

Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address  Leonard M. Shulman – Bar No. 126349 Brandon J. Iskander – Bar No. 300916 SHULMAN HODGES & BASTIAN LLP 100 Spectrum Center Drive, Suite 600 Irvine, California 92618 Telephone: (949) 340-3400 Facsimile: (949) 340-3000 Email: lshulman@shbllp.com; biskander@shbllp.com   <input type="checkbox"/> Individual appearing without attorney <input checked="" type="checkbox"/> Attorney for: Lynda T. Bui, Chapter 7 Trustee	FOR COURT USE ONLY
<b>UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA - RIVERSIDE DIVISION</b>	
In re:  SALVADOR DARIO CONTRERAS fdba Kid's Room Furniture, and ANA LUZ CONTRERAS,   <div style="text-align: right;">Debtor(s).</div>	CASE NO.: 6:17-bk-13428-MJ CHAPTER: 7   <div style="text-align: center; padding: 10px;"> <b>NOTICE OF SALE OF ESTATE PROPERTY</b> </div>

<b>Sale Date:</b> October 31, 2017	<b>Time:</b> 10:00 a.m.
<b>Location:</b> Courtroom 301, U.S. Bankruptcy Court, 3420 Twelfth Street, Riverside, CA 92501	

**Type of Sale:** ☒ Public ☐ Private
 **Last date to file objections:** October 17, 2017

**Description of property to be sold:** Real property: 11626 Driftwood Drive, Fontana, CA 92337

**Terms and conditions of sale:** See attached Statement of Information in Compliance with LBR 6004-1(c)(3).

**Proposed sale price:** \$315,000.00, subject to overbids

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):** Initial overbid of \$320,000.00, minimum bid increments thereafter shall be \$1,000.00  
Overbids must be in wrting and received by the Trustee and her counsel on or before October 24, 2017 (7 days prior to  
hearing on Sale Motion). Certified funds of 3% of the overbid purchase price must be delivered. (See attached).

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

October 31, 2017 at 10:00 am (Outstanding liens to be paid through escrow on the sale transaction.)  
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):**

Brandon J. Iskander, Esq.  
Shulman Hodges & Bastian LLP  
100 Spectrum Center Drive SUite 600  
Irvine, CA 92618  
Telephone: (949) 340-3400  
Facsimile: (949) 340-3000  
Email: biskander@shbllp.com

Date: 09/27/2017

<p>Attorney or Party Name, Address, Telephone &amp; FAX Nos., State Bar No. &amp; Email Address</p> <p>Leonard M. Shulman – Bar No. 126349 Brandon J. Iskander – Bar No. 300916 SHULMAN HODGES &amp; BASTIAN LLP 100 Spectrum Center Drive, Suite 600 Irvine, California 92618 Telephone: (949) 340-3400 Facsimile: (949) 340-3000 Email: lshulman@shbllp.com; biskander@shbllp.com</p> <p><input type="checkbox"/> Individual appearing without attorney <input checked="" type="checkbox"/> Attorney for: Lynda T. Bui, Chapter 7 Trustee</p>		<p>FOR COURT USE ONLY</p>	
<p><b>UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA - RIVERSIDE DIVISION</b></p>			
<p>In re:</p> <p>SALVADOR DARIO CONTRERAS fdbba Kid's Room Furniture, and ANA LUZ CONTRERAS,</p>		<p>CASE NO.: 6:17-bk-13428-MJ CHAPTER: 7</p> <p><b>NOTICE OF MOTION FOR:</b> Chapter 7 Trustee's Motion for Order: (1) Approving the Sale of Real Property of the Estate Pursuant to Bankruptcy Code § 363(b)(1) and Subject to Overbids, Combined With Notice of Bidding Procedures and Request for Approval of the Bidding Procedures Utilized; et al.,</p> <p><b>(Specify name of Motion)</b></p> <p>DATE: 10/31/2017 TIME: 10:00 am COURTROOM: Courtroom 301 PLACE: U.S. Bankruptcy Court 3420 Twelfth Street Riverside, CA 92501</p>	

1. TO (*specify name*): Debtors, United States Trustee, all creditors and other parties in interest
2. NOTICE IS HEREBY GIVEN that on the following date and time and in the indicated courtroom, Movant in the above-captioned matter will move this court for an Order granting the relief sought as set forth in the Motion and accompanying supporting documents served and filed herewith. Said Motion is based upon the grounds set forth in the attached Motion and accompanying documents.
3. **Your rights may be affected.** You should read these papers carefully and discuss them with your attorney, if you have one. (If you do not have an attorney, you may wish to consult one.)

4. **Deadline for Opposition Papers:** This Motion is being heard on regular notice pursuant to LBR 9013-1. If you wish to oppose this Motion, you must file a written response with the court and serve a copy of it upon the Movant or Movant's attorney at the address set forth above no less than fourteen (14) days prior to the above hearing date. If you fail to file a written response to this Motion within such time period, the court may treat such failure as a waiver of your right to oppose the Motion and may grant the requested relief.
5. **Hearing Date Obtained Pursuant to Judge's Self-Calendaring Procedure:** The undersigned hereby verifies that the above hearing date and time were available for this type of Motion according to the judge's self-calendaring procedures.

Date: 09/27/2017

SHULMAN HODGES & BASTIAN LLP  
Printed name of law firm

/s/ Brandon J. Iskander  
Signature

Brandon J. Iskander  
Printed name of attorney

**Attachments:**

- (1) Statement of Information**
- (2) Sale Motion**
- (3) Proof of Service**

**Statement of Information in Compliance with LBR 6004-1(c)(3)**

<b><u>LBR 6004-1(c)(3) Requirement</u></b>	<b><u>Information</u></b>
<i>LBR 6004-1(c)(3)(A)</i> Date, Time, and Place of hearing on the proposed sale:	Hearing Date and Time: October 31, 2017 at 10:00 a.m. Hearing Place: U.S. Bankruptcy Court Courtroom 301 3420 Twelfth Street, Riverside, CA 92501
<i>LBR 6004-1(c)(3)(B)</i> Name and address of the proposed buyer:	Philip P. Nava and Jessica Nava, 4327 Clair St, Montclair, CA 91763
<i>LBR 6004-1(c)(3)(C)</i> Description of the property to be sold:	Real property located at 1626 Driftwood Drive, Fontana, California 92337 ("Property")
<i>LBR 6004-1(c)(3)(D)</i> Terms and conditions of the proposed sale, including the price and all contingencies:	The Buyer has offered \$315,000.00, subject overbid. The Buyer is paying all cash and is purchasing the Property "AS IS" without warranties of any kind, expressed or implied, being given by the Trustee, concerning the condition of the Property or the quality of the title thereto, or any other matters relating to the Property.
<i>LBR 6004-1(c)(3)(E)</i> Whether the proposed sale is free and clear of liens, claims or interests, or subject to them, and a description of all such liens, claims or interests:	Outstanding liens will be paid through escrow on the sale transaction. Thus, outstanding liens will be released, discharged and terminated at the close of escrow and the liens will <b>not</b> attach to the sale proceed. A chart describing the liens, claims or interests impacting the Property and their treatment through the sale is set forth in the attached <i>Chapter 7 Trustee's Motion for Order: (1) Approving the Sale of Real Property of the Estate Pursuant to Bankruptcy Code § 363(b)(1) and Subject to Overbids, Combined With Notice of Bidding Procedures and Request for Approval of the Bidding Procedures Utilized; (2) Approving Payment of Real Estate Commission and Other Costs; and (3) Granting Related Relief</i> ("Sale Motion").
<i>LBR 6004-1(c)(3)(F)</i> Whether the proposed sale is subject to higher and better bids:	The sale of the Property is subject to the Bidding Procedures set forth in the Sale Motion at pages 7 through 9.
<i>LBR 6004-1(c)(3)(G)</i> Consideration to be received by the Estate, including estimated commissions, fees and other costs of sale:	Purchase price of \$315,000.00, or an amount as increased by successful overbid. All costs of sale, including escrow fees and real estate commissions will be paid at closing and are estimated to total approximately \$25,200.00 (8% of the purchase price). The Trustee also seeks approval to use proceeds of the sale to reimburse her Broker an amount estimated not to exceed \$1,500.00 for the expenses he incurred to repair and maintain the Property so that it could be marketed for sale. The Estate and the Buyer will each pay their own escrow fees as is customary in the County where the Property is located. Through the sale, the Trustee estimates to generate net proceeds of approximately \$120,400.00.

<b><u>LBR 6004-1(c)(3) Requirement</u></b>	<b><u>Information</u></b>
<i>LBR 6004-1(c)(3)(H)</i> If authorization is sought to pay commission, the identity of the auctioneer, broker, or sales agent and the amount or percentage of the proposed commission to be paid:	On July 7, 2017, the Court entered an Order granting Chapter 7 trustee's application to employ Pro Realty Group ("Broker") as the Trustee's real estate broker. Under the listing agreement, the Broker is entitled to a commission on the sale in an amount not to exceed 6% of the purchase price (or \$18,900.00) to be split between the Trustee's Broker and Selling Broker. (The Buyer's Selling Broker is Realty One Group Masters). (The Trustee is advised that the Selling Broker and the Buyer have agreed that \$1,000.00 of the Selling Broker's commission will be paid towards the Buyer's closing costs. The Trustee has no objection to this agreement between the Selling Broker and the Buyer.) Escrow fees shall be split between Buyer and the Estate in the manner customary in the County where the Property is located.
<i>LBR 6004-1(c)(3)(I)</i> A description of the estimated or possible tax consequences to the Estate, if known, and how any tax liability generated by the sale of the property will be paid:	The Trustee has not yet hired an accountant but given that the Property had been the Debtors' residence, the Estate may be entitled to capital gains exclusions such that the Trustee does not expect to pay any capital gains taxes on the sale.
<i>LBR 6004-1(c)(3)(J)</i> Date which objection must be filed and served:	Objections, if any, must be filed and served 14 days prior to the Hearing Date (or by October 17, 2017).

Leonard M. Shulman – Bar No. 126349  
Brandon J. Iskander – Bar No. 300916  
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Attorneys for Lynda T. Bui  
Chapter 7 Trustee

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

In re

**SALVADOR DARIO CONTRERAS**  
**fdba Kid's Room Furniture, and**  
**ANA LUZ CONTRERAS,**

Debtors.

Case No. 6:17-bk-13428-MJ

Chapter 7

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

**(1) APPROVING THE SALE OF REAL  
PROPERTY OF THE ESTATE  
PURSUANT TO BANKRUPTCY CODE  
§ 363(b)(1) AND SUBJECT TO  
OVERBIDS, COMBINED WITH  
NOTICE OF BIDDING PROCEDURES  
AND REQUEST FOR APPROVAL OF  
THE BIDDING PROCEDURES  
UTILIZED;**

**(2) APPROVING PAYMENT OF REAL  
ESTATE COMMISSION AND OTHER  
COSTS; AND**

**(3) GRANTING RELATED RELIEF;**

**MEMORANDUM OF POINTS AND  
AUTHORITIES AND DECLARATIONS OF  
LYNDA T. BUI AND MATT VANDERBEEK  
IN SUPPORT**

**Real Property located at:  
11626 Driftwood Drive, Fontana, CA 92337**

**Hearing Date:**

Date: October 31, 2017

Time: 10:00 a.m.

Place: Courtroom 301

United States Bankruptcy Court

3420 Twelfth Street

Riverside, CA 92501



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

5 Lynda T. Bui, the Chapter 7 trustee (“Trustee”) for the bankruptcy estate (“Estate”) of  
6 Salvador Dario Contreras and Ana Luz Contreras (“Debtors”), brings this *Motion for Order*:  
7 *(1) Approving the Sale of Real Property of the Estate Pursuant to Bankruptcy Code § 363(b)(1)*  
8 *and Subject to Overbids, Combined With Notice of Bidding Procedures and Request for*  
9 *Approval of the Bidding Procedures Utilized; (2) Approving Payment of Real Estate*  
10 *Commission and Other Costs; and (3) Granting Related Relief* (“Sale Motion”) and  
11 respectfully represents as follows:

12 **I. RELIEF REQUESTED**

13 Through this Sale Motion, the Trustee seeks authorization to sell the Property<sup>1</sup> to the  
14 Buyer pursuant to the terms of the Sale Agreement, subject to the Bidding Procedures, and a  
15 finding by the Court that the Buyer is a good faith buyer within the meaning of 11 U.S.C. §  
16 363(m). Liens against the Property (real property taxes and the Secured Creditors) will be paid  
17 through the sale and therefore the liens will be released through escrow and will not attach to  
18 the proceeds received by the Trustee on behalf of the Estate. All costs of sale, including  
19 escrow fees, real estate commissions and other costs incurred by the Trustee’s Broker, will be  
20 paid at closing. After payment of the costs of sale and the Debtors’ \$100,000.00 homestead  
21 exemption claim,<sup>2</sup> the Trustee expects to generate net proceeds of approximately \$120,400.00.  
22 The Trustee believes that (i) a meaningful distribution to unsecured creditors will be achieved  
23 as result of the sale, and (ii) good cause exists to grant the Sale Motion so creditors do not lose  
24 this favorable business opportunity.

25  
26  
27 <sup>1</sup> Capitalized terms are defined below.

28 <sup>2</sup> Pursuant to 11 U.S.C. § 522(c)(1), the Trustee believes that the Debtor’s homestead exemption is subject to levy  
by taxing authorities such that the Debtors will receive \$64,450.77 as the full amount of their homestead  
exemption.

## II. BACKGROUND

### A. The Bankruptcy Case

The Debtors filed a voluntary petition under Chapter 7 of the Bankruptcy Code on April 26, 2017 (“Petition Date”).

The last day to file claims in the case was September 15, 2017. Government claims are due by October 23, 2017. The Court’s Claims Register indicates there has been eleven claims filed totaling \$101,980.83 which includes total priority claims of \$35,549.23, and total general unsecured claims of \$66,431.60.

### B. The Property

The Debtors list their ownership of the real property located at 11626 Driftwood Drive, Fontana, California 92337 (“Property”) on their Schedule A/B. They also (i) value the Property at \$277,278.00, (ii) list Secured Creditors’ liens totaling \$187,672.00,<sup>3</sup> and (iii) claim an exemption of \$100,000.00 in the Property under Cal. Civ. Proc. Code § 704.730. Attached as **Exhibit 1** to the Declaration of Lynda T. Bui (“Bui Declaration”) are true and correct copies of the Debtors’ Schedules A/B, C and D. Attached as **Exhibit 2** to the Bui Declaration is a true and copy of a Preliminary Title Report on the Property as of June 5, 2017.

### C. Employment of the Broker, Marketing and Basis for Value

On June 19, 2017, the Trustee filed an application (docket 15) for authority to employ the Pro Realty Group (“Broker”) to the assist the Trustee in the listing, marketing and negotiating for a sale of the Estate’s interest in the Property. An Order approving the Broker’s employment was entered on July 7, 2017 (docket 18). The listing agreement with the Broker provides for a real estate commission to be paid of 6% of the sale price, and if applicable, the commission would be split between the Trustee’s Broker and the broker or agent that represents the purchaser of the Property (a “Selling Broker”). In this sale, the Realty One Group Masters is the Selling Broker.

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<sup>3</sup> The Debtors listed a first priority lien favor of Seterus, Inc. in the amount of \$31,566.00, and second priority lien favor of Wells Fargo Home Equity in the amount of \$156,106.00.

1 The Estate does not have the funds to obtain a formal written appraisal for the estimated  
2 value of the Property. The Broker has more than twenty years of experience in the sale of real  
3 property and property valuations and is familiar with valuing real property in today's economic  
4 environment. After conducting an on-site inspection and a review of comparable sales of  
5 similar properties the Broker believed it had fair market value that supported a listing for sale  
6 at \$325,000.00. Through her Broker, the Trustee received an offer of \$315,000.00 for the  
7 Property from Philip P. Nava and Jessica Nava (collectively "Buyer"). The Property has been  
8 on the market for approximately three months. In that time, there have been several inquiries  
9 by brokers on behalf of potential buyers, but just one offer was received from the Buyer, who  
10 agreed to increase the offer from \$310,000.00 to \$315,000.00.

11 The Trustee believes that the proposed sale, subject to overbids, will be at fair market  
12 value. Given that the sale is subject to overbids, it is anticipated that the Trustee will receive  
13 the best and highest value for the Property and therefore the proposed sale price is fair and  
14 reasonable. Moreover, with the secured payoff to the lender on the Property increasing every  
15 month, the Trustee believes the Property must be sold as soon as possible in order to maximize  
16 the benefit for the Estate.

