case No. Y060534. The parties
3 stipulated that the value of the Hermosa Beach property is \$645,951. The parties' interest in the
4 Hermosa Beach property, valued at \$322,975.50 is confirmed to the Petitioner, subject to the
5 lien as described above, leaving the parties net interest in the property at \$140,975, but which
6 award is later modified as set forth hereinbelow.

7 21. On December 20, 2011, the Petitioner's objections to the Court's
8 Ruling on Submitted Matters dated October 24, 2011 came on regularly for hearing and while
9 the Court adopted the Court's Statement of Decision in connection therewith, the Court
10 modified its orders herein with regards to the Hermosa Beach property and ordered each of the
11 parties' interests in the Hermosa Beach property sold for the highest obtainable fair market
12 value with the proceeds therefrom, if any, equally split between the parties.

13 22. Both parties are ordered to meet and confer to hire a real estate agent who would
14 be a third party with no ties to either party hereto unless agreed upon otherwise to list and sell
15 the property. If there is no stipulation as to who the listing broker would be for this property,
16 then each party shall submit three names (with the ability to strike one name from the other
17 party's list) to the Court for the Court's selection of a broker by no later than January 10, 2012.

18 23. The evidence presented at the trial showed that the Petitioner expended \$26,119
19 in attorney fees to civil counsel in relation to the parties' civil litigation regarding the Hermosa
20 Beach property. The Court finds that the fees were a reasonable and necessary cost incurred
21 to protect the community's interest in a community asset. The parties are ordered to share
22 equally in these fees, which were incurred in relation to the Hermosa Beach litigation. Each
23 party shall be responsible for \$13,060 in attorney fees.

24 **Palm Springs Condominium**

25 24. On December 20, 2011, the Petitioner's objections to the Court's
26 Ruling on Submitted Matters dated October 24, 2011 came on regularly for hearing and while
27 the Court adopted the Court's Statement of Decision in connection therewith, the Court
28 modified its orders herein with regards to the Palm Springs condominium and ordered each of

1 the parties' interests in the Palm Springs condominium sold for the highest obtainable fair
2 market value with the proceeds therefrom, if any, equally split between the parties.

3 25. Both parties are ordered to meet and confer to hire a real estate agent who would
4 be a third party with no ties to either party hereto unless agreed upon otherwise to list and sell
5 the property. If there is no stipulation as to who the listing broker would be for this property,
6 then each party shall submit three names (with the ability to strike one name from the other
7 party's list) to the Court for the Court's selection of a broker by no later than January 10, 2012.

8 **Cathedral City Real Estate**

9 26. The Petitioner argued during the course of the trial that post-separation, the
10 Respondent purchased three ten acre parcels of property in Cathedral City, Riverside County,
11 for the sum of \$100,000 and that he subsequently deeded the properties to Yugi Jordan and her
12 son. The Respondent testified that he never purchased the properties and that any documents
13 related to transactions involving these properties were in relation to his work as a real estate
14 agent. The Petitioner raised several issues with regard to these properties; however neither
15 party presented any credible evidence to support a finding that these were assets of the
16 Respondent or that any funds used with regard to these properties were community assets or in
17 fact, separate assets of the Respondent. Although, the Petitioner raised numerous issues with
18 regard to Ms. Jordan during the litigation of this matter, she never called her as a witness or
19 offered substantial and credible evidence with regard to her assertions. The Court finds that the
20 Petitioner did not present sufficient credible evidence to make a prima facia case that the
21 properties in Cathedral City are under the jurisdiction of this Court or attributable to the
22 community estate in this matter or the separate estate of either party. The Petitioner's requests
23 regarding the Cathedral City property are denied.

24 **Sale Proceeds from Manhattan Beach Property**

25 27. The evidence indicates that the proceeds of the sale of the community property
26 real estate located at 537 21st Street, Manhattan Beach were \$212,911. The evidence indicates
27 that the proceeds were distributed in the following manner:
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	Petitioner	Respondent
Support arrears paid to	\$46,946	
Petitioner		
Distributions	\$60,105	\$60,105
Mortgage Payoff		\$10,754
Fees Paid to Civil Atty	\$17,500	\$17,500
Total: \$212,911	\$124,552	\$88,359

28. The Petitioner requests that the Court award her: "The difference in the cash received from the sale proceeds by the Respondent in connection with the sale of the Manhattan Beach property, in the sum of \$36,193." Based on the testimony of the Petitioner's expert, Mr. Semus, the Court does not find any evidence to support this request. The proceeds have been distributed as indicted above and those distributions were taken into account in the Court's prior orders with regard to attorney fees and spousal support. The Petitioner's request is denied.

E-Trade Accounts

29. The testimony introduced at the trial indicates that at the date of separation, the parties had E-Trade accounts in the amount of \$73,730. The evidence indicates and the Court finds that these were community funds. The evidence indicates that the Respondent used these funds to pay his legal bills. The Respondent is ordered to reimburse the Petitioner \$36,865.

Union Bank

30. Evidence was introduced during the course of trial that indicated that the parties held a joint checking account in Union Bank during the course of the marriage. The evidence further indicates that as of the date of separation, the balance in the account was \$448. Further evidence presented at trial, including the Respondent's testimony and Respondent's Exhibit C, shows that on March 7, 2008 the Petitioner took \$80,000 from this account and on April 11, 2008 she took \$8,000 from this account. Although on the checks, she indicated that she used the funds to pay bills, no adequate accounting was provided of this property under her control. The Petitioner is ordered to reimburse the Respondent in the amount of \$44,000.

1 **Wells Fargo Account**

2 31. The evidence indicates that at the date of separation, this account had a balance
3 of \$125. The Court finds that it is a community asset and it is ordered divided equally between
4 the parties.

5 **Grumman Airplane**

6 32. The evidence indicates that the parties own a private Grumman aircraft with a
7 stipulated value of \$15,000. The plane has been ordered sold, however has not been sold as of
8 this date. The aircraft is ordered confirmed to the Respondent.

9 **Proceeds of the Sale of a 1995 Lincoln Continental**

10 33. The evidence introduced at trial indicates that the Petitioner sold a community
11 property asset in the form of a 1995 Lincoln Continental vehicle. The proceeds of the sale were
12 \$900. The Petitioner is ordered to reimburse the Respondent in the amount of \$450.

13 **Vehicles**

14 34. During the course of the trial, the parties offered testimony with regard to several
15 vehicles that are community property. Based on the testimony and evidence presented at the
16 trial, the Court confirms the following vehicles to the Respondent: 1999 Ford (\$3,000), 1995
17 Chevy (\$2,500), 1989 Jaguar (\$3,000), and 2008 Suzuki (\$3,000).

18 **Spousal Support**

19 35. The jurisdictional requirements for awarding spousal support are set forth in
20 *Family Code* §2010. Section 2010(a) states, "in a proceeding for dissolution of marriage, for
21 nullity of marriage, or for legal separation of the parties the Court has jurisdiction to inquire into
22 and render judgment and make orders that are appropriate concerning the following ... (d) the
23 support of either party."² Stated otherwise, the Court may exercise jurisdiction and render a
24 judgment awarding spousal support so long as the Court has jurisdiction over the payor. The
25 evidence submitted in this matter indicates that this court has jurisdiction to order spousal
26 support in this matter.

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² See Fam. Code §2010(a)

1 36. In fixing permanent spousal support (*Marriage of Burlini* (1983) 143 Cal. App.
2 3d 65, 69, 1991 Cal. Rptr. 541) the Court balanced the relevant provisions of statutory law and
3 court decisions construing the provisions of the *Family Code*. While the provisions of *Family*
4 *Code* Section 4320 create a framework for balancing the relevant factors for an award of
5 permanent support³, certain later enacted provisions of the *Family Code* augment or clarify
6 other provisions. Hence, this analysis is organized topically rather than by a mechanical step
7 by step adherence to the provisions of *Family Code* Section 4320.

8 37. In ordering support as provided herein the Court conducted a complete analysis
9 of permanent support. Permanent support as awarded herein was not based upon any amount
10 of temporary support ordered or denied. *Marriage of Schulze* (1997) 60 Cal. App. 4th 519, 70
11 Cal. Rptr. 2d 488. The Court did consider the amount and duration of temporary support as
12 ordered and paid as a factor under *Family Code* Section 4320(n). The Court did not fix support
13 by mere reliance on temporary support. *Marriage of Zywiciel* (2000) 83 Cal. App. 4th 1078, 100
14 Cal. Rptr. 2d 242; nor did the Court consider or rely upon any "guideline amount" of temporary
15 support by reference to the "Santa Clara Guideline" *Marriage of Burlini* (1983) 143 Cal. App.
16 3d 65, 191 Cal. Rptr. 541.

17 38. With the purpose of accomplishing substantial justice for the parties, the Court
18 weighed the factors for consideration of support, taking into account the applicable
19 circumstances of the parties. *Marriage of Cheriton* (2001) 92 Cal. App. 4th 269, 111 Cal. Rptr.
20 2d 755; *Marriage of Smith* (1990) 225 Cal. App. 3d 469, 274 Cal. Rptr. 911.

21 39. Preservation of the Marital Standard of Living is measured against the practical
22 economic reality that upon dissolution of marriage (or domestic partnership) many family units
23 are unable to enjoy precisely the same standard of living. Against this backdrop, however, the
24 Court is charged with the obligation of not only making specific findings regarding the Marital

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27 ³ Use of the phrase "permanent support" is not intended to create an inference that support
28 is not modifiable, unless support is expressly made nonmodifiable under this ruling. Instead the
phrase "permanent support" is applied for the purpose of differentiating support awarded herein
at time of trial as compared to pretrial, temporary support.

1 Standard of Living, but also ascertaining the extent to which the Court can create support rights
2 and assign support responsibilities equitably measured against the Marital Standard of Living.
3 Case law supports the proposition that the Marital Standard of Living is not "the absolute
4 measure of reasonable need. 'Marital Standard of Living' is merely a threshold or reference
5 point against which all of the statutory facts may be weighed (Citations Omitted). It is neither
6 a floor nor a ceiling for a spousal support award (Citations Omitted). The Legislature intended
7 'marital standard of living' to be a general description of the station in life that the parties
8 achieved by the date of separation. Given that the legal standard, 'marital standard of living,' is
9 a mere general reference point..." (*Marriage of Nelson* (2006) — Cal. Rptr. 3d, 2005 WL
10 1305186 citing *Marriage of Ostler & Smith* (1990) 223 Cal. App. 3d 33, 272 Cal. Rptr. 560).
11 Based on the evidence produced at trial, the Court finds that the parties enjoyed a middle class
12 marital standard of living.

13 40. In determining the amount of spousal support to award a spouse, the Court must
14 consider the factors described in *Family Code* §4320. Under the provisions of this statute, the
15 Court is to weigh the factor associated with *Family Code* §4320 in making or denying an order
16 for spousal support; however, no one factor is dispositive.

17 41. The evidence produced at trial, indicates that based on the Court's *pendente lite*
18 spousal support orders, the Respondent was in arrears with regard to Spousal Support orders
19 in the amount of \$42,008. This evidence was not contradicted.

20 42. The Court finds that the Respondent is in arrears in Spousal Support payments
21 to the Petitioner in the amount of \$42,008.

22 43. The evidence in this matter shows that this was a long-term marriage. The parties
23 were married on May 21, 1966. Although there was some disagreement between the parties as
24 to the date of separation, based on the evidence presented, the Court finds that the date of
25 separation for the parties was March 25, 2008. This was a marriage of more than 41 years.

26 44. The Petitioner is 69 years of age and indicates that she has several health issues.
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1 The Petitioner indicates that she has artificial knees, arthritis, and recently received surgery to
2 provide her with a cardiac stint. The Petitioner receives Social Security benefits in the amount
3 of \$1,750 per month.

4 45. During the course of the marriage, the Petitioner worked as a private nurse/care
5 companion for elderly patients. It was through this work that she developed a relationship with
6 the owner of the Hermosa Beach residence. It was through this relationship, that the parties
7 obtained their interest in the property.

8 46. The Respondent is 65 years old and during the course of the marriage, he
9 primarily worked as a meat cutter. He retired in 2002, after working for twenty years as a meat
10 cutter due to health issues including a back injury. Since his retirement, the Respondent has
11 worked as a real estate agent and selling clocks, knives and ladders at swap meets.

12 47. The Respondent receives approximately \$1,600 per month from his pension from
13 the meat cutters union (this pension is to be divided by QDRO). He also receives \$1,600 per
14 month from social security.

15 48. The parties own two income-producing properties, the G Street property which
16 produces \$3,900 to \$4,000 per month and the Hawaii property. It is unclear and a point of
17 contention between the parties as to the amount of income produced by the Hawaii property.
18 The evidence introduced by the parties indicates that between 2002 and 2007, the Hermosa
19 Beach property produced rent of approximately \$2,300 per month.

20 49. During the course of the marriage and pending the trial in this matter, the
21 Respondent controlled the majority of the income producing assets. As indicated by the Court's
22 prior rulings on the issues of related to *pendente lite* spousal support, this management and
23 control of assets served as the primary basis of the spousal support orders. However, as a result
24 of the trial process, the income producing assets have been divided between the parties. The
25 Court has fully considered the factors as delineated in *Family Code* §4320.

26 50. Both of the parties have retired and are dealing with health issues. The assets
27 have been equally divided between the parties with the Judgment in this matter. Based on the
28 evidence presented the Court finds that post-judgment, the parties will be in an equivalent

1 position with regard to their income and needs. However, as the division of the property and
2 the pension will take some time, the Court orders that the Respondent pay the Petitioner Spousal
3 Support in the amount of \$1,000 per month. This shall be paid one-half on the first of each
4 month and one-half on the 15th of each month. This order shall be effective August 1, 2011 and
5 shall remain in effect until March 1, 2012. The Court shall retain jurisdiction over the issue of
6 Spousal Support until the remarriage of the Petitioner, death of the parties or further order of
7 the Court.

8 51. The Court provides the following summary of the division of assets as between
9 the parties:

	Petitioner	Respondent
Assets		
Hawaii Condo	\$280,000	
G Street Property, San Bernardino		\$355,000
Crestline Property	\$40,000	
Wells Fargo	\$62.50	\$62.50
Grumman Airplane		\$15,000
1999 Ford		\$3,000
1995 Chevy		\$2,500
1989 Jaguar		\$3,000
2008 Suzuki		\$3,000
Reimbursements		
Silver Bar		-\$875
E-Trade		-\$36,865
Union Bank	-\$44,000	
Spousal Support Arrears		\$42,008
1995 Lincoln Cont.	-\$450	
Total	\$275,612.50	\$406,834.50

27 52. Respondent is ordered to pay directly to Petitioner in full forthwith an
28 equalization payment in the sum of \$66,048.

1 Sullivan Court held the evidence showed that Respondent had a greater ability than Appellant
2 to pay the expenses and this furthered the policy behind *Family Code* Section 4370 (and other
3 related statutes) in ensuring the litigating parties are on equal footing in their ability to present
4 their cases.⁸

5 56. When the trial court is informed of the extent and nature of the services rendered,
6 it may rely on its own experience and knowledge in determining their reasonable value.
7 Moreover, the exercise of sound discretion by the trial court in the matter of attorney fees
8 includes also judicial evaluation of whether counsel's skill and effort were wisely devoted to
9 the expeditious disposition of the case.⁹

10 57. The matter at hand is a seemingly straightforward dissolution of marriage with
11 basic spousal support and property distribution issues. The nature and course of the litigation
12 however has been complicated given the degree of conflict between the parties.

13 58. The parties in this matter have engaged in fierce litigation with regard to nearly
14 every issue in this case. The manner in which both of the parties have dealt with each other
15 have escalated the cost of the litigation a great deal. For a majority of the case, the Respondent
16 has been self-represented. The Respondent has had management and control of the majority
17 of the assets in this matter.

18 59. The Court has further considered the nature and extent of the fees incurred based
19 on the age of the parties, their retirement status and the size of their respective estates.

20 60. Based on the disparity of income between the parties during the course of the
21 trial, the assets of each party and the conduct of both parties during the course of the litigation,
22 the Court orders the Respondent pursuant to *Family Code* §2030 to pay the Petitioner attorney
23 fees, payable directly to her counsel of record, Sara A. Weinstein of THE LAW OFFICES OF
24 SARA A. WEINSTEIN, the amount of \$10,000 and forensic accountant fees in the amount of
25 \$10,000, to Petitioner's accounts, White, Zuckerman, Warsavsky, Luna, Wolf and Hunt.

26

27 ⁸ Id; See: *Alan S. v. Mary T.*, 172 Cal.App. 4th 238, 240 (2009)

28 ⁹ See: *in re Marriage of Lopez* 38 Cal.App.3d 93,113 (1974)

1 61. To the extent that the Court has not explicitly ruled on any other issue or request
2 made by either party, any joined party or any claimant in the instant proceedings, those requests
3 are denied.

4 62. On December 20, 2011, at the court hearing on Petitioner's objections to the
5 Court's Ruling on Submitted Matters of October 24, 2011, it was further ordered, decreed and
6 adjudicated that the trust account being held by Petitioner's counsel containing approximately
7 \$3,792 representing the proceeds from the sale of the community property coins shall be first
8 applied to any credit due to the Petitioner and hence, awarded to her towards satisfaction
9 thereof. If no credit due Petitioner, then the trust fund shall be equally split and distributed
10 between the parties hereto.

11
12 APPROVED AS CONFORMING TO THE COURT'S ORDERS:

13
14 Dated: 1/27/12 Mary J Machin
15 Mary J. Machin, Petitioner

16 Dated: 1.27.12 Peter H Machin
17 Peter H. Machin, Respondent

18 **GOOD CAUSE APPEARING THEREFORE, IT IS SO ORDERED:**

19
20 Dated: JAN 27 2012 **SCOTT M. GORDON**
21 SCOTT GORDON, JUDGE OF SUPERIOR
22 COURT OF THE STATE OF CALIFORNIA
23
24
25
26
27
28

EXHIBIT "2"
SUMMARY JUDGMENT

1 Leonard M. Shulman – Bar No. 126349
Melissa Davis Lowe – Bar No. 245521
2 **SHULMAN HODGES & BASTIAN LLP**
8105 Irvine Center Drive, Suite 600
3 Irvine, CA 92618
Telephone: (949) 340-3400
4 Facsimile: (949) 340-3000
Email: lshulman@shbllp.com; mlowe@shbllp.com
5 Attorneys for Plaintiff, Lynda T. Bui, Chapter 7 Trustee



6
7
8 **UNITED STATES BANKRUPTCY COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA, RIVERSIDE DIVISION**

10
11 **In re**) Case No. 6:13-bk-28695-MJ
12 **MARY MACHIN,**) Chapter 7
13 Debtor.) Adv. Case No. 6:14-ap-01087-MJ
14 _____) **SUMMARY JUDGMENT IN FAVOR OF**
15 **LYNDA T. BUI, solely in her capacity as**) **PLAINTIFF AND AGAINST**
16 **the Chapter 7 Trustee of the bankruptcy**) **DEFENDANT**
17 **estate of Mary Machin,**)
18 Plaintiff,) [Notice of Motion and Motion, Memorandum
19 vs.,) of Points and Authorities, Separate Statement
20 **PETER MACHIN, an individual,**) of Uncontroverted Facts and Conclusions of
21 Defendant(s).) Law, and Request for Judicial Notice filed
22) concurrently herewith]
23) Hearing:
Date: October 9, 2014
Time: 10:00 a.m.
Place: Courtroom 301

24 The Motion (“Motion”) of Plaintiff Lynda T. Bui, solely in her capacity as the Chapter 7
25 trustee for the bankruptcy estate of Mary Machin for summary judgment as to her claims for sale
26 of property pursuant to 11 U.S.C. §363(h) and turnover of property of the estate pursuant to 11
27 U.S.C. §542 against Defendant Peter Machin (“Defendant”) came on regularly for hearing before
28 this Court on October 9, 2014 at 10:00 am, the Honorable Meredith Jury, United States

1 Bankruptcy Judge presiding. Melissa Davis Lowe appeared on behalf of Plaintiff and the
2 Defendant appeared on his own behalf. No other appearances were made.

3 Having given due consideration to the Motion, the declarations and other evidence
4 submitted in support of the Motion, the oppositions and replies thereto, the record and
5 proceedings in the Debtor's bankruptcy case and this adversary proceeding, the arguments of
6 counsel at the hearing, and for other good cause shown,

7 **IT IS HEREBY ORDERED, ADJUDGED AND DECREED** as follows:

8 1. Judgment shall be entered in favor of Plaintiff and against Defendant on all causes
9 of action.

10 2. The Trustee is authorized to sell both the interest of the bankruptcy estate
11 ("Estate") and of the Defendant in the real property located at 510 N. Villa Court #208, Palm
12 Springs, CA 92262 ("Palm Springs Property") pursuant to 11 U.S.C. §363(h). The net proceeds
13 of the sale of the Palm Springs Property shall be split one-half (1/2) to the Estate and one-half
14 (1/2) to the Defendant.

15 3. The Crestline Property shall be turned over to the Trustee and shall be sold with
16 100% the proceeds of the sale to benefit the Estate.

17 4. The Court hereby declares that one-half (1/2) of the interest in the Palm Springs
18 Property is property of the Estate and one hundred percent (100%) of the Crestline Property is
19 property of the Estate pursuant to Section 541 of the Bankruptcy Code.

20 #####

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22
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27 Date: October 16, 2014


Meredith A. Jury
United States Bankruptcy Judge

EXHIBIT "3"

PRELIMINARY TITLE REPORT



Fidelity National Title Company

PRELIMINARY REPORT

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

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

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

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

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

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

Countersigned by:

Authorized Signature



By:

Randy Quirk, President

Attest:

Michael Gravelle, Secretary



Fidelity National Title Company

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

PRELIMINARY REPORT

Title Officer: **Jeff H. Allen**
Phone: **(949) 788-2865**
Fax: **(949) 341-0577**
Email: **jeff.allen@fnf.com**

ORDER NO.: **00062612-997-OC1-JA1**

LOAN NO.:

A & A Escrow
415 N. Crescent Drive, #320
Beverly Hills, CA 90210

ATTN: Tamar
YOUR REF: 103344-AA

PROPERTY: **22032 North Waters Drive, Crestline Area, CA**

EFFECTIVE DATE: July 16, 2015 at 7:30 a.m.