17 **D. Buyer and Sale Terms**

18 The Trustee received an offer from the Buyer to purchase the Estate's interest in the  
19 Property for \$315,000.00, subject to overbids. The Residential Purchase Agreement and Joint  
20 Escrow Instructions and all addenda thereto ("Purchase Agreement") are attached as **Exhibit 3**  
21 to the Bui Declaration. The Buyer is paying all cash and is purchasing the Property "AS IS"  
22 without warranties of any kind, expressed or implied, being given by the Trustee concerning  
23 the condition of the Property or the quality of the title thereto, or any other matters relating to  
24 the Property. All costs of sale, including escrow fees and real estate commissions will be paid  
25 at closing. The Estate and the Buyer will each pay their own escrow fees as is customary in the  
26 County where the Property is located (San Bernardino County, California).

27 ////

28 ////

**E. Treatment of Liens and Encumbrance Through the Sale**

The outstanding liens against the Property are as shown on the Title Report and the proposed treatment of such liens and encumbrances through the sale is as follows:

<b><u>Creditor</u></b>	<b><u>Description</u></b>	<b><u>Amount Owed (Estimated)</u></b>	<b><u>Treatment of the Lien Through the Sale</u></b>
San Bernardino County Tax Collector	Real property taxes	\$1,700.00 (pro-rata estimated)	All outstanding real property taxes will be paid through escrow.
Seterus, Inc., (or current beneficiary)	Deed of Trust Recorded 6/7/2004, recording number 2004- 0401367	\$28,900.00 <sup>4</sup>	This lien will be paid through escrow on the sale transaction and it will be released, discharged and terminated at the close of escrow. The lien will not attach to the sale proceeds.
Wells Fargo Home Mortgage (or current beneficiary)	Deed of Trust Recorded 9/7/2007, recording number 2007- 0515758	\$37,300.00 <sup>5</sup>	This lien will be paid through escrow on the sale transaction and it will be released, discharged and terminated at the close of escrow. The lien will not attach to the sale proceeds.

**F. Notice of the 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 to the Buyer on an exclusive basis. Accordingly, in order to obtain the highest and best offer for the Property, the Trustee is utilizing, and seeks Court approval of, the following procedures for bidding (“Bidding Procedures”):

1. Potential overbidder(s) must bid an initial amount of \$320,000.00. Minimum bid increments thereafter shall be \$1,000.00. The Trustee shall have sole discretion in

<sup>4</sup> Seterus, Inc.’s, payoff statement indicates an amount owed of \$28,440.67 as of July 5, 2017 and additional interest of \$3.95 per day is required for each day after July 5, 2017.

<sup>5</sup> Wells Fargo Home Mortgage’s, payoff statement indicates an amount owed of \$36,273.37 as of July 13, 2017 and additional interest of \$8.17 per day is required for each day after July 13, 2017.

determining which overbid is the best for the Estate and will seek approval from the Court of the same.

2. Overbids must be in writing and be received by the Trustee's counsel, Shulman Hodges & Bastian LLP to the attention of Brandon J. Iskander on or before **seven days prior to the hearing on the Sale Motion (or by October 24, 2017)**.

3. Overbids must be accompanied by certified funds in an amount equal to 3% of the overbid purchase price.

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

5. The overbidder must seek to acquire the Property on terms and conditions not less favorable to the Estate than the terms and conditions to which the Buyer has agreed to purchase the Property as set forth in the Purchase Agreement attached as **Exhibit 3** to the Bui Declaration, including closing on the sale of the Property in the same time parameters as the Buyer.

6. All competing bids must acknowledge that the Property is being sold on an "AS IS" basis without warranties of any kind, expressed or implied, being given by the Trustee, concerning the condition of the Property or the quality of the title thereto, or any other matters relating to the Property. The competing bid buyer must represent and warrant that he/she is purchasing the Property as a result of his/her own investigations and is not buying the Property pursuant to any representation made by any broker, agent, accountant, attorney or employee acting at the direction, or on the behalf of the Trustee. The competing bidder must acknowledge that he/she has inspected the Property, and upon closing of escrow governed by the Purchase Agreement, the competing buyer forever waives, for himself/herself, his/her heirs, successors and assigns, all claims against the Debtor, her attorneys, agents and employees, the Estate, Lynda T. Bui as Trustee and individually, and her attorneys, 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 her 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 these 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 her 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.

10. In the event First Back-Up Bidder fails to close on the sale of the Property within the time parameters approved by the Court, the Trustee shall retain the First Back-Up Bidder's Deposit and will be released from her obligation to sell the Property to the First Back-

Up Bidder and the Trustee may then sell the Property to the Second Back-Up Bidder approved by the Court at the hearing on the Sale Motion.

The Bidding Procedures will be provided to all creditors and any potential bidders or parties who have shown an interest in the Property. In addition, a Notice of Sale of Estate Property will be filed with the Court for posting on the Court's website under the link "Current Notices of Sales," thereby giving notice to additional potential interested parties. Based on the foregoing, the Trustee believes that under the circumstances of this case, the Property will have been appropriately marketed for bidding.

**G. Costs of Sale**

Under the listing agreement for the Property, the Broker is entitled to a commission on the sale in an amount not to exceed 6% of the purchase price. The Trustee seeks authorization to pay a real estate broker commission in the amount of \$18,900.00<sup>6</sup> to be split between the the Trustee's Broker and the Selling Broker as follows:

Trustee's Broker, Pro Realty	3% (or \$9,450.00)
Selling Broker, Realty One Group Masters	3% (or \$9,450.00)
(The Trustee is advised that the Selling Broker and the Buyer have agreed that \$1,000.00 of the Selling Broker's commission will be paid towards the Buyer's closing costs. The Trustee has no objection to this agreement between the Selling Broker and the Buyer.)	
Total Commission	\$18,900.00

The Trustee also seeks approval to use proceeds of the sale to reimburse her Broker an amount not to exceed \$1,500.00 for the expenses he incurred and continues to incur to repair and maintain the Property so that it could be marketed for sale. The expenses relate pool repairs and maintenance as follows: (i) drain the dirty green water, clean the pool, refill with clean water, and replace filters estimated to total approximately \$600.00, (ii) \$90.00 monthly pool service fees and (iii) monthly electric charges related to the pool pump to maintain the pool water in a healthy condition. Receipts for the amounts paid by the Broker will be provided to the Trustee for her approval prior to their payment through escrow on the sale.

<sup>6</sup> The total amount of real estate broker's commission will increase if the purchase price for the Property is increased by a successful overbid; but in no event will exceed 6% of the purchase price.



Escrow fees shall be split between Buyer and the Estate in the manner customary in the County where the Property is located (San Bernardino County, California).

The total costs of sale, including real estate commission is estimated at 8% of the purchase price, or approximately \$25,200.00.

**H. Tax Consequences**

The Trustee has not yet hired an accountant but given that the Property had been the Debtors' residence, the Estate may be entitled to capital gains exclusions such that the Trustee does not expect to pay any capital gains taxes on the sale.

**I. Turnover of the Property at Closing**

Out of an abundance of caution so that the Trustee may close on the sale of the Property, the Trustee requests that the Court order approving the Sale Motion provide that: (i) the Debtors or any occupants of the Property are ordered to vacate the Property no later than two (2) business days before the escrow closing date; (ii) in the event the Debtors or any occupants of the Property fail to immediately vacate the Property, the Trustee shall be entitled to the issuance of a writ of possession for the Property; (iii) the United States Marshal or other law enforcement officer enforcing the writ or accomplishing such seizure shall employ whatever reasonable force is necessary to enter the Property and to remove the occupants from possession; (iv) the United States Marshal or other law enforcement officer shall institute a lock out whereby the Property will be re-keyed so as to avoid further entry of the Property by the Debtors or any persons not authorized by the Trustee; (v) the Trustee shall hold harmless the United States Marshal or other law enforcement for any claims arising from any acts, incident or occurrences in connection with the seizure and possession of the Property.

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### III. ARGUMENT<sup>7</sup>

#### A. There is a Good Business Reason for the Sale and the Sale is in the Best Interest of the Estate.

The duties of a trustee in a Chapter 7 filing are enumerated in 11 U.S.C. § 704, which provides in relevant part as follows:

(a) The trustee shall—

(1) collect and reduce to money the property of the estate for which such trustee serves, and close such estate as expeditiously as is compatible with the best interests of parties in interest;

(2) be accountable for all property received;

11 U.S.C. § 704(a). Further, the Trustee, after notice and hearing, may sell property of the estate. 11 U.S.C. § 363(b). Courts ordinarily will approve a proposed sale if there is a good business reason for the sale and the sale is in the best interests of the estate. *In re Wilde Horse Enterprises, Inc.*, 136 B.R. 830, 841 (Bankr. C.D. Cal. 1991); *In re Lionel Corp.*, 722 F.2d 1063, 1069 (2d Cir. 1983). In this case, the sale is anticipated to net the Estate approximately \$120,400.00 calculated as follows (amounts are estimated):

Sale Price (or an amount as increased by successful overbid)	\$315,000.00								
Less real estate commission and costs of sale (estimated at 8% of sales price)	(\$25,200.00)								
Less property taxes (pro-rata) (estimated)	(\$1,700.00)								
Less payment to Secured Creditors (estimated) Seterus, Inc.: \$28,900.00 Wells Fargo Home Mortgage: \$37,300.00	(\$66,200.00)								
Less reimbursement of the Broker's expenses Estimated not to exceed \$1,500.00	(\$1,500.00)								
Less Debtors' homestead exemption, to be disbursed pursuant to 11 U.S.C. § 522(c)(1) as follows (also see discussion below):	(\$100,000.00)								
<table> <tr> <td>California Franchise Tax Board</td><td>\$30,289.17</td></tr> <tr> <td>State Board of Equalization</td><td>\$5,260.06</td></tr> <tr> <td>Debtors</td><td>\$64,450.77</td></tr> <tr> <td><b>Total Homestead Exemption</b></td><td><b>\$100,000.00</b></td></tr> </table>	California Franchise Tax Board	\$30,289.17	State Board of Equalization	\$5,260.06	Debtors	\$64,450.77	<b>Total Homestead Exemption</b>	<b>\$100,000.00</b>	
California Franchise Tax Board	\$30,289.17								
State Board of Equalization	\$5,260.06								
Debtors	\$64,450.77								
<b>Total Homestead Exemption</b>	<b>\$100,000.00</b>								
Estimated net sale proceeds for the benefit of the Estate will increase if there is a successful overbid	\$120,400.00								

<sup>7</sup> Although Local Bankruptcy Rule 6004-1(c)(2)(C) does not require that a memorandum of points and authorities be filed in support of the Motion, the Trustee is nevertheless submitting one.

**Discussion regarding the disbursement of the homestead exemption claim proceeds.** Ordinarily, the Trustee would pay the Debtors the entire \$100,000.00 they have claimed under the California Civil Procedure Code. However, the Trustee is now informed as of August 8, 2017 by the filing of Claim 7 by the Franchise Tax Board (FTB) that the Debtors owe \$30,289.17 in priority unpaid income taxes pursuant to Section 507(a)(8) of the Bankruptcy Code. In particular, the FTB asserts that Mrs. Contreras did not file tax returns for 2015 and 2016. Exempt property is generally not liable for prepetition debts except for priority claims filed pursuant to Sections 522(c)(1), 523(a)(1)(A), and 507(a)(8)(A)(i).

Section 522 provides:

(c) Unless the case is dismissed, property exempted under this section is not liable during or after the case for any debt of the debtor that arose, or that is determined under section 502 of this title as if such debt had arisen, before the commencement of the case, except—

(1) a debt of a kind specified in paragraph (1) or (5) of section 523(a) (in which case, notwithstanding any provision of applicable nonbankruptcy law to the contrary, such property shall be liable for a debt of a kind specified in such paragraph);

11 U.S.C. § 522 (emphasis added). Section 523 in turn provides:

(a) A discharge under section 727, 1141, 1228(a), 1228(b), or 1328(b) of this title does not discharge an individual debtor from any debt—

(1) for a tax or a customs duty—

(A) of the kind and for the periods specified in section 507(a)(3) or 507(a)(8) of this title, whether or not a claim for such tax was filed or allowed;

11 U.S.C. § 523 (emphasis added). Finally, Section 507(a) provides:

(8) Eighth, allowed unsecured claims of governmental units, only to the extent that such claims are for—

(A) a tax on or measured by income or gross receipts for a taxable year ending on or before the date of the filing of the petition—

(i) for which a return, if required, is last due, including extensions, after three years before the date of the filing of the petition;

11 U.S.C. § 507(a) (emphasis added).

Because the FTB has an allowed claim and is asserting unpaid taxes in respect to tax years for which tax returns were required to be filed within the three (3) years before the

Petition Date, it appears that the Trustee is obligated to pay \$30,289.17 out of the Debtors' homestead exemption directly to the FTB. Similarly, the California State Board of Equalization has filed a priority Claim 3 under Section 507(a)(8) for \$5,260.06. The Trustee asserts that this amount is also due to be paid out of the homestead exemption. Therefore, while the Debtors' homestead exemption totals \$100,000.00, it is liable to the taxing authorities in the total amount of \$35,549.23. Unless otherwise ordered, the Trustee will pay \$35,549.23 of the Debtors' homestead exemption from the proceeds of the sale to the taxing authorities and the remaining balance of \$64,450.77 to the Debtors.

The Trustee expects to make a meaningful distribution to unsecured creditors from the sale of the Property. If the Sale Motion is not approved, then there will be a substantial loss to the Estate. In such event, the Estate will not receive any benefit from the Property.

Furthermore, the Trustee believes that the proposed sale will be at fair market value because it is the best offer the Estate has received thus far for the Property, and the sale is subject to the Bidding Procedures. Accordingly, the Trustee respectfully submits that, if this Court applies the good business reason standard suggested by the Second Circuit in *Lionel*, the sale should be approved.

**B. Request for Payment of Real Estate Commission to Broker and Other Costs.**

Bankruptcy Code Section 328 allows employment of a professional person under Section 327 "on any reasonable terms and conditions of employment, including on a retainer, on an hourly basis, on a fixed or percentage fee basis, or on a contingent fee basis." 11 U.S.C. § 328(a). The Trustee seeks authorization to pay a real estate broker commission in the amount of \$18,900.00<sup>8</sup> to be split between, the Trustee's Broker (3% of the commission or \$9,450.00), and the Selling Broker (3% of the commission or \$9,450.00). The Trustee is advised that the Selling Broker and the Buyer have agreed that \$1,000.00 of the Selling Broker's commission will be paid towards the Buyer's closing costs. The Trustee has no objection to this agreement between the Selling Broker and the Buyer.

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<sup>8</sup> The total amount of real estate broker's commission will increase if the purchase price for the Property is increased by a successful overbid; but in no event will exceed 6% of the purchase price.

1 In addition, the Trustee seeks approval to use proceeds of the sale to reimburse the  
2 Broker an amount not to exceed \$1,500.00 for the expenses the Broker incurred to repair and  
3 maintain the Property so that it could be marketed for sale. (See the Declaration of Matt  
4 Vanderbeek for a description of the expenses).

5 **C. The Court Has the Authority to Approve the Bidding Procedures.**

6 Implementing the Bidding Procedures is an action outside of the ordinary course of the  
7 business. Bankruptcy Code Section 363(b)(1) provides that a trustee “after notice and hearing,  
8 may use, sell or lease, other than in the ordinary course of business, property of the estate.” 11  
9 U.S.C. § 363(b)(1). Furthermore, under Bankruptcy Code Section 105(a): “[t]he court may  
10 issue any order, process, or judgment that is necessary or appropriate to carry out the  
11 provisions of this title.” 11 U.S.C. § 105(a). Thus, pursuant to Bankruptcy Code sections  
12 363(b)(1) and 105(a), this Court may approve the Bidding Procedures, which will assist the  
13 Trustee to obtain the best possible price on the best possible terms for the Property.

14 **D. The Court Has the Authority to Find that the Buyer is a Good Faith Purchaser**

15 The Trustee requests a determination that the Buyer is a good faith purchaser pursuant  
16 to 11 U.S.C. § 363(m). There is broad authority for this Court to find that the Buyer is a good  
17 faith purchaser where the Court has evidence of a purchaser’s good faith and that the purchase  
18 is for value. In re Ewell, 958 F.2d 276, 281 (9th Cir. 1992). Here, the Buyer has no relation to  
19 the Trustee or the Debtors and is not a creditor of the bankruptcy estate. The Sale is an arm’s  
20 length transaction and there is no allegation or evidence that the Buyer has engaged in fraud,  
21 collusion, or attempted to take grossly unfair advantage of other bidders. Moreover, the  
22 Property has been marketed to the public for a period of several months and the Sale is subject  
23 to overbidding at the hearing on this Motion.

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

Federal Rule of Bankruptcy Procedure 6004(h) provides that “[a]n order authorizing the use, sale or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the Court orders otherwise.” Fed. R. Bankr. P. 6004(h). The Trustee desires to close the sale as soon as practicable after entry of an order approving the sale. Accordingly, the Trustee requests that the Court, in the discretion provided it under Federal Rule of Bankruptcy Procedure 6004(h), waive the fourteen (14) day stay requirement.

**IV. CONCLUSION**

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

1. Approving the Bidding Procedures utilized by the Trustee as described above.
2. Authorizing the Trustee to sell the Property to the Buyer, or the successful overbidder, as the case may be, pursuant to the terms and conditions as set forth in the Purchase Agreement attached as **Exhibit 3** to the Bui Declaration.
3. Authorizing the Trustee to sign any and all documents convenient and necessary to complete the sale transaction as set forth above, including any and all conveyances contemplated by the Purchase Agreement.
4. So that the Trustee may close on the sale of the Property: (i) requiring and ordering that the Debtors or any occupants of the Property are to immediately vacate the Property; (ii) in the event the Debtors or any occupants of the Property fail to immediately vacate the Property, the Trustee shall be entitled to the issuance of a writ of possession for the Property; (iii) the United States Marshal or other law enforcement officer enforcing the writ or accomplishing such seizure shall employ whatever reasonable force is necessary to enter the Property and to remove the occupants from possession; (iv) the United States Marshal or other law enforcement officer shall institute a lock out whereby the Property will be re-keyed so as to avoid further entry of the Property by the Debtors or any persons not authorized by the Trustee; (v) the Trustee shall hold harmless the United States Marshal or other law

enforcement for any claims arising from any acts, incident or occurrences in connection with the seizure and possession of the Property.

5. Approving the payment of the real estate commission in the total amount not to exceed 6% of the final purchase price, to be split between the Trustee's Broker and the Selling Broker as follows: 3% to the Trustee's Broker, and 3% to the Selling Broker.

6. Authorizing the Trustee to pay liens, costs of sale and other expenses directly from the sale proceeds at the close of escrow including (i) all real estate taxes owed to the County Tax Collector, (ii) all amounts owed to the Secured Creditors or the current beneficiary of the deeds of trust impacting the Property as identified in Title Report, (iii) real estate commission not to exceed 6%, to be split between the Trustee's Broker (3%), and the Selling Broker (3%, with \$1,000.00 of the commission to be paid towards the Buyer's closings costs), (iv) reimbursement to the Trustee's Broker of an amount not to exceed \$1,500.00, for expenses the Broker incurred to repair and maintain Property so that it could be marketed for sale, (v) escrow fees which shall be split between Buyer and Estate in the manner customary in the County where the Property is located (San Bernardino County, California), and (vi) the Debtors' homestead exemption in the Property up to the amount of \$100,000.00, to be disbursed pursuant to 11 U.S.C. § 522(c)(1) as follows:

California Franchise Tax Board	\$30,289.17
State Board of Equalization	\$5,260.06
Debtors	\$64,450.77
Total Homestead Exemption	\$100,000.00

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

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

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

Respectfully submitted,

Dated: September 21, 2017

**SHULMAN HODGES & BASTIAN LLP**

/s/ Brandon J. Iskander

Leonard M. Shulman  
Brandon J. Iskander  
Attorneys for Lynda T. Bui, Chapter 7 Trustee  
for the bankruptcy estate of *In re Salvador Dario  
Contreras and Ana Luz Contreras*,  
Case No. 6:17-bk-13428-MJ



# **DECLARATION**

**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 ("Estate") of *In re Salvador Dario Contreras and Ana Luz Contreras*, Case No. 6:17-bk-13428-MJ. I have personal knowledge of the facts set forth herein, and if called and sworn as a witness, I could and would competently testify thereto.

2. I make this Declaration in support of my *Chapter 7 Trustee's Motion for Order: (1) Approving the Sale of Real Property of the Estate Pursuant to Bankruptcy Code § 363(b)(1) and Subject to Overbids, Combined With Notice of Bidding Procedures and Request for Approval of the Bidding Procedures Utilized; (2) Approving Payment of Real Estate Commission and Other Costs; and (3) Granting Related Relief* ("Sale Motion"). All capitalized terms not otherwise defined herein have the meaning set forth in the Sale Motion.

3. A true and correct copy of the Debtors' Schedules A/B, C and D are attached here as **Exhibit 1**.

4. A true and correct copy of the Title Report on the Property dated June 5, 2017 is attached to here as **Exhibit 2**.

5. The Purchase Agreement with the Buyer is attached here as **Exhibit 3**.

6. In addition to seeking approval for payment of a real estate commission as described in the Sale Motion, I seek approval to use proceeds of the sale to reimburse my Broker an amount not to exceed \$1,500.00 for the expenses he is incurring to repair and maintain the Property so that it could be marketed for sale. The expenses relate pool repairs and maintenance as follows: (i) drain the dirty green water, clean the pool, refill with clean water, and replace filters estimated to total approximately \$600.00, (ii) \$90.00 monthly pool service fees and (iii) monthly electric charges related to the pool pump to maintain the pool water in a healthy condition. The Broker will be required to provide me with receipts for the amounts paid for my approval prior to their reimbursement to the Broker through escrow on the sale.

1           7. I am advised that the Selling Broker and the Buyer have agreed that \$1,000.00  
2 of the Selling Broker's commission will be paid towards the Buyer's closing costs. I have no  
3 objection to this agreement between the Selling Broker and the Buyer.

4           8. The following information is being provided pursuant to Local Bankruptcy Rule  
5 6004-1(c)(2)(b). The Estate does not have the funds to obtain a formal written appraisal for the  
6 estimated value of the Property. The Broker has more than twenty years of experience in the  
7 sale of real property as well as property valuations and is familiar with valuing real property in  
8 today's economic environment. After conducting an on-site inspection and a review of  
9 comparable sales of similar properties the Broker believed it had fair market value that  
10 supported it be listed for sale at \$325,000.00. The Property has been on the market for  
11 approximately three months. In that time, there have been several inquiries by brokers on  
12 behalf of potential buyers, but just the one offer was received from the Buyer, who agreed to  
13 increase the offer from \$310,000.00 to \$315,000.00.

14           9. I believe that the proposed sale, subject to overbids, will be at fair market value.  
15 Given that the sale is subject to overbids, it is anticipated that the Estate will receive the best  
16 and highest value for the Property and therefore the proposed sale price is fair and reasonable.  
17 Moreover, with the secured payoff to the lender on the Property increasing every month, I  
18 believe the Property must be sold as soon as possible in order to maximize the benefit for the  
19 Estate.


20           10. The sale is in the best interest of the Estate because the Estate is anticipated to  
21 receive net proceeds of approximately \$120,400.00. As it is my general practice, I will work  
22 with my professionals (and if necessary, ask them to reduce administrative expenses) to ensure  
23 that creditors receive a meaningful distribution.

24           11. As is required by Federal Rule of Bankruptcy Procedure 6004(f) and Local  
25 Bankruptcy Rule 6004-1(g), I will file a Report of Sale detailing the terms of the sale shortly  
26 after the sale closes.  
27  
28

1 12. For the reasons set forth in the Sale Motion and this Declaration, I respectfully  
2 request that the Court grant the Sale Motion so that I do not lose this favorable business  
3 opportunity to generate a substantial amount of funds for the Estate from the Property.

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

6 Executed on September 19, 2017, at Riverside, California.

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9 \_\_\_\_\_  
10 Lynda T. Bui, solely in the capacity as the Chapter 7 Trustee  
11 for the bankruptcy estate of  
12 *In re Salvador Dario Contreras and Ana Luz Contreras,*  
13 Case No. 6:17-bk-13428-MJ  
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# **DECLARATION**

**DECLARATION OF MATT VANDERBEEK**

I, Matt Vanderbeek, declare:

1. I am the real estate broker for Lynda T. Bui in her capacity as the Chapter 7 trustee for the bankruptcy estate ("Estate") of *In re Salvado Dario Contreras and Ana Luz Contreras* ("Debtor"), Case No. 6:17-bk-13428-MJ. I have personal knowledge of the facts set forth herein, and if called and sworn as a witness, I could and would competently testify thereto.

2. I make this Declaration in support of the *Chapter 7 Trustee's Motion for Order: (1) Approving the Sale of Real Property of the Estate Pursuant to Bankruptcy Code § 363(b)(1) and Subject to Overbids, Combined With Notice of Bidding Procedures and Request for Approval of the Bidding Procedures Utilized; (2) Approving Payment of Real Estate Commission and Other Costs; and (3) Granting Related Relief* ("Sale Motion"). All capitalized terms not otherwise defined here have the meaning set forth in the Sale Motion.

3. I am incurring expenses estimated not to exceed \$1,500.00 related to repairs and maintenance of the Property so that it could be marketed for sale. The expenses relate pool repairs and maintenance as follows: (i) drain the dirty green water, clean the pool, refill with clean water, and replace filters estimated to total approximately \$600.00, (ii) \$90.00 monthly pool service fees and (iii) monthly electric charges related to the pool pump to maintain the pool water in a healthy condition. Receipts for the amounts paid will be provided to the Trustee for her approval prior to their reimbursement to me through escrow on the sale.

4. I have more than twenty years of experience in the sale of real property as well as property valuations and I am familiar with valuing real property in today's economic environment. After conducting an on-site inspection and a review of comparable sales of similar properties, I informed the Trustee that the Property was worth approximately \$325,000.00 and I recommended listing the Property for sale at that amount.

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**Exhibit 1**  
**Schedules A/B, C and D**



Fill in this information to identify your case and this filing:

Debtor 1 **Salvador Dario Contreras**  
First Name Middle Name Last Name

Debtor 2 **Ana Luz Contreras**  
(Spouse, if filing) First Name Middle Name Last Name

United States Bankruptcy Court for the: CENTRAL DISTRICT OF CALIFORNIA

Case number \_\_\_\_\_

☐ Check if this is an amended filing

Official Form 106A/B

**Schedule A/B: Property**

12/15

In each category, separately list and describe items. List an asset only once. If an asset fits in more than one category, list the asset in the category where you think it fits best. Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write your name and case number (if known). Answer every question.

**Part 1: Describe Each Residence, Building, Land, or Other Real Estate You Own or Have an Interest In**

1. Do you own or have any legal or equitable interest in any residence, building, land, or similar property?

- ☐ No. Go to Part 2.
- ☒ Yes. Where is the property?

1.1

**11626 Driftwood Dr**

Street address, if available, or other description

**Fontana** **CA** **92337-0000**  
City State ZIP Code

**San Bernardino**  
County

What is the property? Check all that apply

- ☒ Single-family home
- ☐ Duplex or multi-unit building
- ☐ Condominium or cooperative
- ☐ Manufactured or mobile home
- ☐ Land
- ☐ Investment property
- ☐ Timeshare
- ☐ Other \_\_\_\_\_

Who has an interest in the property? Check one

- ☐ Debtor 1 only
- ☐ Debtor 2 only
- ☒ Debtor 1 and Debtor 2 only
- ☐ At least one of the debtors and another

Other information you wish to add about this item, such as local property identification number:

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

Current value of the entire property?	Current value of the portion you own?
<b>\$277,278.00</b>	<b>\$277,278.00</b>

Describe the nature of your ownership interest (such as fee simple, tenancy by the entirety, or a life estate), if known.

**Fee simple**

☒ Check if this is community property (see instructions)

2. Add the dollar value of the portion you own for all of your entries from Part 1, including any entries for pages you have attached for Part 1. Write that number here.....=>

**\$277,278.00**

**Part 2: Describe Your Vehicles**

Do you own, lease, or have legal or equitable interest in any vehicles, whether they are registered or not? Include any vehicles you own that someone else drives. If you lease a vehicle, also report it on *Schedule G: Executory Contracts and Unexpired Leases*.

Debtor 1 **Salvador Dario Contreras**  
Debtor 2 **Ana Luz Contreras**

Case number (if known) \_\_\_\_\_

**3. Cars, vans, trucks, tractors, sport utility vehicles, motorcycles**

☐ No  
☒ Yes

3.1 Make: **Toyota**  
Model: **Echo**  
Year: **2002**  
Approximate mileage: **200,000**  
Other information:  
**Location: 11626 Driftwood Dr,  
Fontana CA 92337**

**Who has an interest in the property?** Check one

☐ Debtor 1 only  
☐ Debtor 2 only  
☒ Debtor 1 and Debtor 2 only  
☐ At least one of the debtors and another

☒ **Check if this is community property**  
(see instructions)

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

**Current value of the entire property?**

**Current value of the portion you own?**

**\$668.00**

**\$668.00**

3.2 Make: **Chevrolet**  
Model: **1500**  
Year: **1997**  
Approximate mileage: **210,000**  
Other information:  
**Location: 11626 Driftwood Dr,  
Fontana CA 92337**

**Who has an interest in the property?** Check one

☐ Debtor 1 only  
☐ Debtor 2 only  
☒ Debtor 1 and Debtor 2 only  
☐ At least one of the debtors and another

☒ **Check if this is community property**  
(see instructions)

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

**Current value of the entire property?**

**Current value of the portion you own?**

**\$1,440.00**

**\$1,440.00**

3.3 Make: **Mitsubishi**  
Model: **Fuso FE**  
Year: **1994**  
Approximate mileage: **500,000**  
Other information:  
**Location: 11626 Driftwood Dr,  
Fontana CA 92337**  
**Non-Operational**

**Who has an interest in the property?** Check one

☐ Debtor 1 only  
☐ Debtor 2 only  
☒ Debtor 1 and Debtor 2 only  
☐ At least one of the debtors and another

☒ **Check if this is community property**  
(see instructions)

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

**Current value of the entire property?**

**Current value of the portion you own?**

**\$900.00**

**\$900.00**

**4. Watercraft, aircraft, motor homes, ATVs and other recreational vehicles, other vehicles, and accessories**

*Examples: Boats, trailers, motors, personal watercraft, fishing vessels, snowmobiles, motorcycle accessories*

☒ No  
☐ Yes

**5 Add the dollar value of the portion you own for all of your entries from Part 2, including any entries for pages you have attached for Part 2. Write that number here.....=>**

**\$3,008.00**

**Part 3: Describe Your Personal and Household Items**

**Do you own or have any legal or equitable interest in any of the following items?**

**Current value of the portion you own?**  
Do not deduct secured claims or exemptions.

**6. Household goods and furnishings**

*Examples: Major appliances, furniture, linens, china, kitchenware*

☐ No  
☒ Yes. Describe.....

**Location: 11626 Driftwood Dr, Fontana CA 92337**

**\$1,000.00**

Debtor 1 **Salvador Dario Contreras**  
Debtor 2 **Ana Luz Contreras**

Case number (if known) \_\_\_\_\_

**7. Electronics**

*Examples:* Televisions and radios; audio, video, stereo, and digital equipment; computers, printers, scanners; music collections; electronic devices including cell phones, cameras, media players, games

☒ No

☐ Yes. Describe.....

**8. Collectibles of value**

*Examples:* Antiques and figurines; paintings, prints, or other artwork; books, pictures, or other art objects; stamp, coin, or baseball card collections; other collections, memorabilia, collectibles

☒ No

☐ Yes. Describe.....

**9. Equipment for sports and hobbies**

*Examples:* Sports, photographic, exercise, and other hobby equipment; bicycles, pool tables, golf clubs, skis; canoes and kayaks; carpentry tools; musical instruments

☒ No

☐ Yes. Describe.....

**10. Firearms**

*Examples:* Pistols, rifles, shotguns, ammunition, and related equipment

☒ No

☐ Yes. Describe.....

**11. Clothes**

*Examples:* Everyday clothes, furs, leather coats, designer wear, shoes, accessories

☐ No

☒ Yes. Describe.....

Location: 11626 Driftwood Dr, Fontana CA 92337

\$100.00

**12. Jewelry**

*Examples:* Everyday jewelry, costume jewelry, engagement rings, wedding rings, heirloom jewelry, watches, gems, gold, silver

☐ No

☒ Yes. Describe.....

Location: 11626 Driftwood Dr, Fontana CA 92337

\$100.00

**13. Non-farm animals**

*Examples:* Dogs, cats, birds, horses

☐ No

☒ Yes. Describe.....