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

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

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

a Fee

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

Peter Machin and Mary Machin, husband and wife as joint tenants

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

See Exhibit A attached hereto and made a part hereof.

JA1/sb1 May 3, 2014

EXHIBIT A

LEGAL DESCRIPTION

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

LOTS 86, 87, 88 AND 89 IN BLOCK 11 AS SAID LOT AND BLOCK ARE DELINEATED AND SO DESIGNATED ON THAT CERTAIN MAP ENTITLED MAP OF CEDARPINES PARK NO. 4, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 23, PAGE 63 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY.

EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE COUNTY OF SAN BERNARDINO IN DEED RECORDED JUNE 24, 1953 IN BOOK 3212 PAGE 52 OF OFFICIAL RECORDS.

APN: **0342-253-58-0-000**

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

1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2015-2016.

2. Said property has been declared tax defaulted for non-payment of delinquent taxes for the fiscal year 2012-2013

Default No.: Not Shown
Default Date: June 30, 2012

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

Amount: \$3,107.32, by: July 31, 2015
Amount: \$3,139.64, by: August 31, 2015

3. Note: Property taxes for the current fiscal year shown below HAVE NOT BEEN PAID. (Please refer to Default/Delinquent information shown above.) For proration purposes the amounts were:

Code Area: 105-025
Tax Identification No.: 0342-253-58-0-000
Fiscal Year: 2014-2015
1st Installment: \$386.97 delinquent
2nd Installment: \$396.95 delinquent
Exemption: \$00.00
Land: \$13549.00
Improvements: \$29816.00
Personal Property: \$0.00
Bill No.: 140305019

5. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 or Part 2, Chapter 3, Articles 3 and 4 respectively (commencing with Section 75) of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A; or as a result of changes in ownership or new construction occurring prior to date of policy.

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

6. Easement(s) for the purpose(s) shown below and rights incidental thereto as delineated or as offered for dedication on the map of said tract.

Purpose: Private road
Affects: The Southerly 30 feet
Recording No.: in Book 23, Page 63

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

Reserved by: As provided therein
Purpose: Highways, telephone lines, power lines, pipe lines, sewers
Recording Date: March 9, 1924
Recording No: Instrument No. 834, in Book 382, Page , of Deeds
Affects: The Southerly 30 feet

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

**EXCEPTIONS
(Continued)**

Granted To: Cedarpines Park Mutual Water Co., a Corporation
Purpose: Pipe lines
Recording Date: April 10, 1934
Recording No: in Book 953, Page 270, of Official Records
Affects: Said land

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

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

Granted To: As provided therein
Purpose: Pipe lines
Recording Date: March 14, 1935
Recording No: in Book 1045, Page 137, of Official Records
Affects: Said land

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

and recorded February 11, 1947, in Book 1984, Page 392, of Official Records

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

Granted To: General public
Purpose: Public thoroughfare
Recording Date: July 6, 1939
Recording No: in Book 1357, Page 290, of Official Records
Affects: Said land

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

11. A claim of lien for the amount shown and any other amounts due,

Amount: \$89.20
Claimant: San Bernardino County Department of Public Works Solid Waste Management Division
Recording Date: September 13, 2011
Recording No.: Instrument No. 2011-383659, of Official Records

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

Amount: \$104,455.12
Debtor: Mary J. Machin
Creditor: Mike Quagletti
Date entered: 7-19-2011
County: San Bernardino
Court: Torrance Civil
Case No.: YC060534
Recording Date: 7-27-2011
Recording No: 2011-0303343 a partial satisfaction recorded 6-20-2012 instrument no. 2012-248592

**EXCEPTIONS
(Continued)**

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

Amount: \$10,000
Debtor: Peter Machin
Creditor: Mary Machin
Date entered: 1-27-2012
County: San Bernardino
Court: Central District
Case No.: BD 483879
Recording Date: 3-6-2012 and 2-28-2013 and 4-8-2013
Recording No: 2012-87739 and 2013-87020 and 2013-143255
A Notice of Levy recorded 11-13-2013 as instrument number 2013-485911

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

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

Party(s): All Parties

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

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

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

END OF ITEMS

NOTES

1. Note: The current owner does NOT qualify for the \$20.00 discount pursuant to the coordinated stipulated judgments entered into actions filed by both the Attorney General and private class action plaintiff for the herein described Land.
2. None of the items shown in this report will cause the Company to decline to attach CLTA Endorsement Form 100 to an Extended Coverage Loan Policy, when issued.
3. Note: The Company is not aware of any matters which would cause it to decline to attach CLTA Endorsement Form 116 indicating that there is located on said Land Single Family Dwelling, known as 22032 North Waters Drive, Crestline Area, California to an Extended Coverage Loan Policy.
4. Unless this company is in receipt of WRITTEN instructions authorizing a particular policy, Fidelity Title will AUTOMATICALLY issue the American Land Title Association Homeowner's Policy (02/03/2010) for all qualifying residential 1-4 properties/transactions to insure the buyer at the close of escrow.
5. Note: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.
6. Note: Property taxes for the fiscal year shown below are PAID. For proration purposes the amounts were:

Tax Identification No.:	0342-253-58-0-000
Fiscal Year:	2013-2014
1st Installment:	\$347.48
2nd installment:	\$347.45
Exemption:	\$0.00
Land:	\$13,488.00
Improvements:	\$29,681.00
Code Area:	105-025
Personal Property:	\$0.00
Bill No.:	130310257
7. 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.
8. 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
9. The RESPA Rule to Simplify and Improve the Process of Obtaining Mortgages and Reduce Consumer Settlement Cost includes a provision for average charges, allowing settlement service providers to establish an average recording fee. Transactions opening after May 1, 2014; the average recording charge for all residential loan transactions (including refinances) is \$85.00 and the charge for all residential sale transactions with a purchase money loan is \$85.00. Divide the average between the buyer and seller as per contract or local custom. The average charge is applied regardless of the number of documents recorded in the transaction, the number of pages in each document or the actual recording charges. If your transaction is not a residential loan or sale with a new loan, please contact your title professional for the actual recording charges.

NOTES
(Continued)

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

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

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

END OF NOTES

Fidelity National Financial, Inc. and its majority-owned subsidiary companies providing real estate- and loan-related services (collectively, “FNF”, “our” or “we”) respect and are committed to protecting your privacy. This Privacy Notice lets you know how and for what purposes your Personal Information (as defined herein) is being collected, processed and used by FNF. We pledge that we will take reasonable steps to ensure that your Personal Information will only be used in ways that are in compliance with this Privacy Notice.

This Privacy Notice is only in effect for any generic information and Personal Information collected and/or owned by FNF, including collection through any FNF website and any online features, services and/or programs offered by FNF (collectively, the “Website”). This Privacy Notice is not applicable to any other web pages, mobile applications, social media sites, email lists, generic information or Personal Information collected and/or owned by any entity other than FNF.

Collection and Use of Information

The types of personal information FNF collects may include, among other things (collectively, “Personal Information”): (1) contact information (e.g., name, address, phone number, email address); (2) demographic information (e.g., date of birth, gender marital status); (3) Internet protocol (or IP) address or device ID/UDID; (4) social security number (SSN), student ID (SIN), driver’s license, passport, and other government ID numbers; (5) financial account information; and (6) information related to offenses or criminal convictions.

In the course of our business, we may collect Personal Information about you from the following sources:

- Applications or other forms we receive from you or your authorized representative;
- Information we receive from you through the Website;
- Information about your transactions with or services performed by us, our affiliates, or others; and
- From consumer or other reporting agencies and public records maintained by governmental entities that we either obtain directly from those entities, or from our affiliates or others.

Information collected by FNF is used for three main purposes:

- To provide products and services to you or one or more third party service providers (collectively, “Third Parties”) who are obtaining services on your behalf or in connection with a transaction involving you.
- To improve our products and services that we perform for you or for Third Parties.
- To communicate with you and to inform you about FNF’s, FNF’s affiliates and third parties’ products and services.

Additional Ways Information is Collected Through the Website

Browser Log Files. Our servers automatically log each visitor to the Website and collect and record certain information about each visitor. This information may include IP address, browser language, browser type, operating system, domain names, browsing history (including time spent at a domain, time and date of your visit), referring/exit web pages and URLs, and number of clicks. The domain name and IP address reveal nothing personal about the user other than the IP address from which the user has accessed the Website.

Cookies. From time to time, FNF or other third parties may send a “cookie” to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer’s hard drive and that can be re-sent to the serving website on

subsequent visits. A cookie, by itself, cannot read other data from your hard disk or read other cookie files already on your computer. A cookie, by itself, does not damage your system. We, our advertisers and other third parties may use cookies to identify and keep track of, among other things, those areas of the Website and third party websites that you have visited in the past in order to enhance your next visit to the Website. You can choose whether or not to accept cookies by changing the settings of your Internet browser, but some functionality of the Website may be impaired or not function as intended. See the Third Party Opt Out section below.

Web Beacons. Some of our web pages and electronic communications may contain images, which may or may not be visible to you, known as Web Beacons (sometimes referred to as “clear gifs”). Web Beacons collect only limited information that includes a cookie number; time and date of a page view; and a description of the page on which the Web Beacon resides. We may also carry Web Beacons placed by third party advertisers. These Web Beacons do not carry any Personal Information and are only used to track usage of the Website and activities associated with the Website. See the Third Party Opt Out section below.

Unique Identifier. We may assign you a unique internal identifier to help keep track of your future visits. We may use this information to gather aggregate demographic information about our visitors, and we may use it to personalize the information you see on the Website and some of the electronic communications you receive from us. We keep this information for our internal use, and this information is not shared with others.

Third Party Opt Out. Although we do not presently, in the future we may allow third-party companies to serve advertisements and/or collect certain anonymous information when you visit the Website. These companies may use non-personally identifiable information (e.g., click stream information, browser type, time and date, subject of advertisements clicked or scrolled over) during your visits to the Website in order to provide advertisements about products and services likely to be of greater interest to you. These companies typically use a cookie or third party Web Beacon to collect this information, as further described above. Through these technologies, the third party may have access to and use non-personalized information about your online usage activity.

You can opt-out of online behavioral services through any one of the ways described below. After you opt-out, you may continue to receive advertisements, but those advertisements will no longer be as relevant to you.

- You can opt-out via the Network Advertising Initiative industry opt-out at <http://www.networkadvertising.org/>.
- You can opt-out via the Consumer Choice Page at www.aboutads.info.
- For those in the U.K., you can opt-out via the IAB UK’s industry opt-out at www.youronlinechoices.com.
- You can configure your web browser (Chrome, Firefox, Internet Explorer, Safari, etc.) to delete and/or control the use of cookies.