1 cat

\$0.00

**14. Any other personal and household items you did not already list, including any health aids you did not list**

☒ No

☐ Yes. Give specific information.....

**15. Add the dollar value of all of your entries from Part 3, including any entries for pages you have attached for Part 3. Write that number here .....**

\$1,200.00

**Part 4: Describe Your Financial Assets**

**Do you own or have any legal or equitable interest in any of the following?**

**Current value of the portion you own?**  
Do not deduct secured claims or exemptions.

Debtor 1 **Salvador Dario Contreras**  
Debtor 2 **Ana Luz Contreras**

Case number (if known) \_\_\_\_\_

**16. Cash**

*Examples:* Money you have in your wallet, in your home, in a safe deposit box, and on hand when you file your petition

☐ No

☐ Yes.....

**17. Deposits of money**

*Examples:* Checking, savings, or other financial accounts; certificates of deposit; shares in credit unions, brokerage houses, and other similar institutions. If you have multiple accounts with the same institution, list each.

☐ No

☐ Yes..... Institution name:

**18. Bonds, mutual funds, or publicly traded stocks**

*Examples:* Bond funds, investment accounts with brokerage firms, money market accounts

☐ No

☐ Yes..... Institution or issuer name:

**19. Non-publicly traded stock and interests in incorporated and unincorporated businesses, including an interest in an LLC, partnership, and joint venture**

☐ No

☐ Yes. Give specific information about them.....

Name of entity:

% of ownership:

**20. Government and corporate bonds and other negotiable and non-negotiable instruments**

*Negotiable instruments* include personal checks, cashiers' checks, promissory notes, and money orders.

*Non-negotiable instruments* are those you cannot transfer to someone by signing or delivering them.

☐ No

☐ Yes. Give specific information about them

Issuer name:

**21. Retirement or pension accounts**

*Examples:* Interests in IRA, ERISA, Keogh, 401(k), 403(b), thrift savings accounts, or other pension or profit-sharing plans

☐ No

☐ Yes. List each account separately.

Type of account:

Institution name:

**22. Security deposits and prepayments**

Your share of all unused deposits you have made so that you may continue service or use from a company

*Examples:* Agreements with landlords, prepaid rent, public utilities (electric, gas, water), telecommunications companies, or others

☐ No

☐ Yes. .... Institution name or individual:

**23. Annuities** (A contract for a periodic payment of money to you, either for life or for a number of years)

☐ No

☐ Yes..... Issuer name and description.

**24. Interests in an education IRA, in an account in a qualified ABLE program, or under a qualified state tuition program.**

26 U.S.C. §§ 530(b)(1), 529A(b), and 529(b)(1).

☐ No

☐ Yes..... Institution name and description. Separately file the records of any interests. 11 U.S.C. § 521(c):

**25. Trusts, equitable or future interests in property (other than anything listed in line 1), and rights or powers exercisable for your benefit**

☐ No

☐ Yes. Give specific information about them...

**26. Patents, copyrights, trademarks, trade secrets, and other intellectual property**

*Examples:* Internet domain names, websites, proceeds from royalties and licensing agreements

☐ No

☐ Yes. Give specific information about them...

**27. Licenses, franchises, and other general intangibles**

*Examples:* Building permits, exclusive licenses, cooperative association holdings, liquor licenses, professional licenses

☐ No

☐ Yes. Give specific information about them...

Debtor 1 **Salvador Dario Contreras**  
Debtor 2 **Ana Luz Contreras**

Case number (if known) \_\_\_\_\_

**Money or property owed to you?**

**Current value of the  
portion you own?**  
Do not deduct secured  
claims or exemptions.

**28. Tax refunds owed to you**

- ☒ No  
☐ Yes. Give specific information about them, including whether you already filed the returns and the tax years.....

**29. Family support**

*Examples:* Past due or lump sum alimony, spousal support, child support, maintenance, divorce settlement, property settlement

- ☒ No  
☐ Yes. Give specific information.....

**30. Other amounts someone owes you**

*Examples:* Unpaid wages, disability insurance payments, disability benefits, sick pay, vacation pay, workers' compensation, Social Security benefits; unpaid loans you made to someone else

- ☒ No  
☐ Yes. Give specific information..

**31. Interests in insurance policies**

*Examples:* Health, disability, or life insurance; health savings account (HSA); credit, homeowner's, or renter's insurance

- ☒ No  
☐ Yes. Name the insurance company of each policy and list its value.  
Company name:

Beneficiary:

Surrender or refund  
value:

**32. Any interest in property that is due you from someone who has died**

If you are the beneficiary of a living trust, expect proceeds from a life insurance policy, or are currently entitled to receive property because someone has died.

- ☒ No  
☐ Yes. Give specific information..

**33. Claims against third parties, whether or not you have filed a lawsuit or made a demand for payment**

*Examples:* Accidents, employment disputes, insurance claims, or rights to sue

- ☒ No  
☐ Yes. Describe each claim.....

**34. Other contingent and unliquidated claims of every nature, including counterclaims of the debtor and rights to set off claims**

- ☒ No  
☐ Yes. Describe each claim.....

**35. Any financial assets you did not already list**

- ☒ No  
☐ Yes. Give specific information..

**36. Add the dollar value of all of your entries from Part 4, including any entries for pages you have attached for Part 4. Write that number here.....**

**\$0.00**

**Part 5: Describe Any Business-Related Property You Own or Have an Interest In. List any real estate in Part 1.**

**37. Do you own or have any legal or equitable interest in any business-related property?**

- ☒ No. Go to Part 6.  
☐ Yes. Go to line 38.

Debtor 1 **Salvador Dario Contreras**  
Debtor 2 **Ana Luz Contreras**

Case number (if known) \_\_\_\_\_

**Part 6: Describe Any Farm- and Commercial Fishing-Related Property You Own or Have an Interest In.**  
If you own or have an interest in farmland, list it in Part 1.

46. **Do you own or have any legal or equitable interest in any farm- or commercial fishing-related property?**

- ☒ No. Go to Part 7.  
☐ Yes. Go to line 47.

**Part 7: Describe All Property You Own or Have an Interest in That You Did Not List Above**

53. **Do you have other property of any kind you did not already list?**

*Examples: Season tickets, country club membership*

- ☒ No  
☐ Yes. Give specific information.....

54. **Add the dollar value of all of your entries from Part 7. Write that number here .....**

**\$0.00**

**Part 8: List the Totals of Each Part of this Form**

55. <b>Part 1: Total real estate, line 2 .....</b>		<b>\$277,278.00</b>
56. <b>Part 2: Total vehicles, line 5</b>	<b>\$3,008.00</b>	
57. <b>Part 3: Total personal and household items, line 15</b>	<b>\$1,200.00</b>	
58. <b>Part 4: Total financial assets, line 36</b>	<b>\$0.00</b>	
59. <b>Part 5: Total business-related property, line 45</b>	<b>\$0.00</b>	
60. <b>Part 6: Total farm- and fishing-related property, line 52</b>	<b>\$0.00</b>	
61. <b>Part 7: Total other property not listed, line 54</b>	<b>+</b> <b>\$0.00</b>	
62. <b>Total personal property. Add lines 56 through 61...</b>	<b>\$4,208.00</b>	Copy personal property total <b>\$4,208.00</b>
63. <b>Total of all property on Schedule A/B. Add line 55 + line 62</b>		<b>\$281,486.00</b>

Fill in this information to identify your case:

Debtor 1	<b>Salvador Dario Contreras</b>		
	First Name	Middle Name	Last Name
Debtor 2	<b>Ana Luz Contreras</b>		
(Spouse if, filing)	First Name	Middle Name	Last Name
United States Bankruptcy Court for the:	CENTRAL DISTRICT OF CALIFORNIA		
Case number (if known)			

☐ Check if this is an amended filing

Official Form 106C

Schedule C: The Property You Claim as Exempt

4/16

Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. Using the property you listed on *Schedule A/B: Property* (Official Form 106A/B) as your source, list the property that you claim as exempt. If more space is needed, fill out and attach to this page as many copies of *Part 2: Additional Page* as necessary. On the top of any additional pages, write your name and case number (if known).

For each item of property you claim as exempt, you must specify the amount of the exemption you claim. One way of doing so is to state a specific dollar amount as exempt. Alternatively, you may claim the full fair market value of the property being exempted up to the amount of any applicable statutory limit. Some exemptions—such as those for health aids, rights to receive certain benefits, and tax-exempt retirement funds—may be unlimited in dollar amount. However, if you claim an exemption of 100% of fair market value under a law that limits the exemption to a particular dollar amount and the value of the property is determined to exceed that amount, your exemption would be limited to the applicable statutory amount.

Part 1: Identify the Property You Claim as Exempt

1. Which set of exemptions are you claiming? Check one only, even if your spouse is filing with you.

- ☒ You are claiming state and federal nonbankruptcy exemptions. 11 U.S.C. § 522(b)(3)
- ☐ You are claiming federal exemptions. 11 U.S.C. § 522(b)(2)

2. For any property you list on *Schedule A/B* that you claim as exempt, fill in the information below.

Brief description of the property and line on <i>Schedule A/B</i> that lists this property	Current value of the portion you own  Copy the value from <i>Schedule A/B</i>	Amount of the exemption you claim  Check only one box for each exemption.	Specific laws that allow exemption
11626 Driftwood Dr Fontana, CA 92337 San Bernardino County Line from <i>Schedule A/B</i> : 1.1	\$277,278.00	<input checked="" type="checkbox"/> \$100,000.00 <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 704.730
2002 Toyota Echo 200,000 miles Location: 11626 Driftwood Dr, Fontana CA 92337 Line from <i>Schedule A/B</i> : 3.1	\$668.00	<input checked="" type="checkbox"/> \$668.00 <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 704.010
1997 Chevrolet 1500 210,000 miles Location: 11626 Driftwood Dr, Fontana CA 92337 Line from <i>Schedule A/B</i> : 3.2	\$1,440.00	<input checked="" type="checkbox"/> \$1,440.00 <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 704.010
1994 Mitsubishi Fuso FE 500,000 miles Location: 11626 Driftwood Dr, Fontana CA 92337  Non-Operational Line from <i>Schedule A/B</i> : 3.3	\$900.00	<input checked="" type="checkbox"/> \$942.00 <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 704.010

Debtor 1 **Salvador Dario Contreras**  
Debtor 2 **Ana Luz Contreras**

Case number (if known)

Brief description of the property and line on <i>Schedule A/B</i> that lists this property	Current value of the portion you own  Copy the value from <i>Schedule A/B</i>	Amount of the exemption you claim  <i>Check only one box for each exemption.</i>	Specific laws that allow exemption
<b>Location: 11626 Driftwood Dr, Fontana CA 92337</b> Line from <i>Schedule A/B</i> : <b>6.1</b>	<u><b>\$1,000.00</b></u>	<input checked="" type="checkbox"/> <u><b>\$1,000.00</b></u> <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	<b>C.C.P. § 704.020</b>
<b>Location: 11626 Driftwood Dr, Fontana CA 92337</b> Line from <i>Schedule A/B</i> : <b>11.1</b>	<u><b>\$100.00</b></u>	<input checked="" type="checkbox"/> <u><b>\$100.00</b></u> <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	<b>C.C.P. § 704.020</b>
<b>Location: 11626 Driftwood Dr, Fontana CA 92337</b> Line from <i>Schedule A/B</i> : <b>12.1</b>	<u><b>\$100.00</b></u>	<input checked="" type="checkbox"/> <u><b>\$100.00</b></u> <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	<b>C.C.P. § 704.040</b>
<b>1 cat</b> Line from <i>Schedule A/B</i> : <b>13.1</b>	<u><b>\$0.00</b></u>	<input checked="" type="checkbox"/> <u><b>\$0.00</b></u> <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	<b>C.C.P. § 704.020</b>

3. **Are you claiming a homestead exemption of more than \$160,375?**  
(Subject to adjustment on 4/01/19 and every 3 years after that for cases filed on or after the date of adjustment.)
- ☒ No
- ☐ Yes. Did you acquire the property covered by the exemption within 1,215 days before you filed this case?
- ☐ No
- ☐ Yes



Fill in this information to identify your case:

Debtor 1	<b>Salvador Dario Contreras</b>		
	First Name	Middle Name	Last Name
Debtor 2 (Spouse if, filing)	<b>Ana Luz Contreras</b>		
	First Name	Middle Name	Last Name
United States Bankruptcy Court for the:	CENTRAL DISTRICT OF CALIFORNIA		
Case number (if known)			

☐ Check if this is an amended filing

Official Form 106D

Schedule D: Creditors Who Have Claims Secured by Property

12/15

Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. If more space is needed, copy the Additional Page, fill it out, number the entries, and attach it to this form. On the top of any additional pages, write your name and case number (if known).

1. Do any creditors have claims secured by your property?

- ☐ No. Check this box and submit this form to the court with your other schedules. You have nothing else to report on this form.
- ☒ Yes. Fill in all of the information below.

Part 1: List All Secured Claims

2. List all secured claims. If a creditor has more than one secured claim, list the creditor separately for each claim. If more than one creditor has a particular claim, list the other creditors in Part 2. As much as possible, list the claims in alphabetical order according to the creditor's name.

	Column A Amount of claim Do not deduct the value of collateral.	Column B Value of collateral that supports this claim	Column C Unsecured portion If any	
2.1 Seterus, Inc. Creditor's Name  8501 IBM Dr. Bldg. 201 Charlotte, NC 28262 Number, Street, City, State & Zip Code	Describe the property that secures the claim: <b>11626 Driftwood Dr Fontana, CA 92337 San Bernardino County</b>  As of the date you file, the claim is: Check all that apply. <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Nature of lien. Check all that apply. <input type="checkbox"/> An agreement you made (such as mortgage or secured car loan) <input type="checkbox"/> Statutory lien (such as tax lien, mechanic's lien) <input type="checkbox"/> Judgment lien from a lawsuit <input checked="" type="checkbox"/> Other (including a right to offset) <b>First Mortgage</b>	<b>\$31,566.00</b>	<b>\$277,278.00</b>	<b>\$0.00</b>
Who owes the debt? Check one. <input type="checkbox"/> Debtor 1 only <input type="checkbox"/> Debtor 2 only <input checked="" type="checkbox"/> Debtor 1 and Debtor 2 only <input type="checkbox"/> At least one of the debtors and another <input checked="" type="checkbox"/> Check if this claim relates to a community debt Date debt was incurred _____ Last 4 digits of account number _____				

2.2 Wells Fargo Home Equity Creditor's Name  PO Box 3155 Billings, MT 59107 Number, Street, City, State & Zip Code	Describe the property that secures the claim: <b>11626 Driftwood Dr Fontana, CA 92337 San Bernardino County</b>  As of the date you file, the claim is: Check all that apply. <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Nature of lien. Check all that apply. <input type="checkbox"/> An agreement you made (such as mortgage or secured car loan) <input type="checkbox"/> Statutory lien (such as tax lien, mechanic's lien) <input type="checkbox"/> Judgment lien from a lawsuit <input checked="" type="checkbox"/> Other (including a right to offset) <b>HELOC</b>	<b>\$156,106.00</b>	<b>\$277,278.00</b>	<b>\$0.00</b>
Who owes the debt? Check one. <input type="checkbox"/> Debtor 1 only <input type="checkbox"/> Debtor 2 only <input checked="" type="checkbox"/> Debtor 1 and Debtor 2 only <input type="checkbox"/> At least one of the debtors and another <input checked="" type="checkbox"/> Check if this claim relates to a community debt Date debt was incurred _____ Last 4 digits of account number _____				

Debtor 1 **Salvador Dario Contreras**

Case number (if know) \_\_\_\_\_

First Name Middle Name Last Name

Debtor 2 **Ana Luz Contreras**

First Name Middle Name Last Name

Add the dollar value of your entries in Column A on this page. Write that number here:

**\$187,672.00**

If this is the last page of your form, add the dollar value totals from all pages.

**\$187,672.00**

Write that number here:

**Part 2: List Others to Be Notified for a Debt That You Already Listed**

Use this page only if you have others to be notified about your bankruptcy for a debt that you already listed in Part 1. For example, if a collection agency is trying to collect from you for a debt you owe to someone else, list the creditor in Part 1, and then list the collection agency here. Similarly, if you have more than one creditor for any of the debts that you listed in Part 1, list the additional creditors here. If you do not have additional persons to be notified for any debts in Part 1, do not fill out or submit this page.

## **Exhibit 2**

### **Title Report**

## **EQUITY TITLE COMPANY**

450 EXCHANGE, STE 200

IRVINE, CA 92602

PHONE: (714) 972-4200

FAX: (303) 876-4648

DATED AS OF JUNE 5, 2017 AT 7:30 A.M.

**PRO REALTY GROUP  
54 ENDLESS VISTA  
ALISO VIEJO, CA 92656**

**ATTENTION: MATT VANDERBEEK**

**YOUR NO.: 11626 DRIFTWOOD**

**PROPERTY ADDRESS: 11626 DRIFTWOOD DRIVE,  
FONTANA, CA 92337**

**ORDER NO.: VE1740103**

**TITLE OFFICER: MINDY J. BECKHAM**

**EMAIL: MINDY.BECKHAM@EQUITYTITLE.COM**

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### **"PRELIMINARY REPORT"**

IN RESPONSE TO THE ABOVE REFERENCED APPLICATION FOR A POLICY OF TITLE INSURANCE, **EQUITY 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 BELOW OR NOT EXCLUDED FROM COVERAGE PURSUANT TO THE PRINTED SCHEDULES, CONDITIONS AND STIPULATIONS OF SAID POLICY FORMS.

THE PRINTED EXCEPTIONS AND EXCLUSIONS FROM THE COVERAGE OF SAID POLICY OR POLICIES ARE SET FORTH IN EXHIBIT B ATTACHED. 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 SET FORTH IN THE POLICY. COPIES OF THE POLICY FORMS SHOULD BE READ. THEY ARE AVAILABLE FROM THE OFFICE THAT ISSUED THIS REPORT.

**PLEASE READ THE EXCEPTIONS SHOWN OR REFERRED TO BELOW AND THE EXCEPTIONS AND EXCLUSIONS SET FORTH IN EXHIBIT B 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.**

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 FORM OF POLICY OF TITLE INSURANCE CONTEMPLATED BY THIS REPORT IS:

ALTA/CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE, IF APPLICABLE, OR

CLTA/ALTA STANDARD OWNER'S POLICY; AND/OR

ALTA LOAN POLICY, IF APPLICABLE, OR CLTA STANDARD LOAN POLICY

**A SPECIFIC REQUEST SHOULD BE MADE IF ANOTHER FORM OR ADDITIONAL COVERAGE IS DESIRED.**

## **Exhibit 2**

**SCHEDULE A**

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

**A FEE**

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

**SALVADOR D. CONTRERAS AND ANA LUZ CONTRERAS, HUSBAND AND WIFE AS JOINT TENANTS**

**SUBJECT TO PROCEEDINGS PENDING IN THE CENTRAL OF THE U. S. DISTRICT COURT, CALIFORNIA [STATE], ENTITLED IN RE: SALVADOR DARIO CONTRERAS AND ANA LUZ CONTRERAS, CASE NO. 17-13428, WHEREIN A PETITION FOR RELIEF WAS FILED APRIL 26, 2017.**

**PLEASE NOTE: BANKRUPTCY RULE NO. 6004.(h) STATES: "AN ORDER AUTHORIZING THE USE, SALE, OR LEASE OF PROPERTY OTHER THAN CASH COLLATERAL IS STAYED UNTIL THE EXPIRATION OF 14 DAYS AFTER THE ENTRY OF THE ORDER, UNLESS THE COURT ORDERS OTHERWISE."**

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

**SEE EXHIBIT "A" ATTACHED HERETO**

**EXHIBIT "A"**

LOT 130, TRACT NO. 12245, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 167 OF MAPS, PAGES 50 TO 55, INCLUSIVE, CERTIFICATE OF CORRFCTION RECORDED AUGUST 30, 1984, AS INSTRUMENT NO. 84-208009, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL OIL, WATER, GAS, PETROLEUM, ALL KINDRED SUBSTANCES WHETHER KNOWN OR UNKONWN, AND ANY OTHER HYDROCARBON SUBSTANCES LYING BELOW A DEPTH OF FIVE HUNDRED FEET AND WATER LYING BELOW A DEPTH OF TWO HUNDRED FEET, BUT WITHOUT THE RIGHT OF SURFACE ENTRY TO TAKE TO RECOVER SAME, AS RESERVED BY TEN-NINETY, LTD., RECORDED AUGUST 24, 1984 AS INSTRUMENT NO. 84-203545, OFFICIAL RECORDS OF SAID COUNTY.

**\*\*\*END OF LEGAL DESCRIPTION\*\*\***

**SCHEDULE B**

AT THE DATE HEREOF EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM DESIGNATED ON THE FACE PAGE OF THIS REPORT WOULD BE AS FOLLOWS:

A. GENERAL AND SPECIAL TAXES FOR THE FISCAL YEAR 2017-2018, A LIEN NOT YET DUE OR PAYABLE.

B. GENERAL AND SPECIAL TAXES FOR THE FISCAL YEAR 2016-2017

TOTAL:	\$3,230.92	
FIRST INSTALLMENT:	\$1,615.47	PAID
SECOND INSTALLMENT:	\$1,615.45	PAID

ASSESSED VALUATION:

LAND VALUE:	\$49,918.00
IMPROVEMENTS:	\$149,752.00
EXEMPTION:	\$7,000.00

CODE AREA:	010091
A. P. NO.:	0236-331-67-0-000

C. THE LIEN OF SUPPLEMENTAL TAXES ASSESSED PURSUANT TO CHAPTER 3.5 COMMENCING WITH SECTION 75 OF THE CALIFORNIA REVENUE AND TAXATION CODE.

D. SAID LAND LIES WITHIN THE BOUNDARIES OF SPECIAL TAX ASSESSMENT DISTRICT CREATED BY A "COMMUNITY FACILITIES DISTRICT" MAP RECORDED UNDER THE PROVISIONS OF THE MELLO-ROOS ACT 9 STREETS AND HIGHWAY CODE (SECTION 3100, ET SEQ.) THE CALIFORNIA STATE LEGISLATURE, AND IS SUBJECT TO ALL ASSESSMENTS LEVIED THEREBY.

SAID ASSESSMENT IS INCORPORATED INTO THE REGULAR PROPERTY TAX BILL AND IS PART OF THE GENERAL TAX COLLECTION PROCESS.

1. WATER RIGHTS, CLAIMS OR TITLE TO WATER, WHETHER OR NOT SHOWN BY THE PUBLIC RECORDS.

2. ANY EASEMENTS OR SERVITUDES APPEARING IN THE PUBLIC RECORDS.

AFFECTS: COMMON AREA

3. THE FACT THAT THE LAND LIES WITHIN THE BOUNDARIES OF THE THE JURUPA HILLS DEVELOPMENT AGENCY, REDEVELOPMENT PROJECT AREA, AS DISCLOSED BY THE DOCUMENT RECORDED OCTOBER 12, 1981 AS INSTRUMENT NO. [81-225273](#), OF OFFICIAL RECORDS.

NOTE: AN AMENDMENT TO THE JURUPA HILLS REDEVELOPMENT PROJECT RECORDED OCTOBER 7, 1983 AS INSTRUMENT NO. [83-235393](#) OF OFFICIAL RECORDS.

4. THE TERMS AND PROVISIONS CONTAINED IN THE DOCUMENT ENTITLED "REGULATORY AGREEMENT", EXECUTED BY AND BETWEEN TEN -NINETY, LTD., A CALIFORNIA LIMITED PARTNERSHIP AND THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT ACTING BY AND THROUGH THE FEDERAL HOUSING COMMISSIONER, RECORDED JULY 22, 1983 AS INSTRUMENT NO. [83-165198](#), OF OFFICIAL RECORDS.

## Exhibit 2

ORDER NO. VE1740103

5. COVENANTS, CONDITIONS AND RESTRICTIONS, WHICH PROVIDE THAT A VIOLATION THEREOF SHALL NOT DEFEAT OR RENDER INVALID THE LIEN OF ANY FIRST MORTGAGE OR DEED OF TRUST MADE IN GOOD FAITH AND FOR VALUE, BUT DELETING ANY COVENANT, CONDITION OR RESTRICTION INDICATING A PREFERENCE, LIMITATION OR DISCRIMINATION BASED ON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS, NATIONAL ORIGIN, SEXUAL ORIENTATION, MARITAL STATUS, ANCESTRY, SOURCE OF INCOME OR DISABILITY, TO THE EXTENT SUCH COVENANTS, CONDITIONS OR RESTRICTIONS VIOLATE TITLE 42, SECTION 3604(C), OF THE UNITED STATES CODES OR SECTION 12955 OF THE CALIFORNIA GOVERNMENT CODE. LAWFUL RESTRICTIONS UNDER STATE AND FEDERAL LAW ON THE AGE OF OCCUPANTS IN SENIOR HOUSING OR HOUSING FOR OLDER PERSONS SHALL NOT BE CONSTRUED AS RESTRICTIONS BASED ON FAMILIAL STATUS.

RECORDED: JULY 21, 1983 AS INSTRUMENT NO. [83-163656](#), OF OFFICIAL RECORDS.

6. COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS, WHICH PROVIDE THAT A VIOLATION THEREOF SHALL NOT DEFEAT OR RENDER INVALID THE LIEN OF ANY FIRST MORTGAGE OR DEED OF TRUST MADE IN GOOD FAITH AND FOR VALUE, BUT DELETING ANY COVENANT, CONDITION OR RESTRICTION INDICATING A PREFERENCE, LIMITATION OR DISCRIMINATION BASED ON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS, NATIONAL ORIGIN, SEXUAL ORIENTATION, MARITAL STATUS, ANCESTRY, SOURCE OF INCOME OR DISABILITY, TO THE EXTENT SUCH COVENANTS, CONDITIONS OR RESTRICTIONS VIOLATE TITLE 42, SECTION 3604(C), OF THE UNITED STATES CODES OR SECTION 12955 OF THE CALIFORNIA GOVERNMENT CODE. LAWFUL RESTRICTIONS UNDER STATE AND FEDERAL LAW ON THE AGE OF OCCUPANTS IN SENIOR HOUSING OR HOUSING FOR OLDER PERSONS SHALL NOT BE CONSTRUED AS RESTRICTIONS BASED ON FAMILIAL STATUS.

RECORDED: OCTOBER 6, 1983 AS INSTRUMENT NO. [83-234669](#), OF OFFICIAL RECORDS.

AN EASEMENT AS CONTAINED IN THE ABOVE DOCUMENT

FOR: CABLE TELEVISION AND INCIDENTAL PURPOSES

AFFECTS: CANNOT BE LOCATED FROM THE RECORD.

7. AN EASEMENT FOR PURPOSES STATED AND INCIDENTAL RIGHTS.

FOR: CABLES, EQUIPMENT AND INCIDENTAL PURPOSES.

GRANTED TO: TEN-NINETY, LTD., A CALIFORNIA LIMITED PARTNERSHIP.

RECORDED: MAY 25, 1984 AS INSTRUMENT NO. [84-123783](#), OF OFFICIAL RECORDS.

AFFECTS: AS MORE PARTICULARLY DESCRIBED THEREIN.

8. COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS, WHICH PROVIDE THAT A VIOLATION THEREOF SHALL NOT DEFEAT OR RENDER INVALID THE LIEN OF ANY FIRST MORTGAGE OR DEED OF TRUST MADE IN GOOD FAITH AND FOR VALUE, BUT DELETING ANY COVENANT, CONDITION OR RESTRICTION INDICATING A PREFERENCE, LIMITATION OR DISCRIMINATION BASED ON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS, NATIONAL ORIGIN, SEXUAL ORIENTATION, MARITAL STATUS, ANCESTRY, SOURCE OF INCOME OR DISABILITY, TO THE EXTENT SUCH COVENANTS, CONDITIONS OR RESTRICTIONS VIOLATE TITLE 42, SECTION 3604(C), OF THE UNITED STATES CODES OR SECTION 12955 OF THE CALIFORNIA GOVERNMENT CODE. LAWFUL RESTRICTIONS UNDER STATE AND FEDERAL LAW ON THE AGE OF OCCUPANTS IN SENIOR HOUSING OR HOUSING FOR OLDER PERSONS SHALL NOT BE CONSTRUED AS RESTRICTIONS BASED ON FAMILIAL STATUS.

RECORDED: JUNE 7, 1984 AS INSTRUMENT NO. [84-133412](#), OF OFFICIAL RECORDS.

## Exhibit 2



ORDER NO. VE1740103

AN EASEMENT AS CONTAINED IN THE ABOVE DOCUMENT

FOR: MAINTENANCE OF UTILITIES AND DRAINAGE FACILITIES AND  
INCIDENTAL PURPOSES

AFFECTS: CANNOT BE LOCATED FROM THE RECORD.

9. AN EASEMENT FOR PURPOSES STATED AND INCIDENTAL RIGHTS.

FOR: UNDERGROUND CONDUITS AND INCIDENTAL PURPOSES.  
GRANTED TO: SOUTHERN CALIFORNIA EDISON COMPANY  
RECORDED: OCTOBER 31, 1985 AS INSTRUMENT NO. [85-271968](#), OF OFFICIAL  
RECORDS.

AFFECTS: DESCRIBED AS FOLLOWS: THE NORTHERLY 4 FEET OF LOT 130

10. ANY RESTRICTIONS COVERING THE FUTURE USE OF THE LAND, AS DISCLOSED BY A "DESCRIPTION OF THE LAND LOCATED WITHIN AMENDMENT NO. 2 TO THE JURUPA HILLS REDEVELOPMENT PROJECT AND STATEMENT THAT REDEVELOPMENT PROCEEDINGS HAVE BEEN INSTITUTED", RECORDED SEPTEMBER 14, 1987 AS INSTRUMENT NO. [87 -321008](#) OF OFFICIAL RECORDS, COVERING THE HEREIN DESCRIBED AND OTHER LAND.
11. THE TERMS AND PROVISIONS CONTAINED IN THE DOCUMENT ENTITLED "DEVELOPMENT AGREEMENT", EXECUTED BY AND BETWEEN THE CITY OF FONTANA, A MUNICIPAL CORPORATION, AND TEN -NINETY, LTD., A CALIFORNIA LIMITED PARTNERSHIP, RECORDED JANUARY 20, 1988 AS INSTRUMENT NO. [88-018613](#), OF OFFICIAL RECORDS.
12. ANY FACTS, RIGHTS, INTERESTS OR CLAIMS WHICH WOULD BE DISCLOSED BY A CORRECT ALTA/NSPS SURVEY.
13. **A DEED OF TRUST TO SECURE AN ORIGINAL INDEBTEDNESS AND ANY OTHER AMOUNTS OR OBLIGATIONS SECURED THEREBY**

**AMOUNT:** \$157,000.00  
**DATED:** MAY 21, 2004  
**TRUSTOR:** SALVADOR D. CONTRERAS, MARRIED AND ANA LUZ  
CONTRERAS, MARRIED  
**TRUSTEE:** DOUGLAS E. MILES, A LICENSED ATTORNEY  
**BENEFICIARY:** CHASE MANHATTAN MORTGAGE CORP., A CORPORATION  
**RECORDED:** JUNE 7, 2004 AS INSTRUMENT NO. [2004-0401367](#), OF OFFICIAL  
RECORDS.

**ACCORDING TO THE PUBLIC RECORDS, THE BENEFICIAL INTEREST UNDER THE DEED OF TRUST WAS ASSIGNED TO FEDERAL NATIONAL MORTGAGE ASSOCIATION BY ASSIGNMENT RECORDED AUGUST 23, 2016 AS INSTRUMENT NO. [2016-0340925](#), OF OFFICIAL RECORDS.**

## Exhibit 2

**14. A DEED OF TRUST TO SECURE AN ORIGINAL INDEBTEDNESS AND ANY OTHER AMOUNTS OR OBLIGATIONS SECURED THEREBY**

**AMOUNT:** \$156,000.00  
**DATED:** AUGUST 24, 2007  
**TRUSTOR:** SALVADOR D. CONTRERAS AND ANA L. OCHOA WHO ACQUIRED  
TITLE AS ANA L. CONTRERAS HUSBAND/WIFE  
**TRUSTEE:** AMERICAN SECURITIES COMPANY  
**BENEFICIARY:** WELLS FARGO BANK, N.A.  
**RECORDED:** SEPTEMBER 7, 2007 AS INSTRUMENT NO. [2007-0515758](#), OF  
OFFICIAL RECORDS.