More information can be found in the Help system of your browser. Note: If you opt-out as described above, you should not delete your cookies. If you delete your cookies, you will need to opt-out again.

When Information Is Disclosed By FNF

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 agents, brokers, representatives, 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 who provide services or perform marketing services or other functions on our behalf;
- To law enforcement or other governmental authority in connection with an investigation, or civil or criminal subpoenas or court orders; 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.

In addition to the other times when we might disclose information about you, we might also disclose information when required by law or in the good-faith belief that such disclosure is necessary to: (1) comply with a legal process or applicable laws; (2) enforce this Privacy Notice; (3) respond to claims that any materials, documents, images, graphics, logos, designs, audio, video and any other information provided by you violates the rights of third parties; or (4) protect the rights, property or personal safety of FNF, its users or the public.

We maintain reasonable safeguards to keep the Personal Information that is disclosed to us secure. We provide Personal Information and non-Personal Information to our subsidiaries, affiliated companies, and other businesses or persons for the purposes of processing such information on our behalf and promoting the services of our trusted business partners, some or all of which may store your information on servers outside of the United States. We require that these parties agree to process such information in compliance with our Privacy Notice or in a similar, industry-standard manner, and we use reasonable efforts to limit their use of such information and to use other appropriate confidentiality and security measures. The use of your information by one of our trusted business partners may be subject to that party's own Privacy Notice. 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.

We also reserve the right to disclose Personal Information and/or non-Personal Information to take precautions against liability, investigate and defend against any third-party claims or allegations, assist government enforcement agencies, protect the security or integrity of the Website, and protect the rights, property, or personal safety of FNF, our users or others.

We reserve the right to transfer your Personal Information, as well as any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets. We also cannot make any representations regarding the use or transfer of your Personal Information or other information that we may have in the event of our bankruptcy, reorganization, insolvency, receivership or an assignment for the benefit of creditors, and you expressly agree and consent to the use and/or transfer of your Personal Information or other information in connection with a sale or transfer of some or all of our assets in any of the above described proceedings. Furthermore, we cannot and will not be responsible for any breach of security by any third parties or for any actions of any third parties that receive any of the information that is disclosed to us.

Information from Children

We do not collect Personal Information from any person that we know to be under the age of thirteen (13). Specifically, the Website is not intended or designed to attract children under the age of thirteen (13). You affirm that you are either more than 18 years of age, or an emancipated minor, or possess legal parental or guardian consent, and are fully able and competent to enter into the terms, conditions, obligations, affirmations, representations, and warranties set forth in this Privacy Notice, and to abide by and comply with this Privacy Notice. In any case, you affirm that you are over the age of 13, as **THE WEBSITE IS NOT INTENDED FOR CHILDREN UNDER 13 THAT ARE UNACCOMPANIED BY HIS OR HER PARENT OR LEGAL GUARDIAN.**

Parents should be aware that FNF's Privacy Notice will govern our use of Personal Information, but also that information that is voluntarily given by children – or others – in email exchanges, bulletin boards or the like may be used by other parties to generate unsolicited communications. FNF encourages all parents to instruct their children in the safe and responsible use of their Personal Information while using the Internet.

Privacy Outside the Website

The Website may contain various links to other websites, including links to various third party service providers. FNF is not and cannot be responsible for the privacy practices or the content of any of those other websites. Other than under agreements with certain reputable organizations and companies, and except for third party service providers whose services either we use or you voluntarily elect to utilize, we do not share any of the Personal Information that you provide to us with any of the websites to which the Website links, although we may share aggregate, non-Personal Information with those other third parties. Please check with those websites in order to determine their privacy policies and your rights under them.

European Union Users

If you are a citizen of the European Union, please note that we may transfer your Personal Information outside the European Union for use for any of the purposes described in this Privacy Notice. By providing FNF with your Personal Information, you consent to both our collection and such transfer of your Personal Information in accordance with this Privacy Notice.

Choices with Your Personal Information

Whether you submit Personal Information to FNF is entirely up to you. You may decide not to submit Personal Information, in which case FNF may not be able to provide certain services or products to you.

You may choose to prevent FNF from disclosing or using your Personal Information under certain circumstances (“opt out”). You may opt out of any disclosure or use of your Personal Information for purposes that are incompatible with the purpose(s) for which it was originally collected or for which you subsequently gave authorization by notifying us by one of the methods at the end of this Privacy Notice. Furthermore, even where your Personal Information is to be disclosed and used in accordance with the stated purposes in this Privacy Notice, you may elect to opt out of such disclosure to and use by a third party that is not acting as an agent of FNF. As described above, there are some uses from which you cannot opt-out.

Please note that opting out of the disclosure and use of your Personal Information as a prospective employee may prevent you from being hired as an employee by FNF to the extent that provision of your Personal Information is required to apply for an open position.

If FNF collects Personal Information from you, such information will not be disclosed or used by FNF for purposes that are incompatible with the purpose(s) for which it was originally collected or for which you subsequently gave authorization unless you affirmatively consent to such disclosure and use.

You may opt out of online behavioral advertising by following the instructions set forth above under the above section "Additional Ways That Information Is Collected Through the Website," subsection "Third Party Opt Out."

Access and Correction

To access your Personal Information in the possession of FNF and correct inaccuracies of that information in our records, please contact us in the manner specified at the end of this Privacy Notice. We ask individuals to identify themselves and the information requested to be accessed and amended before processing such requests, and we may decline to process requests in limited circumstances as permitted by applicable privacy legislation.

Your California Privacy Rights

Under California's "Shine the Light" law, California residents who provide certain personally identifiable information in connection with obtaining products or services for personal, family or household use are entitled to request and obtain from us once a calendar year information about the customer information we shared, if any, with other businesses for their own direct marketing uses. If applicable, this information would include the categories of customer information and the names and addresses of those businesses with which we shared customer information for the immediately prior calendar year (e.g., requests made in 2013 will receive information regarding 2012 sharing activities).

To obtain this information on behalf of FNF, please send an email message to privacy@fnf.com with "Request for California Privacy Information" in the subject line and in the body of your message. We will provide the requested information to you at your email address in response.

Please be aware that not all information sharing is covered by the "Shine the Light" requirements and only information on covered sharing will be included in our response.

Additionally, because we may collect your Personal Information from time to time, California's Online Privacy Protection Act requires us to disclose how we respond to "do not track" requests and other similar mechanisms. Currently, our policy is that we do not recognize "do not track" requests from Internet browsers and similar devices.

Your Consent to This Privacy Notice

By submitting Personal Information to FNF, you consent to the collection and use of information by us as specified above or as we otherwise see fit, in compliance with this Privacy Notice, unless you inform us otherwise by means of the procedure identified below. If we decide to change this Privacy Notice, we will make an effort to post those changes on the Website. Each time we collect information from you following any amendment of this Privacy Notice will signify your assent to and acceptance of its revised terms for all previously collected information and information collected from you in the future. We may use comments, information or feedback that you may submit in any manner that we may choose without notice or compensation to you.

If you have additional questions or comments, please let us know by sending your comments or requests to:

Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, Florida 32204
Attn: Chief Privacy Officer
(888) 934-3354
privacy@fnf.com

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EFFECTIVE AS OF: JANUARY 24, 2014

LAST UPDATED: JANUARY 24, 2014

Notice of Available Discounts

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

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

FNF Underwritten Title Company

FNTC - Fidelity National Title Company
FNTCCA – Fidelity National Title Company of California

FNF Underwriter

FNTIC - Fidelity National Title Insurance Company

Available Discounts

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

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

FEE REDUCTION SETTLEMENT PROGRAM (FNTC, FNTCCA and FNTIC)

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

DISASTER LOANS (FNTIC)

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

CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (FNTIC)

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

Notice

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

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

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

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

Effective through November 1, 2014

**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 or 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 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 of 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.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

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.

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

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:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
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)	\$5000.00

**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 knowing of the taking
3. Title Risks:
 - * that are created, allowed, or agreed to by you
 - * that are known to you, but not to us, on the Policy Date – unless they appeared in the public records
 - * that result in no loss to you
 - * that first affect your title after the Policy Date – this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
4. Failure to pay value for your title.
5. Lack of a right:
 - * to any land outside the area specifically described and referred to in Item 3 of Schedule A
 - OR
 - * in streets, alleys, or waterways that touch your land
 This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

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

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

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

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

EXCEPTIONS FROM COVERAGE

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

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

2006 ALTA OWNER'S POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 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 instruments of transfer in the Public Records that vests Title as shown in Schedule A.

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

EXCEPTIONS FROM COVERAGE

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

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

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.

EXHIBIT “4”

**RESIDENTIAL PURCHASE AGREEMENT, JOINT ESCROW
INSTRUCTIONS AND COUNTER OFFER**



CALIFORNIA ASSOCIATION OF REALTORS®

RESIDENTIAL PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

For Use With Single Family Residential Property - Attached or Detached

In re Machin, Mary Chap. 7 Bk. #6 13-28695 M (C.A.R. Form RPA-CA, Revised 4/13)

Date June 3, 2015

- 1. OFFER: A. THIS IS AN OFFER FROM John Hatzidakis ("Buyer"). B. THE REAL PROPERTY TO BE ACQUIRED is described as 22032 Waters Drive, CedarPines Park, 92322... C. THE PURCHASE PRICE offered is Fifty Thousand and no/100 Dollars \$50,000.00... 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 Richard Halderman Jr... 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 \$5,000.00... B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of \$-0-... C. LOAN(S): (1) FIRST LOAN: in the amount of \$-0-... (2) SECOND LOAN in the amount of \$-0-... D. ADDITIONAL FINANCING TERMS: E. BALANCE OF DOWN PAYMENT OR PURCHASE PRICE in the amount of \$45,000.00... F. PURCHASE PRICE (TOTAL): \$50,000.00

Buyer's Initials (Signature)

Seller's Initials () ()