**IMPORTANT-PLEASE NOTE:**

**SAID DEED OF TRUST SECURES A REVOLVING LINE OF CREDIT AGREEMENT. THIS COMPANY WILL REQUIRE THAT ESCROW OBTAIN WRITTEN CONFIRMATION FROM THE CURRENT BENEFICIARY THAT THE ACCOUNT HAS BEEN FROZEN PRIOR TO RECORDING. WE ALSO REQUIRE THAT THE ESCROW OBTAIN WRITTEN INSTRUCTIONS FROM THE BORROWER TO CLOSE THE ACCOUNT IN FULL, UPON RECEIPT OF PAYMENT. FAILURE TO OBTAIN THE ABOVE ITEMS MAY RESULT IN THIS COMPANY HOLDING FUNDS UNTIL CONFIRMATION HAS BEEN OBTAINED FROM THE BENEFICIARY THAT THE ACCOUNT HAS BEEN PAID IN FULL AND CLOSED.**

15. ANY DEFECTS, LIENS, ENCUMBRANCES OR OTHER MATTERS WHICH NAME PARTIES WITH THE SAME OR SIMILAR NAMES AS THE VESTEES.

## REQUIREMENTS:

16. PRIOR TO THE ISSUANCE OF ANY POLICY OF TITLE INSURANCE, THE COMPANY WILL REQUIRE:
- A. **THE RECEIPT AND REVIEW OF THE COMPLETED OWNER'S AFFIDAVIT SUBJECT TO FURTHER REQUIREMENTS OF THIS COMPANY.**
- B. THE NAME SEARCH NECESSARY TO ASCERTAIN THE EXISTENCE OF MATTERS REFERRED TO IN ITEM NO. 15 HAS NOT BEEN COMPLETED. IN ORDER TO COMPLETE THIS PRELIMINARY REPORT OR COMMITMENT, WE WILL REQUIRE A STATEMENT OF INFORMATION.

**IMPORTANT:** PLEASE FORWARD THE STATEMENT OF INFORMATION TO US AS SOON AS POSSIBLE, BUT NO LATER THAN 10 WORKING DAYS BEFORE CLOSING. THIS WILL HELP TO AVOID ANY LAST MINUTE DELAYS WITH YOUR CLOSING AND RECORDING.

C. **IMPORTANT-PLEASE NOTE:**

THE DEED OF TRUST SHOWN AS ITEM 14 SECURES A REVOLVING LINE OF CREDIT AGREEMENT. THIS COMPANY WILL REQUIRE THAT ESCROW OBTAIN WRITTEN CONFIRMATION FROM THE CURRENT BENEFICIARY THAT THE ACCOUNT HAS BEEN FROZEN PRIOR TO RECORDING. WE ALSO REQUIRE THAT THE ESCROW OBTAIN WRITTEN INSTRUCTIONS FROM THE BORROWER TO CLOSE THE ACCOUNT IN FULL, UPON RECEIPT OF PAYMENT. FAILURE TO OBTAIN THE ABOVE ITEMS MAY RESULT IN THIS COMPANY HOLDING FUNDS UNTIL CONFIRMATION HAS BEEN OBTAINED FROM THE BENEFICIARY THAT THE ACCOUNT HAS BEEN PAID IN FULL AND CLOSED.

**\*\*\*END OF SCHEDULE B\*\*\***

**Statement of Information**

EQUITY TITLE COMPANY maintains procedural safeguards that comply with federal standards to protect the confidentiality and security of non-public personal information. This statement will serve to establish identity, eliminate matters affecting persons of similar name, protect you against forgeries, and speed the completion of your title and escrow services. **PLEASE BE SURE YOU HAVE FILLED THIS FORM OUT COMPLETELY; INCLUDING SIGNATURES AND DATE. NOT PROVIDING REQUESTED INFORMATION MAY CAUSE A DELAY IN THE CLOSE OF YOUR TRANSACTION. - THANK YOU -**  
[FOR ONLINE VERSION OF THIS FORM CLICK HERE](#) [FOR MORE INFORMATION ON THIS FORM CLICK HERE](#)

ESCROW NO. \_\_\_\_\_ TITLE ORDER: VE1740103

NAME \_\_\_\_\_ SOC. SEC. \_\_\_\_\_  
 FIRST FULL MIDDLE NAME LAST NUMBER \_\_\_\_\_  
 DRIVER'S LICENSE \_\_\_\_\_  
 NUMBER \_\_\_\_\_

DATE OF BIRTH \_\_\_\_\_ BIRTHPLACE \_\_\_\_\_ HOME PHONE \_\_\_\_\_

YOUR BUSINESS PHONE \_\_\_\_\_ YOUR CELL PHONE \_\_\_\_\_ YOUR FAX \_\_\_\_\_

YOUR E-MAIL \_\_\_\_\_ SPOUSE/DOMESTIC PARTNER E-MAIL \_\_\_\_\_

LIVED IN USA SINCE \_\_\_\_\_ LIVED IN CALIFORNIA SINCE \_\_\_\_\_

(CIRCLE ONE) NAME OF SPOUSE/  
 DOMESTIC PARTNER \_\_\_\_\_ SOC. SEC. \_\_\_\_\_  
 FIRST FULL MIDDLE NAME LAST NUMBER \_\_\_\_\_  
 DRIVER'S LICENSE \_\_\_\_\_  
 NUMBER \_\_\_\_\_

DATE OF BIRTH \_\_\_\_\_ BIRTHPLACE \_\_\_\_\_ PREVIOUS NAME \_\_\_\_\_

SPOUSE/DOMESTIC PARTNER BUSINESS PHONE \_\_\_\_\_ CELL PHONE \_\_\_\_\_ FAX \_\_\_\_\_

LIVED IN USA SINCE \_\_\_\_\_ LIVED IN CALIFORNIA SINCE \_\_\_\_\_

IF MARRIED, OR IN A DOMESTIC PARTNERSHIP, DATE: \_\_\_\_\_ AT \_\_\_\_\_ CITY AND STATE \_\_\_\_\_

PREVIOUS MARRIAGE(S) OR DOMESTIC PARTNERSHIP(S) (if no previous marriage or domestic partnership, write "NONE"):

(CIRCLE ONE) NAME OF FORMER DECEASED DATE \_\_\_\_\_  
 SPOUSE/DOMESTIC PARTNER \_\_\_\_\_ DIVORCED WHERE \_\_\_\_\_

(CIRCLE ONE) NAME OF FORMER DECEASED DATE \_\_\_\_\_  
 SPOUSE/DOMESTIC PARTNER \_\_\_\_\_ DIVORCED WHERE \_\_\_\_\_

(ATTACH ADDITIONAL PAGE, IF NECESSARY)

CHILDREN:  
 NAME \_\_\_\_\_ DATE OF BIRTH \_\_\_\_\_ NAME \_\_\_\_\_ DATE OF BIRTH \_\_\_\_\_

NAME \_\_\_\_\_ DATE OF BIRTH \_\_\_\_\_ NAME \_\_\_\_\_ DATE OF BIRTH \_\_\_\_\_

(ATTACH ADDITIONAL PAGE, IF NECESSARY)

### INFORMATION COVERING PAST 10 YEARS.

Residence: \_\_\_\_\_  
 NUMBER AND STREET CITY ZIP CODE FROM TO

NUMBER AND STREET CITY ZIP CODE FROM TO

Your Employment: \_\_\_\_\_  
 NUMBER AND STREET CITY ZIP CODE FROM TO

FIRM NAME AND ADDRESS CITY ZIP CODE FROM TO

FIRM NAME AND ADDRESS CITY ZIP CODE FROM TO

FIRM NAME AND ADDRESS CITY ZIP CODE FROM TO

Spouse/Domestic Partner Employment: \_\_\_\_\_  
 FIRM NAME AND ADDRESS CITY ZIP CODE FROM TO

FIRM NAME AND ADDRESS CITY ZIP CODE FROM TO

FIRM NAME AND ADDRESS CITY ZIP CODE FROM TO

HAVE YOU OR YOUR SPOUSE/DOMESTIC PARTNER OWNED OR OPERATED A BUSINESS?

☐ YES ☐ NO IF SO, PLEASE LIST NAMES \_\_\_\_\_

I HAVE NEVER BEEN ADJUDGED BANKRUPT, NOR ARE THERE ANY UNSATISFIED JUDGMENTS OR OTHER MATTERS PENDING AGAINST ME WHICH MIGHT AFFECT MY TITLE TO THIS PROPERTY EXCEPT AS FOLLOWS:

THE STREET ADDRESS OF THE PROPERTY IN THIS TRANSACTION IS: 11626 DRIFTWOOD DRIVE

The undersigned declare, under penalty of perjury, that the foregoing is true and correct.

Date: \_\_\_\_\_ X \_\_\_\_\_  
 (SIGNATURE)

Date: \_\_\_\_\_ X \_\_\_\_\_  
 (SPOUSE/DOMESTIC PARTNER SIGNATURE)

**Exhibit 2**

Main Document Page 53 of 95  
**EQUITY TITLE COMPANY**

**450 EXCHANGE, STE 200 , IRVINE, CA 92602**  
**(714) 972-4200**

**CUSTOMER AUTHORIZATION TO FREEZE & CLOSE ACCOUNT**

Lender: \_\_\_\_\_

Account Number: \_\_\_\_\_

Borrower(s): \_\_\_\_\_

Property Address: 11626 DRIFTWOOD DRIVE  
FONTANA, CA 92337

I/We have already requested that the above-named account be frozen and closed.

I/We attest that no further withdrawals will be made nor checks written and that there have not been any withdrawals or checks written since escrow opened.

I/We have destroyed or attached all unused checks and/or credit cards supplied by the Lender as means to access the above account.

I/We hereby agree to save, indemnify, defend, and hold harmless the Escrow Holder, Title Company and Underwriter from and against any and all claims, losses, actions, expenses, and damages including, but not limited to, incidental and consequential damages and attorneys' fees, incurred as a result of the above account not being frozen or closed and/or any outstanding checks written and/or processed after the issuance date of the payoff statement on which the calculations of the amount necessary to pay the loan in full were based.

**I/WE HEREBY REQUEST THAT LENDER IMMEDIATELY CLOSE THE ABOVE-REFERENCED ACCOUNT.**

\_\_\_\_\_  
Signature of the Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of the Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Daytime Phone Number

### Owners Affidavit:

In connection with the property located at: 11626 DRIFTWOOD DRIVE  
FONTANA, CA

The undersigned Owner(s) (if more than one, each jointly and severally) ("OWNER") of the above described Property, makes the following statements, declarations, representations and warranties to EQUITY TITLE COMPANY ("Company") and to Underwriter:

[ ☐ ] 1. Owner warrants and represents that I/we is/are the owner of the property, that they have no pending court proceedings including but not limited to bankruptcies or unsatisfied judgment(s) of record, or in any court. No State of California, Federal, or any other tax liens filed or taxes assessed against them which may result in liens against the real property involved in this transaction, including notices, citations and violations imposed by the covenants, conditions and restrictions, bylaw and rules and regulations of any homeowners' association.

[ ☐ ] 2. Owner represents that they have not contracted for, ordered, or agreed to the supplying of any labor, materials or construction-related services for construction for improvements on the Property, or for remodeling, renovation, repair or other maintenance or construction of any improvements located on said Property.

[ ☐ ] 3. Owner represents that they know of no claims, encroachments, rights, interests, easements, rights of way, liens, agreements, notices, options, contracts, HOA charges or fees, HOA liens, or other matters affecting the Property, whether verbal, written, unrecorded, or appearing in the public records.

[ ☐ ] 4. Owner represents that they have not leased, permitted or granted to any other person or entity, verbally, in writing or otherwise, any right to use, possess, occupy or inhabit the Property or any part thereof for any purpose, and no other person has or claims any present right to use or possess the Property.

[ ☐ ] 5. Owner understands that Title Company and Underwriter will rely on the statements, declarations, representations and warranties herein to close the transaction of which this affidavit and report referenced herein are material parts, and to issue a policy or policies of title insurance on the Property, and Owner agrees to indemnify and hold Title Company and/or Underwriter harmless from and against any loss or damage either or both may sustain, including, but not limited, to reasonable attorney's fees and all court costs should any of the statements, declarations, representations and warranties herein be incorrect.

EXCEPTIONS: [ ☐ ] There are no exceptions to the above statements

[ ☐ ] The only exceptions to the above statements are:

Date: \_\_\_\_\_

\_\_\_\_\_  
(SIGNATURE)

\_\_\_\_\_  
(SIGNATURE)

## NOTES:

**WE DEPOSIT FUNDS RECEIVED ON YOUR BEHALF IN STATE OR FEDERALLY-CHARTERED BANKS THAT ARE INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION ("FDIC"). THE ACCOUNT IS CURRENTLY HELD AT COMERICA BANK.**

**FDIC DEPOSIT INSURANCE COVERAGE APPLIES TO A MAXIMUM AMOUNT OF \$250,000 PER DEPOSITOR FOR DEPOSITS HELD IN THE SAME LEGAL OWNERSHIP CATEGORY AT EACH BANK. FOR EXAMPLE, FUNDS HELD ON YOUR BEHALF IN AN ACCOUNT MAINTAINED BY US WILL BE COMBINED WITH ANY INDIVIDUAL ACCOUNTS HELD DIRECTLY BY YOU AT THE SAME BANK. YOU ARE RESPONSIBLE FOR MONITORING THE TOTAL AMOUNT OF DEPOSITS THAT ARE OWNED DIRECTLY OR INDIRECTLY BY YOU IN ANY ONE BANK.**

**IF YOU HAVE QUESTIONS ABOUT FDIC DEPOSIT INSURANCE, CONTACT YOUR FINANCIAL OR LEGAL ADVISORS OR GO TO [HTTP://WWW.FDIC.GOV/DEPOSIT/DEPOSITS/INDEX.HTML](http://www.fdic.gov/deposit/deposits/index.html). WE DO NOT GUARANTEE THE SOLVENCY OF ANY BANK INTO WHICH FUNDS ARE DEPOSITED AND WE ASSUME NO LIABILITY FOR ANY LOSS YOU INCUR DUE TO THE FAILURE, INSOLVENCY OR SUSPENSION OF OPERATIONS OF ANY BANK OR THE \$250,000 FDIC DEPOSIT INSURANCE LIMIT.**

**UNLESS OTHERWISE AGREED IN WRITING, EACH OF THE PRINCIPALS AGREES, UNDERSTANDS AND ACKNOWLEDGES THAT: THE ESCROW ACCOUNT IS NON-INTEREST-BEARING; NO FINANCIAL OR OTHER BENEFITS WILL BE EARNED BY OR PROVIDED TO ANY OF THE PRINCIPALS WITH RESPECT TO SUCH FUNDS' AND EQUITY TITLE COMPANY AND ITS AFFILIATES MAY INSTEAD RECEIVE DIRECT AND INDIRECT FINANCIAL AND OTHER BENEFITS FROM THE DEPOSITORY WITH RESPECT TO SUCH FUNDS THESE BENEFITS SHALL BE TREATED AS ADDITIONAL COMPENSATION TO EQUITY TITLE COMPANY FOR ITS SERVICES AS AN ESCROW HOLDER IN THIS TRANSACTION.**

**NOTE:** IF APPLICABLE, AND UNLESS OTHERWISE DIRECTED IN WRITING, EQUITY TITLE COMPANY ISSUES THE **ALTA HOME OWNER'S POLICY** ON RESIDENTIAL PROPERTY SALE TRANSACTIONS.

**NOTE:** THIS COMPANY REQUIRES CURRENT BENEFICIARY DEMANDS PRIOR TO CLOSING. NO PAYOFFS WILL BE MADE USING "VERBAL" FIGURES

**NOTE:** EFFECTIVE JANUARY 1, 1990, ASSEMBLY BILL 512, ENACTED AS CHAPTER 598, WILL ADD SECTION 12413.1 TO THE CALIFORNIA INSURANCE CODE DEALING WITH THE "GOOD FUNDS" ISSUE. FUNDS DEPOSITED BY:

- ☐ CASH AND BY ELECTRONIC TRANSFER (WIRED FUNDS) WILL BE AVAILABLE FOR SAME DAY DISBURSEMENTS.
- ☐ CASHIER'S CHECKS, CERTIFIED CHECKS AND TELLER'S CHECKS WILL BE AVAILABLE FOR NEXT DAY DISBURSEMENTS.
- ☐ ALL OTHER TYPES OF CHECKS WILL NOT BE AVAILABLE FOR DISBURSEMENT UNTIL THE DAY PROVIDED IN REGULATION CC ADOPTED BY THE FEDERAL RESERVE BOARD OF GOVERNORS.
- ☐ A DRAFT WILL NOT BE AVAILABLE FOR DISBURSEMENT UNTIL THE DRAFT HAS BEEN SUBMITTED FOR COLLECTION AND PAYMENT RECEIVED BY OUR BANK.