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

Reviewed by _____ Date _____



MASTER COPY

Property Address: 22032 Waters Drive, Cedarpines Park, CA 92322

Date: June 3, 2015

- 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 SUFFICIENCY AND REMOVAL: This Agreement is (or, if checked, is NOT) contingent upon a written appraisal of the Property by a licensed or certified appraiser at no less than the specified purchase price. If there is a loan contingency, Buyer's removal of the loan contingency shall be deemed removal of this appraisal contingency (or, if checked, Buyer shall, as specified in paragraph 14B(3), in writing remove the appraisal contingency or cancel this Agreement within 17 (or _____) Days After Acceptance). If there is no loan contingency, Buyer shall, as specified in paragraph 14B(3), in writing remove the appraisal contingency or cancel this Agreement within 17 (or _____) Days After Acceptance.
- J. ~~ALL~~ CASH OFFER (If checked): Buyer shall, within 7 (or _____) Days After Acceptance, Deliver to Seller written verification of sufficient funds to close this transaction. (If checked, verification attached.)
- K. BUYER STATED FINANCING: Seller has relied on Buyer's representation of the type of financing specified (including but not limited to, as applicable, amount of down payment, contingent or non contingent loan, or all cash). If Buyer seeks alternate financing, (i) Seller has no obligation to cooperate with Buyer's efforts to obtain such financing, and (ii) Buyer shall also pursue the financing method specified in this Agreement. Buyer's failure to secure alternate financing does not excuse Buyer from the obligation to purchase the Property and close escrow as specified in this Agreement.
- 4. ALLOCATION OF COSTS (If checked): Unless otherwise specified here, in writing, this paragraph only determines who is to pay for the inspection, test or service ("Report") mentioned; it does not determine who is to pay for any work recommended or identified in the Report.
 - A. INSPECTIONS AND REPORTS:
 - (1) Buyer Seller shall pay for an inspection and report for wood destroying pests and organisms ("Wood Pest Report") prepared by n/a a registered structural pest control company.
 - (2) Buyer Seller shall pay to have septic or private sewage disposal systems inspected _____.
 - (3) Buyer Seller shall pay to have domestic wells tested for water potability and productivity _____.
 - (4) Buyer Seller shall pay for a natural hazard zone disclosure report prepared by _____.
 - (5) Buyer Seller shall pay for the following inspection or report _____.
 - (6) Buyer Seller shall pay for the following inspection or report _____.
 - B. GOVERNMENT REQUIREMENTS AND RETROFIT:
 - (1) Buyer Seller shall pay for smoke detector installation and/or water heater bracing, if required by Law. Prior to Close Of Escrow, Seller shall provide Buyer written statement(s) of compliance in accordance with state and local Law, unless exempt.
 - (2) Buyer Seller shall pay the cost of compliance with any other minimum mandatory government retrofit standards, inspections and reports if required as a condition of closing escrow under any Law. _____.
 - C. ESCROW AND TITLE:
 - (1) Buyer Seller shall pay escrow fee 50/50. Escrow Holder shall be to be determined.
 - (2) Buyer Seller shall pay for owner's title insurance policy specified in paragraph 12E. Owner's title policy to be issued by Fidelity Title. (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 for the cost, not to exceed \$ _____, of a one-year home warranty plan, issued by _____, with the following optional coverages:
 - Air Conditioner Pool/Spa Code and Permit upgrade Other: _____
 Buyer is informed that home warranty plans have many optional coverages in addition to those listed above. Buyer is advised to investigate 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 ([Signature]) (_____)

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

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5. CLOSING AND POSSESSION:

- A. Buyer intends (or [] does not intend) to occupy the Property as Buyer's primary residence.
B. Seller-occupied or vacant property: Possession shall be delivered to Buyer at 5 PM or ([] AM / [] PM) on the date of Close Of Escrow; [] on _____; or [] no later than _____ Days After Close Of Escrow.
If transfer of title and possession do not occur at the same time, Buyer and Seller are advised to: (i) enter into a written occupancy agreement (C.A.R. Form PAA, paragraph 2.); and (ii) consult with their insurance and legal advisors.

C. Tenant-occupied property: (i) Property shall be vacant at least 5 (or [] _____) Days Prior to Close Of Escrow, unless otherwise agreed in writing. Note to Seller: If you are unable to deliver Property vacant in accordance with rent control and other applicable Law, you may be in breach of this Agreement.

OR (ii) (if checked) [] Tenant to remain in possession. (C.A.R. Form PAA, paragraph 3.)

D. At Close Of Escrow, (i) Seller assigns to Buyer any assignable warranty rights for items included in the sale, and (ii) Seller shall Deliver to Buyer available Copies of warranties. Brokers cannot and will not determine the assignability of any warranties.

E. At Close Of Escrow, unless otherwise agreed in writing, Seller shall provide keys and/or means to operate all locks, mailboxes, security systems, alarms and garage door openers. If Property is a condominium or located in a common interest subdivision, Buyer may be required to pay a deposit to the Homeowners' Association ("HOA") to obtain keys to accessible HOA facilities.

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

A. (1) Seller shall, within the time specified in paragraph 14A, Deliver to Buyer, if required by Law: (i) Federal Lead-Based Paint Disclosures (C.A.R. Form FLD) and pamphlet ("Lead Disclosures"); and (ii) disclosures or notices required by sections 1102 et. seq. and 1103 et. seq. of the Civil Code ("Statutory Disclosures"). Statutory Disclosures include, but are not limited to, a Real Estate Transfer Disclosure Statement ("TDS"), Natural Hazard Disclosure Statement ("NHD"), notice 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 ordnance location (C.A.R. Form SPQ or SSD).

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

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

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

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

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

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

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

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

7. CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES:

A. SELLER HAS: 7 (or [] _____) Days After Acceptance to disclose to Buyer whether the Property is a condominium, or is located in a planned development or other common interest subdivision (C.A.R. Form SPQ or SSD).

B. If the Property is a condominium or is located in a planned development or other common interest subdivision, Seller has 3 (or [] _____) Days After Acceptance to request from the HOA (C.A.R. Form HOA): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the HOA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of HOA minutes for regular and special meetings; and (v) the names and contact information of all HOAs governing the Property (collectively, "CI Disclosures"). Seller shall itemize and Deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 14B(3).

8. ITEMS INCLUDED IN AND EXCLUDED FROM PURCHASE PRICE:

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

B. ITEMS INCLUDED IN SALE:

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

Buyer's Initials () ()

Seller's Initials () ()

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- (3) The following additional items:
- (4) Seller represents that all items included in the purchase price, unless otherwise specified, are owned by Seller.
- (5) All items included shall be transferred free of liens and without Seller warranty.
- C. **ITEMS EXCLUDED FROM SALE:** Unless otherwise specified, audio and video components (such as flat screen TVs and speakers) are excluded if any such item is not itself attached to the Property, even if a bracket or other mechanism attached to the component is attached to the Property; and
- 9. **CONDITION OF PROPERTY:** Unless otherwise agreed: (i) the Property is sold (a) in its PRESENT physical ("as-is") condition as of the date of Acceptance and (b) subject to Buyer's Investigation rights; (ii) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and (iii) all debris and personal property not included in the sale shall be removed by Close Of Escrow.
 - A. Seller shall, within the time specified in paragraph 14A, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, and make any and all other disclosures required by law.
 - B. Buyer has the right to inspect the Property and, as specified in paragraph 14B, based upon information discovered in those inspections: (i) cancel this Agreement; or (ii) request that Seller make Repairs or take other action.
 - C. Buyer is strongly advised to conduct investigations of the entire Property in order to determine its present condition. Seller may not be aware of all defects affecting the Property or other factors that Buyer considers important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.
- 10. **BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:**
 - A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 14B. Within the time specified in paragraph 14B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to, the right to: (i) inspect for lead-based paint and other lead-based paint hazards; (ii) inspect for wood destroying pests and organisms; (iii) review the registered sex offender database; (iv) confirm the insurability of Buyer and the Property; and (v) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA). Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer Investigations; or (ii) inspections by any governmental building or zoning inspector or government employee, unless required by Law.
 - B. Seller shall make the Property available for all Buyer Investigations. Buyer shall (i) as specified in paragraph 14B, complete Buyer Investigations and, either remove the contingency or cancel this Agreement, and (ii) give Seller, at no cost, complete Copies of all Investigation reports obtained by Buyer, which obligation shall survive the termination of this Agreement.
 - C. Seller shall have water, gas, electricity and all operable pilot lights on for Buyer's Investigations and through the date possession is made available to Buyer.
 - D. Buyer indemnify and seller protection for entry upon property: Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-responsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination of this Agreement.
- 11. **SELLER DISCLOSURES; ADDENDA; ADVISORIES; OTHER TERMS:**
 - A. Seller Disclosures (if checked): Seller shall, within the time specified in paragraph 14A, complete and provide Buyer with a:
 - Seller Property Questionnaire (C.A.R. Form SPQ) OR Supplemental Contractual and Statutory Disclosure (C.A.R. Form SSD)
 - B. Addenda (if checked):
 - Addendum # _____ (C.A.R. Form ADM)
 - Wood Destroying Pest Inspection and Allocation of Cost Addendum (C.A.R. Form WPA)
 - Purchase Agreement Addendum (C.A.R. Form PAA) Septic, Well and Property Monument Addendum (C.A.R. Form SWP)
 - 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) _____ warranties.
 - D. Other Terms: 1. Property is being sold in AS IS condition with no expressed /implied
- 12. **TITLE AND VESTING:** 2. Sale subject to Bankruptcy Court approval and overbid.
 - A. Within the time specified in paragraph 14, Buyer shall be provided a current preliminary title report, which shall include a search of the General Index, Seller shall within 7 Days After Acceptance, give Escrow Holder a completed Statement of Information. The preliminary report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the preliminary report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 14B.
 - B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except: (i) monetary liens of record unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.
 - C. Within the time specified in paragraph 14A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.
 - D. At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.
 - E. Buyer shall receive a CLTA/ALTA Homeowner's Policy of Title Insurance. A title company, at Buyer's request, can provide information about the availability, desirability, coverage, and cost of various title insurance coverages and endorsements. If Buyer desires title coverage other than that required by this paragraph, Buyer shall instruct Escrow Holder in writing and pay any increase in cost.

initial

Buyer's Initials (_____) (_____)

Seller's Initials (_____) (_____)

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- 13. **SALE OF BUYER'S PROPERTY:**
 - A. This Agreement is NOT contingent upon the sale of any property owned by Buyer.
 - OR B. (If checked): The attached addendum (C.A.R. Form 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 () (_____)

Seller's Initials (_____) (_____)

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- 18. **SELECTION OF SERVICE PROVIDERS:** Brokers do not guarantee the performance of any vendors, service or product providers ("Providers"), whether referred by Broker or selected by Buyer, Seller or other person. Buyer and Seller may select ANY Providers of their own choosing.
- 19. **MULTIPLE LISTING SERVICE ("MLS"):** Brokers are authorized to report to the MLS a pending sale and, upon Close Of Escrow, the sales price and other terms of this transaction shall be provided to the MLS to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS.
- 20. **EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
- 21. **ATTORNEY FEES:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorney fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 26A.
- 22. **DEFINITIONS:** As used in this Agreement:
 - A. "Acceptance" means the time the offer or final counter offer is accepted in writing by a party and is delivered to and personally received by the other party or that party's authorized agent in accordance with the terms of this offer or a final counter offer.
 - B. "C.A.R. Form" means the specific form referenced or another comparable form agreed to by the parties.
 - C. "Close Of Escrow" means the date the grant deed, or other evidence of transfer of title, is recorded.
 - D. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
 - E. "Days" means calendar days. However, after Acceptance, the last Day for performance of any act required by this Agreement (including Close Of Escrow) shall not include any Saturday, Sunday, or legal holiday and shall instead be the next Day.
 - F. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59PM on the final day.
 - G. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
 - H. "Dellver", "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 ([Signature]) (_____)

Seller's Initials (_____) (_____)

RPA-CA REVISED 4/13 (PAGE 6 OF 8) Print Date _____

Reviewed by _____ Date _____



Property Address: 22032 Waters Drive, Cedarripes Park, CA 92322

Date: June 3, 2015

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)

26. DISPUTE RESOLUTION:

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

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

B. ARBITRATION OF DISPUTES:

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

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

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

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

C. ADDITIONAL MEDIATION AND ARBITRATION TERMS:

(1) EXCLUSIONS: The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; (iii) the filing or enforcement of a mechanic's lien; and (iv) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver nor violation of the mediation and arbitration provisions.

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

27. TERMS AND CONDITIONS OF OFFER:

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

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

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

(X) Seller's Initials (_____) (_____)



Property Address: 22032 Waters Drive, Cedarripes Park, CA 92322 Date: June 3, 2015

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

Date June, 2015 Date _____

BUYER John Hatzidakis BUYER _____
 (Print name) (Print name)

22885-B Savi Ranch Parkway, Yorba Linda, CA 92887
 (Address)

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

(If checked) SUBJECT TO ATTACHED COUNTER OFFER (C.A.R. Form CO) DATED: _____

Date June, 2015 Date _____

SELLER Lynda T. Bui, Chapter 7 Trustee SELLER _____
 (Print name) (Print name)

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

REAL ESTATE BROKERS:

A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.
 B. Agency relationships are confirmed as stated in paragraph 2.
 C. If specified in paragraph 3A, Agent who submitted the offer for Buyer acknowledges receipt of deposit.
 D. COOPERATING BROKER COMPENSATION: Listing Broker agrees to pay Cooperating Broker (Selling Firm) and Cooperating Broker agrees to accept, out of Listing Broker's proceeds in escrow: (i) the amount specified in the MLS, provided Cooperating Broker is a Participant of the MLS in which the Property is offered for sale or a reciprocal MLS; or (ii) (if checked) the amount specified in a separate written agreement (C.A.R. Form CBC) between Listing Broker and Cooperating Broker. Declaration of License and Tax (C.A.R. Form DLT) may be used to document that tax reporting will be required or that an exemption exists.

Real Estate Broker (Selling Firm) Richard Halderman Jr. DRE Lic. # _____
 By Richard Halderman Jr. DRE Lic. # 00529557 Date June 3, 2015
 Address 3857 Birch St., Ste. 480 City California State CA Zip 92660
 Telephone 714/664-0115 Fax _____ E-mail lidopacmgt@aol.com
 Real Estate Broker (Listing Firm) see above DRE Lic. # _____
 By _____ DRE Lic. # _____ Date _____
 Address _____ City _____ State _____ Zip _____
 Telephone _____ Fax _____ E-mail _____

ESCROW HOLDER ACKNOWLEDGMENT:

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

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

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

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

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

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Reviewed by _____





CALIFORNIA
ASSOCIATION
OF REALTORS

CALIFORNIA
RESIDENTIAL PURCHASE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS
(C.A.R. Form RPA-CA, Revised 11/14)

Date Prepared: 07/10/2015

1. OFFER:
- A. THIS IS AN OFFER FROM Iskandar Zulkarnain ("Buyer"), situated in 510 N. Villa Ct, #208, Palm Springs, CA 92262 ("Property").
- B. THE REAL PROPERTY to be acquired is 510 N. Villa Ct, #208, Palm Springs, CA 92262 (County), California, 92262 (Zip Code), Assessor's Parcel No. _____ ("Property").
- C. THE PURCHASE PRICE offered is Forty-Five Thousand Dollars \$ 45,000.00
- D. CLOSE OF ESCROW shall occur on _____ (date) (or 30 Days After Acceptance)
- E. Buyer and Seller are referred to herein as the "Parties." Brokers are not Parties to this Agreement.
2. AGENCY:
- A. DISCLOSURE: The Parties each acknowledge receipt of a "Disclosure Regarding Real Estate Agency Relationships" (C.A.R. Form AD).
- B. CONFIRMATION: The following agency relationships are hereby confirmed for this transaction.
 Listing Agent Lido Pacific Asset Mgmt (Print Firm Name) is the agent of (check one):
 the Seller exclusively; or both the Buyer and Seller.
 Selling Agent Keller Williams Realty (Print Firm Name) (If not the same as the Listing Agent) is the agent of (check one): the Buyer exclusively; or the Seller exclusively; or both the Buyer and Seller.
- C. POTENTIALLY COMPETING BUYERS AND SELLERS: The Parties each acknowledge receipt of a "Possible Representation of More than One Buyer or Seller - Disclosure and Consent" (C.A.R. Form PRBS).
3. FINANCE TERMS: Buyer represents that funds will be good when deposited with Escrow Holder.
- A. INITIAL DEPOSIT: Deposit shall be in the amount of \$ 2,000.00
 (1) Buyer Direct Deposit: Buyer shall deliver deposit directly to Escrow Holder by electronic funds transfer; cashier's check, personal check, other _____ within 3 business days after Acceptance (or _____);
 OR (2) Buyer Deposit with Agent: Buyer has given the deposit by personal check (or _____) to the agent submitting the offer (or to _____). The deposit shall be held uncashed until Acceptance and then deposited with Escrow Holder within 3 business days after Acceptance (or _____).
 Deposit checks given to agent shall be an original signed check and not a copy
 (Note: Initial and increased deposits checks received by agent shall be recorded in Broker's trust fund log.)
- B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of \$ _____ within _____ Days After Acceptance (or _____).
 If the Parties agree to liquidated damages in this Agreement, they also agree to incorporate the increased deposit into the liquidated damages amount in a separate liquidated damages clause (C.A.R. Form RID) at the time the increased deposit is delivered to Escrow Holder.
- C. ALL CASH OFFER: No loan is needed to purchase the Property. This offer is NOT contingent on Buyer obtaining a loan. Written verification of sufficient funds to close this transaction IS ATTACHED to this offer or Buyer shall, within 3 (or _____) Days After Acceptance, deliver to Seller such verification.
- D. LOAN(S):
- (1) FIRST LOAN: in the amount of \$ _____
 This loan will be conventional financing or FHA, VA, Seller financing (C.A.R. Form SFA), assumed financing (C.A.R. Form AFA), Other _____. This loan shall be at a fixed rate not to exceed _____ % or an adjustable rate loan with initial rate not to exceed _____ %. Regardless of the type of loan, Buyer shall pay points not to exceed _____ % of the loan amount.
- (2) SECOND LOAN in the amount of \$ _____
 This loan will be conventional financing or Seller financing (C.A.R. Form SFA), assumed financing (C.A.R. Form AFA), Other _____. This loan shall be at a fixed rate not to exceed _____ % or an adjustable rate loan with initial rate not to exceed _____ %. Regardless of the type of loan, Buyer shall pay points not to exceed _____ % of the loan amount.
- (3) FHAVA: For any FHA or VA loan specified in 3D(1), Buyer has 17 (or _____) Days After Acceptance to Deliver to Seller written notice (C.A.R. Form FVA) of any lender-required repairs or costs that Buyer requests Seller to pay for or otherwise correct. Seller has no obligation to pay or satisfy lender requirements unless agreed in writing. A FHAVA amendatory clause (C.A.R. Form FVAC) shall be a part of this transaction.
- E. ADDITIONAL FINANCING TERMS: _____
- F. BALANCE OF DOWN PAYMENT OR PURCHASE PRICE in the amount of \$ 43,000.00 to be deposited with Escrow Holder pursuant to Escrow Holder instructions
- G. PURCHASE PRICE (TOTAL) \$ 45,000.00

Buyer's Initials (IZ) (_____)

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

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

Seller's Initials (_____) (_____)
 SUBJECT TO COUNTER OFFER



Keller Williams Realty, 14631 Yorba Linda Blvd #1 Yorba Linda, CA 92788 Phone 951-433-5147 Fax 714-731-5829 Iskandar
 Anna Schwab
 Provided with 2015 form by Zillow, 500 19th Street, Foster, Michigan 48326 www.zillow.com

PROPERTY ADDRESS: 310 N. 4TH ST. #250, Farm Springs, MN 56444 Date: July 14, 2014

- H. **VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS:** Buyer (or Buyer's lender or loan broker pursuant to paragraph 3J(1)) shall, within 3 (or _____) Days After Acceptance, Deliver to Seller written verification of Buyer's down payment and closing costs. (Verification attached.)
- I. **APPRAISAL CONTINGENCY AND REMOVAL:** This Agreement is (or is NOT) contingent upon a written appraisal of the Property by a licensed or certified appraiser at no less than the purchase price. Buyer shall, as specified in paragraph 14B(3), in writing, remove the appraisal contingency or cancel this Agreement within 17 (or _____) Days After Acceptance.
- J. **LOAN TERMS:**
- (1) **LOAN APPLICATIONS:** Within 3 (or _____) Days After Acceptance, Buyer shall Deliver to Seller a letter from Buyer's lender or loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any NEW loan specified in paragraph 3D. If any loan specified in paragraph 3D is an adjustable rate loan, the prequalification or preapproval letter shall be based on the qualifying rate, not the initial loan rate. (Letter attached.)
- (2) **LOAN CONTINGENCY:** Buyer shall act diligently and in good faith to obtain the designated loan(s). Buyer's qualification for the loan(s) specified above is a contingency of this Agreement unless otherwise agreed in writing. If there is no appraisal contingency or the appraisal contingency has been waived or removed, then failure of the Property to appraise at the purchase price does not entitle Buyer to exercise the cancellation right pursuant to the loan contingency if Buyer is otherwise qualified for the specified loan. Buyer's contractual obligations regarding deposit, balance of down payment and closing costs are not contingencies of this Agreement.
- (3) **LOAN CONTINGENCY REMOVAL:** Within 21 (or _____) Days After Acceptance, Buyer shall, as specified in paragraph 14, in writing, remove the loan contingency or cancel this Agreement. If there is an appraisal contingency, removal of the loan contingency shall not be deemed removal of the appraisal contingency.
- (4) **NO LOAN CONTINGENCY:** Obtaining any loan specified above is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.
- (5) **LENDER LIMITS ON BUYER CREDITS:** Any credit to Buyer, from any source, for closing or other costs that is agreed to by the Parties ("Contractual Credit") shall be disclosed to Buyer's lender. If the total credit allowed by Buyer's lender ("Lender Allowable Credit") is less than the Contractual Credit, then (i) the Contractual Credit shall be reduced to the Lender Allowable Credit, and (ii) in the absence of a separate written agreement between the Parties, there shall be no automatic adjustment to the purchase price to make up for the difference between the Contractual Credit and the Lender Allowable Credit.
- K. **BUYER STATED FINANCING:** Seller is relying on Buyer's representation of the type of financing specified (including but not limited to, as applicable, all cash, amount of down payment, or contingent or non-contingent loan). Seller has agreed to a specific closing date, purchase price and to sell to Buyer in reliance on Buyer's covenant concerning financing. Buyer shall pursue the financing specified in this Agreement. Seller has no obligation to cooperate with Buyer's efforts to obtain any financing other than that specified in the Agreement and the availability of any such alternate financing does not excuse Buyer from the obligation to purchase the Property and close escrow as specified in this Agreement.
4. **SALE OF BUYER'S PROPERTY:**
- A. This Agreement and Buyer's ability to obtain financing are NOT contingent upon the sale of any property owned by Buyer.
- OR B. This Agreement and Buyer's ability to obtain financing are contingent upon the sale of property owned by Buyer as specified in the attached addendum (C.A.R. Form COP)
5. **ADDENDA AND ADVISORIES:**
- A. **ADDENDA:**
- | | |
|---|--|
| <input type="checkbox"/> Back Up Offer Addendum (C.A.R. Form BUO) | <input type="checkbox"/> Addendum # _____ (C.A.R. Form ADM) |
| <input type="checkbox"/> Septic, Well and Property Monument Addendum (C.A.R. Form SWPI) | <input type="checkbox"/> Court Confirmation Addendum (C.A.R. Form CCA) |
| <input type="checkbox"/> Short Sale Addendum (C.A.R. Form SSA) | <input type="checkbox"/> Other _____ |
- B. **BUYER AND SELLER ADVISORIES:**
- | | |
|---|---|
| <input type="checkbox"/> Probate Advisory (C.A.R. Form PAK) | <input checked="" type="checkbox"/> Buyer's Inspection Advisory (C.A.R. Form BIA) |
| <input type="checkbox"/> Trust Advisory (C.A.R. Form TA) | <input type="checkbox"/> Statewide Buyer and Seller Advisory (C.A.R. Form SBSA) |
| <input type="checkbox"/> Short Sale Information and Advisory (C.A.R. Form SSIA) | <input type="checkbox"/> REO Advisory (C.A.R. Form REO) |
| | <input type="checkbox"/> Other _____ |
6. **OTHER TERMS:** _____
7. **ALLOCATION OF COSTS**
- A. **INSPECTIONS, REPORTS AND CERTIFICATES:** Unless otherwise agreed in writing, this paragraph only determines who is to pay for the inspection, test, certificate or service ("Report") mentioned; it does not determine who is to pay for any work recommended or identified in the Report.
- (1) Buyer Seller shall pay for a natural hazard zone disclosure report, including tax environmental Other _____ prepared by Sellers choice
- (2) Buyer Seller shall pay for the following Report _____ prepared by _____
- (3) Buyer Seller shall pay for the following Report _____ prepared by _____