**PLEASE NOTE:** THIS COMPANY WILL MAKE DISBURSEMENTS ONLY IN THE SAME MANNER AS WHICH FUNDS ARE RECEIVED. SHOULD THIS COMPANY BE REQUESTED TO MAKE ANY DISBURSEMENTS BY ELECTRONIC TRANSFER (WIRED FUNDS), THIS COMPANY WILL REQUIRE FUNDS TO BE DEPOSITED TO OUR ACCOUNT BY ELECTRONIC TRANSFER.

## Exhibit 2

## **EQUITY TITLE COMPANY**

450 EXCHANGE, STE 200  
IRVINE, CA 92602  
PHONE: (714) 972-4200

**ATTENTION:**

**YOUR NO.: CONTREARAS  
OUR NO.: VE1740103  
DATE: JUNE 5, 2017 AT 7:30 A.M.**

**MINDY J. BECKHAM, TITLE OFFICER**

### **LENDERS SUPPLEMENTAL REPORT**

THE ABOVE NUMBERED REPORT (INCLUDING ANY SUPPLEMENTS OR AMENDMENTS THERETO) IS HEREBY MODIFIED AND/OR SUPPLEMENTED IN ORDER TO REFLECT THE FOLLOWING ADDITIONAL ITEMS RELATING TO THE ISSUANCE OF AN AMERICAN LAND TITLE ASSOCIATION LOAN FORM POLICY AS FOLLOWS:

THIS REPORT IS PREPARATORY TO THE ISSUANCE OF AN ALTA LOAN POLICY. WE HAVE NO KNOWLEDGE OF ANY FACT WHICH WOULD PRECLUDE THE ISSUANCE OF THE POLICY WITH CLTA ENDORSEMENT FORMS 100 AND 116 ATTACHED.

WHEN ISSUED, THE CLTA ENDORSEMENT FORM 116 WILL REFERENCE **A SINGLE FAMILY RESIDENCE**

KNOWN AS

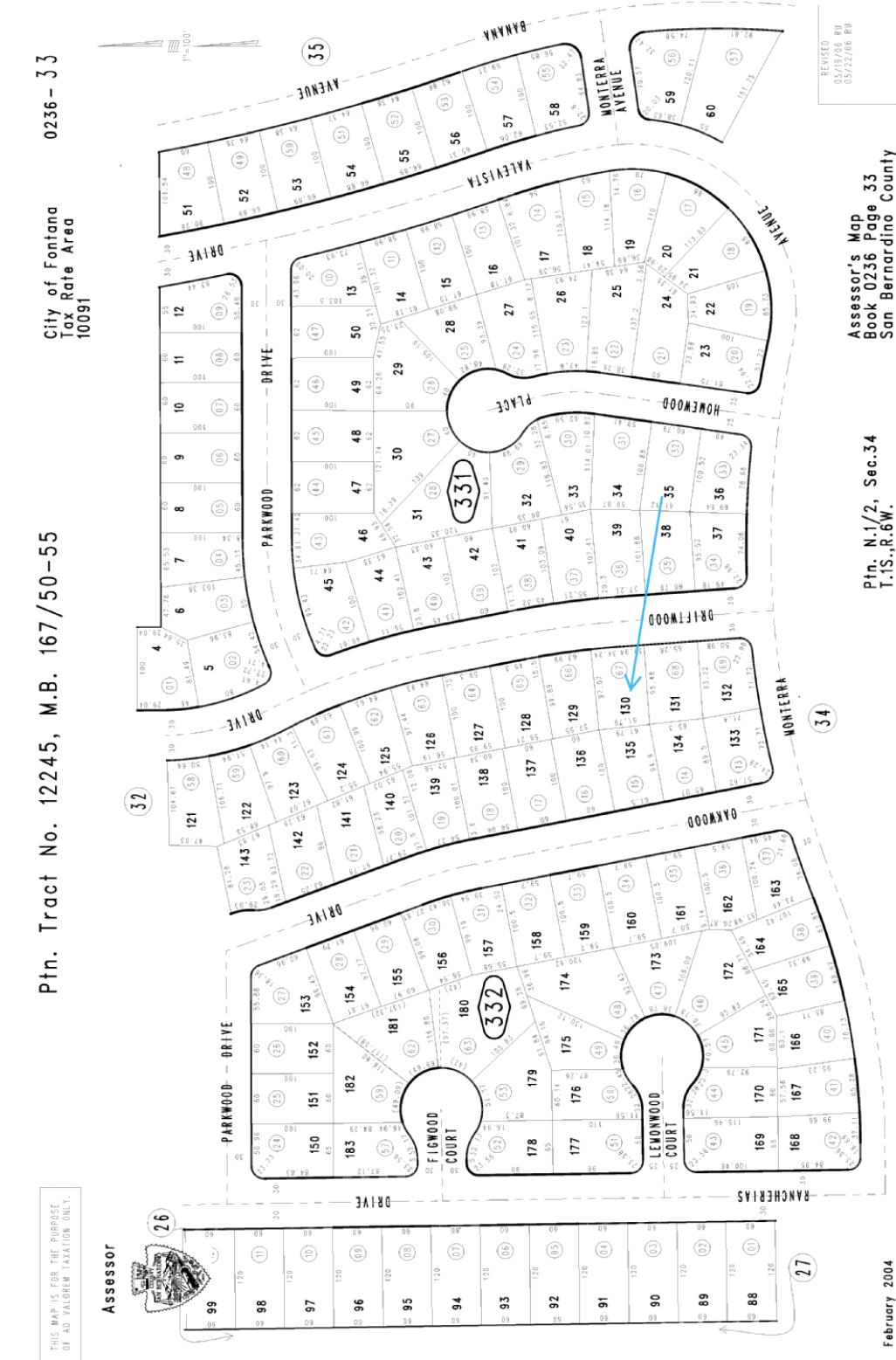
**11626 DRIFTWOOD DRIVE, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA.**

ACCORDING TO THE PUBLIC RECORDS, THERE HAVE BEEN NO DEEDS CONVEYING THE LAND DESCRIBED HEREIN WITHIN A PERIOD OF TWENTY-FOUR (24) MONTHS PRIOR TO THE DATE OF THIS REPORT, EXCEPT AS FOLLOWS:

NONE.



ORDER NO. VE1740103



Description: San Bernardino, CA Assessor Map - Book. Page 236.33 Page: 1 of 1  
Order: 1740103 Comment:

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

## Exhibit 2

## FACTS

### WHAT DOES EQUITY TITLE COMPANY DO WITH YOUR PERSONAL INFORMATION?

#### Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

#### What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and account balances
- payment history and credit card or other debt
- checking account information and wire transfer instructions

When you are *no longer* our customer, we continue to share your information as described in this notice.

#### How?

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons EQUITY TITLE COMPANY chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does EQUITY TITLE COMPANY share?	Can you limit this sharing?
<b>For our everyday business purposes—</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes—</b> to offer our products and services to you	Yes	No
<b>For joint marketing with other financial companies</b>	No	We don't share
<b>For our affiliates' everyday business purposes—</b> information about your transactions and experiences	Yes	No
<b>For our affiliates' everyday business purposes—</b> information about your creditworthiness	No	We don't share
<b>For our affiliates to market to you</b>	No	We don't share
<b>For nonaffiliates to market to you</b>	No	We don't share
<b>Questions?</b>	Call (888) 485-3791	

## Exhibit 2

## Who we are

Who is providing this notice?

EQUITY TITLE COMPANY

## What we do

**How does EQUITY TITLE COMPANY protect my personal information?**

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.

**How does EQUITY TITLE COMPANY collect my personal information?**

We collect your personal information, for example, when you

- apply for insurance or pay insurance premiums
- provide your mortgage information or show your driver's license
- give us your contact information

We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.

**Why can't I limit all sharing?**

Federal law gives you the right to limit only

- Sharing for affiliates' everyday business purposes—information about your creditworthiness
- Affiliates from using your information to market to you
- Sharing for nonaffiliates to market to you

State laws and individual companies may give you additional rights to limit sharing.

**What happens when I limit sharing for an account I hold jointly with someone else?**

Your choices will apply to everyone on your account—unless you tell us otherwise.

## Definitions

**Affiliates**

Companies related by common ownership or control. They can be financial and nonfinancial companies.

- *Our affiliates include companies that are owned in whole or in part by Realty Holdings Corp., such as Better Homes and Gardens® Real Estate, CENTURY 21®, Coldwell Banker®, Coldwell Banker Commercial®, The Corcoran Group®, ERA®, Sotheby's International Realty®, ZipRealty®, NRT LLC, Cartus and Title Resource Group.*

**Nonaffiliates**

Companies not related by common ownership or control. They can be financial and nonfinancial companies.

- *EQUITY TITLE COMPANY does not share with nonaffiliates so they can market to you*

**Joint marketing**

A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

- *EQUITY TITLE COMPANY does not share with nonaffiliated financial companies for joint marketing purposes*

Available Discounts

EQUITY TITLE COMPANY is pleased to inform you that upon proper qualification, there are premium discounts available upon the purchase of title insurance covering improved property with a one to four family residential dwelling.

Such discounts could apply to:

- Property located within an area proclaimed a state or federal disaster area
- Property purchased from a foreclosing beneficiary or successful bidder at a foreclosure sale
- Property being refinanced

Please talk with your title officer to determine your qualification for any of these discounts.

**EXHIBIT B (Revised 11-01-2014)**  
**LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (By Policy Type)**

**1. CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY – 1990 (Revised 04/08/14)**

**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:

- (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- 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.
- Defects, liens, encumbrances, adverse claims, or other matters:
  - whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
  - 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;
  - resulting in no loss or damage to the insured claimant;
  - attaching or created subsequent to Date of Policy; or
  - 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.
- 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.
- 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.
- Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by their 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 1**

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:

- 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 notice of such proceedings, whether or not shown by the records of such agency or by the public records.
- 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.
- Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
- 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.
- (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.
- Any lien or right to a lien for services, labor or material not shown by the public records.

**2. CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE 2013 / ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE 2013 (Revised 12/02/13)**

Covered Risks 16 (Subdivision Law Violation), 18 (Building Permit), 19 (Zoning) and 21 (Encroachment of boundary walls or fences) are subject to Deductible Amounts and Maximum Dollar Limits of Liability

**EXCLUSIONS FROM COVERAGE**

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

- 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:
  - building
  - zoning
  - land use;
  - improvements on the land
  - land division
  - environmental protection.This exclusion does not limit the coverage described in Covered Risk 8a, 14, 15, 16, 18, 19, 20, 23, or 27.
- 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 coverage described in Covered Risk 14 or 15.
- The right to take the land by condemning it This Exclusion does not limit the coverage described in Covered Risk 17.
- Risks:
  - that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;
  - that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;
  - that result in no loss to You; or
  - 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.
- Failure to pay value for Your Title.
- Lack of a right:
  - to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
  - in streets, alleys, or waterways that touch the Land.This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
- 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 creditor's rights laws.
- Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
- Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

**3. ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (12/02/13)**

**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, attorney's fees or expenses which arise by reason of:

- (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - the occupancy, use, or enjoyment of the Land;
  - the character, dimensions, or location of any improvement erected on the Land;
  - the subdivision of land; or
  - 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.
- Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
- Defects, liens, encumbrances, adverse claims, or other matters
  - created, suffered, assumed, or agreed to by the Insured Claimant;
  - 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;
  - resulting in no loss or damage to the Insured Claimant;
  - 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

**Exhibit 2**

- (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.
- 10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
- 11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

#### 4. 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 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.

#### 5. 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 instrument of transfer in the Public Records that vests Title as shown in Schedule A.

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

##### EXCEPTIONS FROM COVERAGE

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

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

## **Exhibit 3**

# **Purchase Agreement**





CALIFORNIA  
ASSOCIATION  
OF REALTORS®

**SELLER COUNTER OFFER No. 1**  
**May not be used as a multiple counter offer.**  
(C.A.R. Form SCO, 11/14)

Date September 14, 2017

This is a counter offer to the: ☒ Purchase Agreement, ☐ Buyer Counter Offer No. \_\_\_\_\_, or ☐ Other \_\_\_\_\_ ("Offer"), dated September 12, 2017, on property known as 11626 Driftwood Dr., Fontana, CA 92337 ("Property"), between Phillip P. Nava, Jessica Nava ("Buyer") and Lynda Bui, BK Trustee for the Estate of Contreras, Salvador & Ana ("Seller").

1. **TERMS:** The terms and conditions of the above referenced document are accepted subject to the following:
- A. Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer or an addendum.
  - B. Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.
  - C. **OTHER TERMS:**
    - 1.) Deposit to be 3% of purchase price.
    - 2.) Close of Escrow to be as soon as possible but no later than 14 days after court approval.
    - 3.) Seller choice of all services and reports with Escrow to be A&A Escrow.
    - 4.) Seller and buyer each to pay their own escrow fees.
    - 5.) Property is being sold in AS IS condition with no expressed/Implied warranties.
    - 6.) Sale subject to Bankruptcy Court approval and overbid.
    - 7.) Seller will not pay for a home warranty, termite report, government requirements/retrofit or any repairs.

- D. The following attached addenda are incorporated into this Seller Counter offer: ☐ Addendum No. \_\_\_\_\_  
☒ Addendum to Counter Offer #1 dated 9/14/2017 ☒ C.A.R. form C.C.A. dated 9/14/2017

2. **EXPIRATION:** This Seller Counter Offer shall be deemed revoked and the deposits, if any, shall be returned:
- A. Unless by 5:00pm on the third Day After the date it is signed in paragraph 4 (if more than one signature then, the last signature date)(or by ☐ AM ☐ PM on \_\_\_\_\_ (date)) (i) it is signed in paragraph 5 by Buyer and (ii) a copy of the signed Seller Counter Offer is personally received by Seller or Matt Vanderbeek, who is authorized to receive it.
  - OR B. If Seller withdraws it anytime prior to Acceptance (CAR Form WOO may be used).
  - OR C. If Seller accepts another offer prior to Buyer's Acceptance of this counter offer.
3. **MARKETING TO OTHER BUYERS:** Seller has the right to continue to offer the Property for sale. Seller has the right to accept any other offer received, prior to Acceptance of this Counter Offer by Buyer as specified in 2A and 5. In such event, Seller is advised to withdraw this Seller Counter Offer before accepting another offer.

4. **OFFER: SELLER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY.**

Seller Lynda Bui, BK Trustee for the Estate of Date 9/15/17  
Seller \_\_\_\_\_ Date \_\_\_\_\_

5. **ACCEPTANCE: I/WE** accept the above Seller Counter Offer (If checked ☐ **SUBJECT TO THE ATTACHED COUNTER OFFER**) and acknowledge receipt of a Copy \_\_\_\_\_

Buyer Jessica Nava Phillip P. Nava Date 09/21/2017 Time 03:39 PM PDT ☐ AM/ ☐ PM  
Buyer Jessica Nava Jessica Nava Date 09/21/2017 Time 03:42 PM PDT ☐ AM/ ☐ PM

**CONFIRMATION OF ACCEPTANCE:**

(\_\_\_\_\_/\_\_\_\_\_) (Initials) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by Seller, or Seller's authorized agent as specified in paragraph 2A on (date) \_\_\_\_\_ at \_\_\_\_\_ ☐ AM/ ☐ PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Seller or Seller's authorized agent whether or not confirmed in this document.

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Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



SCO 11/14 (PAGE 1 OF 1)

SELLER COUNTER OFFER (SCO PAGE 1 OF 1)

Pro Realty Group  
Matt Vanderbeek

54 Endless Vista

Aliso Viejo

CA 92656

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11626 Driftwood

**Exhibit 3**



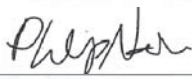
CALIFORNIA  
ASSOCIATION  
OF REALTORS®**COURT CONFIRMATION ADDENDUM**  
(C.A.R. Form CCA, 11/12)

This is an addendum to the ☐ California Residential Purchase Agreement, ☒ Counter Offer No. 1, ☐ Other  
("Agreement"), dated September 14, 2017, on  
property known as 11626 Driftwood Dr., Fontana, CA 92337 ("Property"),  
between Phillip P. Nava, Jessica Nava ("Buyer"),  
and Lynda Bui, BK Trustee for the Estate of Contreras, Salvador & Ana ("Seller").

The Agreement is contingent upon court confirmation on or before October 31, 2017 (date). If court confirmation is not obtained by that date, Buyer may cancel the Agreement in writing. Court confirmation may be required in probate, conservatorship, guardianship, receivership, bankruptcy, divorce or other proceedings. The court may allow open, competitive bidding, resulting in the Property being sold to the highest bidder. Broker recommends that Buyer appear at the court confirmation hearing. Buyer understands that (i) Broker and others may continue to market the Property; and (ii) Broker may represent other competitive bidders prior to and at the court confirmation.