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



PROPERTY ADDRESS: 310 N. VINE ST. #200, FARM SPRING, CA 94524 Date: July 10, 2015

F. CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES:

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

Buyer's Initials (EW) (_____)
RPA-CA REVISED 11/14 (PAGE 5 OF 10)

X Seller's Initials (_____) (_____)



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

SUBJECT TO COUNTER OFFER

Case July 14, 2013

Property Address: 11114 (PAGE 6 OF 10)

E. Buyer shall receive a CLTA/ALTA "Homeowner's Policy of Title Insurance", if applicable to the type of property and buyer. If not, Escrow Holder shall notify Buyer. A title company can provide information about the availability, coverage, and cost of other title policies and endorsements. If the Homeowner's Policy is not available, Buyer shall choose another policy, instruct Escrow Holder in writing and shall pay any increase in cost.

14. TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS: The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph by either Buyer or Seller must be exercised in good faith and in writing (C.A.R. Form CR or CC).

A. SELLER HAS: 7 (or ___) Days After Acceptance to Deliver to Buyer all Reports, disclosures and information for which Seller is responsible under paragraphs 5, 6, 7, 8B(4), 10A, B, C, and F, 11A and 13A. If, by the time specified, Seller has not Delivered any such item, Buyer after first Delivering to Seller a Notice to Seller to Perform (C.A.R. Form NSP) may cancel this Agreement

B. (1) BUYER HAS: 17 (or ___) Days After Acceptance, unless otherwise agreed in writing, to:

- (i) complete all Buyer Investigations; review all disclosures, reports, lease documents to be assumed by Buyer pursuant to paragraph 8B(5), and other applicable information, which Buyer receives from Seller, and approve all matters affecting the Property; and (ii) Deliver to Seller Signed Copies of Statutory and Lead Disclosures and other disclosures Delivered by Seller in accordance with paragraph 10A
- (2) Within the time specified in paragraph 14B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to (C.A.R. Form RRRR) Buyer's requests
- (3) By the end of the time specified in paragraph 14B(1) (or as otherwise specified in this Agreement), Buyer shall Deliver to Seller a removal of the applicable contingency or cancellation (C.A.R. Form CR or CC) of this Agreement. However, if any report, disclosure or information for which Seller is responsible is not Delivered within the time specified in paragraph 14A, then Buyer has 6 (or ___) Days After Delivery of any such items, or the time specified in paragraph 14B(1), whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement.
- (4) Continuation of Contingency: Even after the end of the time specified in paragraph 14B(1) and before Seller cancels, if at all, pursuant to paragraph 14C, Buyer retains the right, in writing, to either (i) remove remaining contingencies, or (ii) cancel this Agreement based on a remaining contingency. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to paragraph 14C(1)

C. SELLER RIGHT TO CANCEL:

- (1) Seller right to Cancel; Buyer Contingencies: If, by the time specified in this Agreement, Buyer does not Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement, then Seller, after first Delivering to Buyer a Notice to Buyer to Perform (C.A.R. Form NBP), may cancel this Agreement. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer
- (2) Seller right to Cancel; Buyer Contract Obligations: Seller, after first delivering to Buyer a NBP, may cancel this Agreement if, by the time specified in this Agreement, Buyer does not take the following action(s): (i) Deposit funds as required by paragraph 3A, or the time specified in this Agreement, Buyer does not take the following action(s): (i) Deposit funds as required by paragraph 3A, or 3B or if the funds deposited pursuant to paragraph 3A or 3B are not good when deposited; (ii) Deliver a notice of FHA or VA costs or terms as required by paragraph 3D(3) (C.A.R. Form FVA); (iii) Deliver a letter as required by paragraph 3J(1); (iv) Deliver verification, or a satisfactory verification if Seller reasonably disapproves of the verification already provided, as required by paragraph 3C or 3H; (v) In writing assume or accept leases or liens specified in 8B5; (vi) Return Statutory and Lead Disclosures as required by paragraph 10A(5); or (vii) Sign or initial a separate liquidated damages form for an increased deposit as required by paragraphs 3B and 21B, or (viii) Provide evidence of authority to sign in a representative capacity as specified in paragraph 19

In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer

D. NOTICE TO BUYER OR SELLER TO PERFORM: The NBP or NSP shall: (i) be in writing, (ii) be signed by the applicable Buyer or Seller, and (iii) give the other Party at least 2 (or ___) Days After Delivery (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A NBP or NSP may not be Delivered any earlier than 2 Days Prior to the expiration of the applicable time for the other Party to remove a contingency or cancel this Agreement or meet an obligation specified in paragraph 14

E. EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES: If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in writing, Buyer shall conclusively be deemed to have: (i) completed all Buyer Investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections pertaining to that contingency or cancellation right, or for the inability to obtain financing

F. CLOSE OF ESCROW: Before Buyer or Seller may cancel this Agreement for failure of the other Party to close escrow pursuant to this Agreement, Buyer or Seller must first Deliver to the other Party a demand to close escrow (C.A.R. Form DCE). The DCE shall: (i) be signed by the applicable Buyer or Seller, and (ii) give the other Party at least 3 (or ___) Days After Delivery to close escrow. A DCE may not be Delivered any earlier than 3 Days Prior to the scheduled close of escrow

G. EFFECT OF CANCELLATION ON DEPOSITS: If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, the Parties agree to Sign mutual instructions to cancel the sale and escrow and release deposits, if any, to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Except as specified below, release of funds will require mutual Signed release instructions from the Parties, judicial decision or arbitration award. If either Party fails to execute mutual instructions to cancel escrow, one Party may make a written demand to Escrow Holder for the deposit (C.A.R. Form BORD or \$DRD). Escrow Holder, upon receipt, shall promptly deliver notice of the demand to the other Party. If, within 10 Days After Escrow Holder's notice, the other Party does not object to the demand, Escrow Holder shall disburse the deposit to the Party making the demand. If Escrow Holder complies with the proceeding process, each Party shall be deemed to have released Escrow Holder from any and all claims or liability related to the disbursement of the deposit. Escrow Holder, at its discretion, may nonetheless require mutual cancellation instructions. A Party may be subject to a civil penalty of up to \$1,000 for refusal to sign cancellation instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).

15. FINAL VERIFICATION OF CONDITION: Buyer shall have the right to make a final verification of the Property within 5 (or ___) Days Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 11; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement (C.A.R. Form VP).

Buyer's Initials (EP) (_____)
RPA-CA REVISED 11/14 (PAGE 6 OF 10)

Seller's Initials (_____) (_____)



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

SUBJECT TO COUNTER OFFER

Date: July 10, 2015

Property Address: 270 N. VINE CLAY ROAD, FAIRMOUNT, VA 24644

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

17. PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS: Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, HOA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are now a lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after Close Of Escrow by Buyer, and (ii) for periods prior to Close Of Escrow, by Seller (see C.A.R. Form SPT or SBSA for further information) TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.

18. BROKERS:

A. COMPENSATION: Seller or Buyer, or both, as applicable, agree to pay compensation to Broker as specified in a separate written agreement between Broker and that Seller or Buyer. Compensation is payable upon Close Of Escrow, or if escrow does not close, as otherwise specified in the agreement between Broker and that Seller or Buyer.

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

19. REPRESENTATIVE CAPACITY: If one or more Parties is signing this Agreement in a representative capacity and not for him/herself as an individual then that Party shall so indicate in paragraph 31 or 32 and attach a Representative Capacity Signature Disclosure (C.A.R. Form RCSD). Wherever the signature or initials of the representative identified in the RCSD appear on this Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. The Party acting in a representative capacity (i) represents that the entity for which that party is acting already exists and (ii) shall Deliver to the other Party and Escrow Holder, within 3 Days After Acceptance, evidence of authority to act in that capacity (such as but not limited to applicable portion of the trust or Certification Of Trust (Probate Code §18100.5), letters testamentary, court order, power of attorney, corporate resolution, or formation documents of the business entity).

20. JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:

A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: paragraphs 1, 3, 4B, 5A, 6, 7, 10C, 13, 14G, 17, 18A, 19, 20, 26, 29, 30, 31, 32 and paragraph D of the section titled Real Estate Brokers on page 10. If a Copy of the separate compensation agreement(s) provided for in paragraph 18A, or paragraph D of the section titled Real Estate Brokers on page 10 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions, if any, directly from Escrow Holder and will execute such provisions within the time specified in paragraph 7C(1)(c). To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow and, as directed by Escrow Holder, within 3 (or ___) Days, shall pay to Escrow Holder or HOA or HOA management company or others any fee required by paragraphs 7, 10 or elsewhere in this Agreement.

B. A Copy of this Agreement including any counter offer(s) and addenda shall be delivered to Escrow Holder within 3 Days After Acceptance (or ___) Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement. Escrow Holder shall provide Seller's Statement of Information to Title company when received from Seller. If Seller delivers an affidavit to Escrow Holder to satisfy Seller's FIRPTA obligation under paragraph 10C, Escrow Holder shall deliver to Buyer a Qualified Substitute statement that complies with federal Law.

C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraph 18A and paragraph D of the section titled Real Estate Brokers on page 10. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraph 18A, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Buyer and Seller shall release and hold harmless Escrow Holder from any liability resulting from Escrow Holder's payment to Broker(s) of compensation pursuant to this Agreement.

Buyer's Initials (FX) (_____)

Seller's Initials (_____) (_____)



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CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 7 OF 10)

SUBJECT TO COUNTER OFFER

- Property Address: 12345 Main St, San Jose, CA 95128 Date: July 10, 2015
- D. Upon receipt, Escrow Holder shall provide Seller and Seller's Broker verification of Buyer's deposit of funds pursuant to paragraph 3A and 3B. Once Escrow Holder becomes aware of any of the following, Escrow Holder shall immediately notify all Brokers: (i) if Buyer's initial or any additional deposit or down payment is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder, or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.
 - E. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 3 Days after mutual execution of the amendment

21. REMEDIES FOR BUYER'S BREACH OF CONTRACT:

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

Buyer's Initials EX

Seller's Initials _____

22. DISPUTE RESOLUTION:

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

B. ARBITRATION OF DISPUTES:

The Parties agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration. The Parties also agree to arbitrate any disputes or claims with Broker(s), who, in writing, agree to such arbitration prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of residential real estate Law experience, unless the parties mutually agree to a different arbitrator. The Parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.06. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this agreement to arbitrate shall be governed by the Federal Arbitration Act. Exclusions from this arbitration agreement are specified in paragraph 22C.

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

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

Buyer's Initials EX

Seller's Initials _____

C. ADDITIONAL MEDIATION AND ARBITRATION TERMS:

- (1) **EXCLUSIONS:** The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2986; (ii) an unlawful detainer action; and (iii) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court.
- (2) **PRESERVATION OF ACTIONS:** The following shall not constitute a waiver nor violation of the mediation and arbitration provisions: (i) the filing of a court action to preserve a statute of limitations; (ii) the filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies; or (iii) the filing of a mechanic's lien.
- (3) **BROKERS:** Brokers shall not be obligated nor compelled to mediate or arbitrate unless they agree to do so in writing. Any Broker(s) participating in mediation or arbitration shall not be deemed a party to this Agreement.

Buyer's Initials (EX) (_____)

Seller's Initials (_____) (_____)

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CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 8 OF 10)

SUBJECT TO COUNTER OFFER

Property Address: 10115 VINE CLAY RD, FORT WORTH, TX 76134 Date: JULY 10, 2015

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

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

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

30. **DEFINITIONS:** As used in this Agreement:

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

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

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

Date 7/10/15 BUYER [Signature]

(Print name) Iskandar Zulkarnain

Date _____ BUYER _____

(Print name) _____ SUBJECT TO COUNTER OFFER

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

Seller's Initials (_____) (_____)





ASSOCIATION OF REALTORS

BUYER'S INSPECTION ADVISORY (C.A.R. Form BIA, Revised 11/14)

Property Address: 510 N. Villa Ct. #208, Palm Springs, CA 92262

("Property").

1. IMPORTANCE OF PROPERTY INVESTIGATION: The physical condition of the land and improvements being purchased is not guaranteed by either Seller or Brokers. You have an affirmative duty to exercise reasonable care to protect yourself, including discovery of the legal, practical and technical implications of disclosed facts, and the investigation and verification of information and facts that you know or that are within your diligent attention and observation. A general physical inspection typically does not cover all aspects of the Property nor items affecting the Property that are not physically located on the Property. If the professionals recommend further investigations, including a recommendation by a pest control operator to inspect inaccessible areas of the Property, you should contact qualified experts to conduct such additional investigations.

2. BROKER OBLIGATIONS: Brokers do not have expertise in all areas and therefore cannot advise you on many items, such as those listed below. If Broker gives you referrals to professionals, Broker does not guarantee their performance.

3. YOU ARE STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO THE FOLLOWING. IF YOU DO NOT DO SO, YOU ARE ACTING AGAINST THE ADVICE OF BROKERS.

- A. GENERAL CONDITION OF THE PROPERTY, ITS SYSTEMS AND COMPONENTS: Foundation, roof (condition, age, leaks, useful life), plumbing, heating, air conditioning, electrical, mechanical, security, pool/spa (cracks, leaks, operation), other structural and nonstructural systems and components, fixtures, built-in appliances, any personal property included in the sale, and energy efficiency of the Property.
B. SQUARE FOOTAGE, AGE, BOUNDARIES: Square footage, room dimensions, lot size, age of improvements and boundaries. Any numerical statements regarding these items are APPROXIMATIONS ONLY and have not been verified by Seller and cannot be verified by Brokers. Fences, hedges, walls, retaining walls and other barriers or markers do not necessarily identify true Property boundaries.
C. WOOD DESTROYING PESTS: Presence of, or conditions likely to lead to the presence of wood destroying pests and organisms.
D. SOIL STABILITY: Existence of fill or compacted soil, expansive or contracting soil, susceptibility to slippage, settling or movement, and the adequacy of drainage.
E. WATER AND UTILITIES; WELL SYSTEMS AND COMPONENTS; WASTE DISPOSAL: Water and utility availability, use restrictions and costs. Water quality, adequacy, condition, and performance of well systems and components. The type, size, adequacy, capacity and condition of sewer and septic systems and components, connection to sewer, and applicable fees.
F. 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).
G. EARTHQUAKES AND FLOODING: Susceptibility of the Property to earthquake/seismic hazards and propensity of the Property to flood.
H. 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.
I. 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.
J. 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.
K. 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.
L. NEIGHBORHOOD, AREA, SUBDIVISION CONDITIONS; PERSONAL FACTORS: Neighborhood or area conditions, including schools, law enforcement, crime statistics, registered felons or offenders, fire protection, other government services, availability, adequacy and cost of internet connections or other technology services and installations, 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.

By signing below, Buyers acknowledge that they have read, understand, accept and have received a Copy of this Advisory. Buyers are encouraged to read it carefully.

Buyer Iskandar Zulkarnain Buyer

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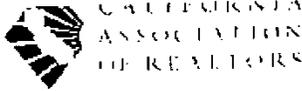
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Reviewed by [Signature] Date 11/15

SUBJECT TO COUNTER OFFER



BUYER'S INSPECTION ADVISORY (BIA PAGE 1 OF 1)



DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP

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

(if checked) This form is being provided in connection with a transaction for a leasehold interest exceeding one year as per Civil Code section 2079.13(k) and (m). When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

SELLER'S AGENT

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

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

To the Buyer and the Seller:

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

BUYER'S AGENT

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

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

To the Buyer and the Seller:

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

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

AGENT REPRESENTING BOTH SELLER AND BUYER

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

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

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

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

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

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

Buyer Seller Landlord Tenant _____ Date 07/10/2015

Buyer Seller Landlord Tenant _____ Date _____

Agent Keller Williams Realty BRE Lic. # 01898399

By [Signature] BRE Lic. # 01257798 Date 07/10/2015
 (Subsponsor or Broker-Associate) Anna M. Selvaggi

Agency Disclosure Compliance (Civil Code §2079.14)

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

Seller/Landlord	Date	Seller/Landlord	Date

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Reviewed by [Signature] Date 7/10/15

EXHIBIT "5"

INVOICES FOR THE PAYMENT OF INSURANCE

Trustee Insurance Agency

Trustee Insurance Agency
2813 West Main
Kalamazoo, MI 49006

(877)237-8167
JAC@trusteeinsagency.com

Statement

Date	Statement #
10/05/2015	2329

To

Lynda Bui
Case No:13-28695
(Machin)
3750 University Avenue
Suite 670
Riverside, CA 92501

Date	Activity	Amount	Balance			
05/21/2015	Balance Forward		0.00			
05/26/2015	Invoice #4815 --- 05/21/2015 22032 Waters Drive, Crestline, CA Insured Value: \$55,000.00 Coverage Period: 5/22/15 - 8/21/15 Deductible: \$2,500.00 = \$435.00 --- 05/21/2015 General Liability: \$1 million per occurrence/\$2 million aggregate = \$30.00	465.00	465.00			
08/01/2015	Invoice #4816 --- 08/01/2015 22032 Waters Drive, Crestline, CA Insured Value: \$55,000.00 Coverage Period: 8/22/15 - 8/31/15 Deductible: \$2,500.00 = \$46.77 --- 08/01/2015 General Liability: \$1 million per occurrence/\$2 million aggregate = \$3.22	49.99	514.99			
09/01/2015	Invoice #5219 --- 09/01/2015 22032 Waters Drive, Crestline, CA Insured Value: \$55,000.00 Deductible: \$2,500.00 = \$145.00 --- 09/01/2015 General Liability: \$1 million per occurrence/\$2 million aggregate = \$10.00	155.00	669.99			
10/01/2015	Invoice #5388 --- 10/01/2015 22032 Waters Drive, Crestline, CA Insured Value: \$55,000.00 Deductible: \$2,500.00 = \$145.00 --- 10/01/2015 General Liability: \$1 million per occurrence/\$2 million aggregate = \$10.00 --- 10/01/2015 Finance Charge from 5/22/15 - 10/31/15 = \$57.75	212.75	882.74			
	Current Due	1-30 Days Past Due	31-60 Days Past Due	61-90 Days Past Due	90+ Days Past Due	Amount Due
	\$0.00	\$212.75	\$204.99	\$0.00	\$465.00	\$882.74

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:
100 Spectrum Center Drive, Suite 600, Irvine CA 92618

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

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On *(date)* 10/6/15, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On *(date)* 10/6/15, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

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)* n/a, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

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

10/6/15 Laurie Verstegen /s/Laurie Verstegen
Date *Printed Name* *Signature*

PROOF OF SERVICE (cont'd)

VIA NOTICE OF ELECTRONIC FILING (NEF):

Daryl L Binkley on behalf of Debtor Mary Machin
daryl@binkleylaw.com

Lynda T. Bui (TR)
trustee.bui@shbllp.com, C115@ecfcbis.com

Rika Kido on behalf of Interested Party Courtesy NEF
rkido@shbllp.com, avernon@shbllp.com

Rika Kido on behalf of Trustee Lynda T. Bui (TR)
rkido@shbllp.com, avernon@shbllp.com

Melissa Davis Lowe on behalf of Plaintiff Lynda Bui
mdavis@shbllp.com, lverstegen@shbllp.com

Melissa Davis Lowe on behalf of Plaintiff Lynda T. Bui
mdavis@shbllp.com, lverstegen@shbllp.com

Melissa Davis Lowe on behalf of Trustee Lynda T. Bui (TR)
mdavis@shbllp.com, lverstegen@shbllp.com

Avi Schild on behalf of Interested Party Courtesy NEF
bk@atlasacq.com

Leonard M Shulman on behalf of Plaintiff Lynda Bui
lshulman@shbllp.com

Leonard M Shulman on behalf of Plaintiff Lynda T. Bui
lshulman@shbllp.com

Leonard M Shulman on behalf of Trustee Lynda T. Bui (TR)
lshulman@shbllp.com

United States Trustee (RS)
ustpreion16.rs.ecf@usdoj.gov