By signing below Buyer and Seller acknowledge that each has read, understands, has received a copy of and agrees to the terms of this Court Confirmation Addendum.

Date 09/21/2017  
03:39 PM PDT

Buyer   
Phillip P. Nava

Buyer   
Jessica Nava

Date 9/15/17

Seller   
Lynda Bui, BK Trustee for the Estate of Contreras, Salvador & Ana

Seller \_\_\_\_\_

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CCA 11/12 (PAGE 1 OF 1)

COURT CONFIRMATION ADDENDUM (CCA PAGE 1 OF 1)

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_

**Exhibit 3**



### ADDENDUM TO COUNTER-OFFER # 1

This Addendum to **Counter-Offer #1** ("Addendum") is intended to set forth the terms and conditions of a contract for the purchase by and sale to **Phillip P Nava and Jessica Nava** ("Buyer") from Lynda T. Bui, solely in her capacity as Chapter 7 Trustee for the bankruptcy estate ("Bankruptcy Estate") of ***In re Salvador Dario Contreras and Ana Luz Contreras, Case No. 6:17-bk-13428-MJ*** ("Seller" or "Trustee"), of the real property commonly known as **11626 Driftwood Dr., Fontana, CA 92377** ("Property"). When executed below, this Addendum together with Counter-Offer # 1 to the California Residential Purchase Addendum and Joint Escrow Instructions dated **September 12, 2017** will constitute conclusive evidence and the exclusive terms and conditions of the contract for such purchase and sale (the "Sale") of the Property.

**PURCHASE PRICE; DEPOSIT; ESCROW.** The purchase price for the Property shall be **Three hundred fifteen Thousand Dollars** (\$315,000) ("Purchase Price") subject to overbids. Buyer shall make an initial deposit of 3% of the purchase price, totaling **Nine Thousand Four Hundred Fifty Dollars** (\$9,450) ("Initial Deposit") in the form of cashier's check or wire transfer made payable and delivered to **A & A Escrow Services** ("Escrow Holder") within three (3) business days of acceptance of this Counter-Offer by Buyer, Seller's execution of the Affirmation Addendum in the form attached hereto as Exhibit "A", and Buyer's receipt of a copy of the fully executed Counter-Offer and the Affirmation Addendum.

Buyer shall deliver to the Trustee, within three (3) days of mutual execution of this Addendum upon this Counter-Offer, proof of committed funds available to Buyer sufficient to enable Buyer to consummate the acquisition contemplated herein, which proof shall be in the form of a letter of credit; loan commitment or other form acceptable to the Trustee in the Trustee's sole discretion. In the event that either (i) Buyer fails timely to provide any such proof, or (ii) the Trustee determines, in the Trustee's sole discretion, that any proof of funds provided to Trustee by Buyer is unacceptable, the Trustee shall have the right, at the Trustee's option, to provide written notice to Buyer that this Counter-Offer is terminated. In the event that the Trustee exercises such termination right, this Counter-Offer shall terminate effective as of the date of Trustee's written notice to Buyer, whereupon the Initial Deposit (if theretofore deposited with the Escrow Holder) shall be returned to Buyer and Buyer and Trustee shall each be relieved of any further obligation hereunder.

Escrow instructions corresponding to the terms of this Addendum shall be provided by the Escrow Holder and signed by the parties within five (5) business days of the date of Buyer's and Seller's receipt of said escrow instructions. Buyer and Seller shall deposit such documents and instruments with the Escrow Holder as and when reasonably required to complete the sale. Buyer shall be free to assign this Addendum to another person or entity ("Assignee") subject to Seller's prior review and written approval (which approval Seller may grant or withhold in its sole discretion), but Buyer shall remain liable hereunder, together with such Assignee, in the event that such Assignee fails to perform any of Buyer's obligations hereunder.

1. **BUYER'S DUE DILIGENCE AND CANCELLATION RIGHT.** Buyer shall have fifteen (15) calendar days from the date of execution hereof 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. Buyer may, not later than the end of that period, give Seller written notice of Buyer's election to withdraw from this Addendum because of Buyer's inability to complete or dissatisfaction with the results of any of those matters ("Notice of Cancellation"), in which event Buyer's and Seller's obligations under this Addendum shall be terminated and Buyer shall receive a full refund of Buyer's deposit. If Buyer fails to give such Notice of Cancellation as within such period, all such contingencies shall be automatically removed as set forth in Paragraph 3 and Buyer's obligation to proceed shall be non-contingent except as provided herein for, (i) Buyer's review of a preliminary report and underlying documents respecting the title to the Property (as set forth in Paragraph 2), and (ii) Bankruptcy Court approval of this Addendum and the Sale (including as set forth in Paragraph 6).

2. TITLE; TITLE INSURANCE. Within three (3) business days after acceptance of the Counter Offer, Title Company will be instructed to provide a preliminary report of the condition of title to the Property, including copies of underlying documents referred to in Schedule B thereof, for Buyer's review. Buyer may, not later than the end of the period in this paragraph, or until three (3) days after receipt of the preliminary report and underlying documents, whichever occurs later, give Seller written notice ("Notice of Title Disapproval") that Buyer disapproves the condition of title with respect to a material matter(s) that interferes with the use of the Property for the purpose for which it is currently used or intended to be used. Such notice must refer to the specific exception(s) in Schedule B of the preliminary report and the specific underlying document(s) which are the basis for Buyer's disapproval. Within five (5) business days after receipt of such notice, Seller may, in Seller's sole discretion, either (i) cancel this Addendum and the sale, in which event Buyer's and Seller's obligations under this Addendum shall be terminated and Buyer shall receive a full refund of Buyer's Deposit, or (ii) elect to correct the item(s) that was disapproved by Buyer, in which event the sale shall proceed. Seller may correct such item by any means that will result in the Title Company either removing the disapproved exception(s) from the preliminary report or providing title insurance coverage by endorsement against such exception(s). At the close of the sale, Seller shall convey and Buyer shall accept title to the Property as shown in Schedule B of the preliminary report, subject to any corrections as in this paragraph above, free and clear of all monetary liens, subject to the terms of the within contract. Seller shall pay the costs of a CLTA Standard Owner's policy of title insurance.

3. REMOVAL OF CONTINGENCIES; COURT CONFIRMATION; CLOSING; DELIVERY OF POSSESSION. If Buyer does not give Seller written Notice of Cancellation as and when provided in Paragraph 1, or Notice of Title Disapproval as and when provided in Paragraph 2, Buyer's silence shall be deemed acceptance and Buyer shall be deemed to have satisfied and removed all of Buyer's contingencies and to proceed with the Sale. Seller shall then file a motion with the Bankruptcy Court to confirm this sale. Upon such removal of contingencies, Buyer shall be unconditionally obligated to proceed with the sale, subject only to Bankruptcy Court confirmation as set forth below. If the Bankruptcy Court confirms the sale to Buyer, the closing shall take place as soon as practicable after entry of the order approving the sale, but no later than the first business day after fourteen (14) calendar days following the entry of such order. The closing shall occur on the date the deed transferring the Property to Buyer is

recorded with the County Recorder where the Property is located. Occupancy shall be delivered to Buyer upon Escrow Holder's confirmation of recording.

4. **BANKRUPTCY SALE.** Buyer acknowledges that Seller is a Trustee appointed to administer the above referenced Bankruptcy Estate, and is a party to this Addendum solely in that capacity. Seller and Brokers and agents have not and will not determine the condition or fitness for use of the Property for any particular purpose. The sale shall be "as is," "where is," "with all faults," and with no warranty by or recourse whatsoever to Seller or Brokers or agents herein. Transfer of the Property shall be by Quit Claim Deed. All parties acknowledge that Seller is a party to this Addendum solely in the capacity as Trustee of the above referenced Bankruptcy Estate and that in the event of any default in the performance of any of Seller's obligations under the Offer (as modified hereby) or in the event that any other claim is asserted against the Seller, Trustee or the Bankruptcy Estate in connection with this transaction, the Trustee, including his agents, attorneys, and other representatives, shall in no event have any personal liability whatsoever (whether in the Trustee's individual capacity or otherwise), it being expressly understood and agreed that Buyer's sole recourse, if any, in such event shall be to the assets of such Bankruptcy Estate.

5. **TAXES; PRORATIONS; COSTS OF SALE.** 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.

6. **BANKRUPTCY COURT APPROVAL; OVERBIDDING.** 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. Buyer acknowledges and agrees that Seller may not seek to obtain the Bankruptcy Court's approval if Seller has determined that it would be in the best interest of the Bankruptcy Estate not to do so.

7. **BROKERS.** Subject to Bankruptcy Court approval, Seller will pay a real estate agent's commission aggregating up to five (6%) percent of the purchase price of the Property to be split equally by the real estate Brokers. The Brokers are confirmed as follows: Pro Realty Group representing the Seller and Christopher Hysell representing the Buyer. Brokers acknowledge that the Trustee may request and the Bankruptcy Court may approve a commission less than six percent (6%). All such Brokers and agents are collectively referred to herein as the "Brokers." No commission or compensation shall be due or payable to Brokers in connection

with this Addendum or sale except from the cash proceeds of an actual Sale of the Property that closes to Buyer. Buyer hereby represents and warrants that, other than the Brokers, Buyer has not dealt with any broker, finder or other person entitled to any fee, commission or other compensation in connection with the Sale and Buyer shall indemnify, defend and protect and hold Seller and the related Bankruptcy Estate harmless of, from and against any claims, demands, actions, causes of action, losses, liabilities and costs and expenses (including, without limitation, all court costs and reasonable attorneys' fees) as Seller may suffer or incur in the event that any claims for any such fees, commissions or other compensation of any kind are hereafter asserted.

8. MATERIAL CHANGE OF CONDITION. In the event of any material change in the condition of the Property after the date of acceptance of this Counter-Offer, if Buyer demands repair of any resulting actual damage to the Property, Seller may, at Seller's sole option: (a) elect to terminate this Addendum, in which event Buyer's and Seller's obligations to buy or sell shall terminate and the full Deposit shall be refunded to Buyer; or (b) make required repairs at the Bankruptcy Estate's expense; or (c) assign any insurance proceeds for the damage to the Property to Buyer as of the close of the sale; or (d) credit the cost of such repairs to Buyer through escrow, it being agreed that in the event that Seller elects and complies with subpart 8(b), (c) or (d), Buyer's obligation to proceed with the Sale shall be unaffected by any such material change in the condition of the Property.

9. REMEDY FOR BUYER'S OR SELLER'S FAILURE TO CLOSE. Buyer's sole remedy in the event that the sale fails to close as a result of Seller's inability or failure to close for any reason, including but not limited to the reason of failure to obtain approval of the sale by the Bankruptcy Court, shall be the mutual release of Buyer's and Seller's obligations to buy or sell and a full refund of the Deposit (plus any increased thereof by Buyer). In the event Buyer fails to close the sale for any reason other than Seller's default, after Buyer's contingencies have been removed as under Paragraphs 2 and 3, Buyer's Deposit (plus any increase, thereof by Buyer) shall be paid over to Seller and retained by Seller as liquidated damages without further legal action. 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 three percent of the Purchase Price. This provision shall apply equally to the Deposit (and any increase, thereof by Buyer).

AI IN [Buyer's Initials]

10. BANKRUPTCY COURT JURISDICTION. The U.S. Bankruptcy Court for the Central District of California shall have sole and exclusive jurisdiction to interpret and enforce the terms of this Addendum and Buyer hereby consents and submits to such exclusive jurisdiction. This Addendum shall be interpreted and enforced pursuant to the laws of the United States of America including the Bankruptcy Code, Title 11, United States Code.

11. "AS-IS," "WHERE-IS" CONDITION; NO 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, concerning or respecting (i) value of the Property; (ii) income to be derived from the



Property; (iii) suitability of the Property, or lack thereof for any activity or use which Buyer may intend to conduct thereon, including any possibilities or limitations for future development; (iv) habitability, merchantability, marketability, profitability, or fitness for a particular purpose, of the Property, or lack thereof; (v) manner, quality, state of repair, or lack of repair of the Property; (vi) nature, quality, or condition of the Property, or any portion, system, or component thereof, including without limitation, water, soil, and geology; (vii) compliance of the Property or its operation, or lack thereof, with any laws, ordinances, regulations, rules, or orders of any applicable governmental authority or body, including Buyer's agreement to purchase their own home warranty and comply with any and all government requirements and retrofit, at Buyer's expense, prior to close of escrow; (viii) manner or quality of engineering, design, construction or materials, if any, incorporated into the Property; (ix) compliance or lack of compliance with any land use, building and safety, or other laws, ordinances, regulations, rules, orders, or other requirements imposed or enforced by any governmental or non-governmental body, including without limitation the Americans with Disabilities Act of 1990; (x) the presence or absence at, on, under, or adjacent to the Property, of materials described as "hazardous substances, hazardous materials, or toxic substances" or by similar terms under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S. Code §§9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S. Code §§1801, et seq.), the Resource Conservation and Recovery Act (42 U.S. Code §§6901, et seq.), the Toxic Substance Control Act (15 U.S. Code §2601, et seq.), the Clean Water Act (33 U.S. Code §1251, et seq.), California Health and Safety Code §25117 or 25316), or other statutes and laws, all as amended and including all regulations issued thereunder; (xi) the content, completeness or accuracy of any Due Diligence materials or Preliminary Report regarding Title to the Property; (xii) the conformity or lack of conformity of the improvements to any plans or specifications for the Property, including any plans and specifications that may have been or may be provided to Buyer; (xiii) the conformity or lack of conformity of the Property to past, current, or future applicable zoning or building requirements; (xiv) any deficiency of any undershoring, drainage, or other aspects, systems, or components of or affecting the Property; (xv) the fact, if applicable, that all or a portion of the Property may be located on or near any natural hazard zone as determined by any governmental agency or body; (xvi) the existence of vested land use, zoning, or building entitlements affecting the Property or any other property; or (xvii) any other matter. Without in any manner limiting the foregoing, Buyer hereby acknowledges and agrees that (i) Seller's Broker, has provided (and will hereafter provide) to Buyer various materials and information relating to the Property, including, without limitation, information and materials relating to the condition of the Property, and (ii) all such materials and information so provided to Buyer by Seller's Broker shall, for all purposes of this Addendum, be deemed to have been disclosed to Buyer by the Seller, as well.

12. **BROKERS.** Brokers and agents herein have not and will not perform any inspections, investigations, or due diligence on behalf of Buyer unless otherwise specified herein. Buyer is informed that Buyer must arrange for any inspections and investigations desired by Buyer utilizing suitable third party professionals selected and compensated by Buyer. In no event shall Seller have any liability or responsibility for any representation, warranty, statement made, or information furnished by Brokers or agents herein, or any other person or entity, concerning the Property, this Addendum, or any other matter, unless expressly set forth in writing and signed personally by Seller.

13. OPPORTUNITY TO INSPECT; BUYER'S SOLE RELIANCE. Buyer represents, warrants, acknowledges, and agrees that Buyer has been given the opportunity to inspect and investigate the Property and all other facts and circumstances deemed by Buyer relevant and significant, and to review information and documentation affecting the Property. In deciding to proceed with the sale, Buyer is relying solely on Buyer's own inspections and investigation of the Property (including by any outside professionals whom Buyer has elected to engage for such services) and review of such information and documentation, and not on any information provided or to be provided by Seller. Buyer further acknowledges and agrees that any information made available to Buyer or provided or to be provided by or on behalf of Seller with respect to the Property was obtained from a variety of sources and that neither Seller nor the Brokers and agents herein nor any other person has made or makes any representations as to the accuracy or completeness of such information. Buyer hereby fully and irrevocably releases all such sources and preparers of information and documentation affecting the Property which were retained or engaged by Seller or Brokers or agents from any and all claims that Buyer may now or hereafter have against such sources and preparers of information, for any costs, expenses, losses, liabilities, damages, demands, actions, or causes of action arising from any such information or documentation. NEITHER SELLER NOR BROKERS HAVE PROVIDED OR WILL PROVIDE ANY LEGAL OR TAX ADVICE TO BUYER. Buyer is informed that Buyer must obtain any such advice, if desired by Buyer, from independent professionals selected and engaged by Buyer. THE SALE WILL NOT BE CONTINGENT ON ANY WRITTEN APPRAISAL OF THE PROPERTY.

14. PHYSICAL, GEOLOGICAL, PEST CONTROL, AND ENVIRONMENTAL INSPECTIONS AND INVESTIGATIONS.

A. BUYER SHALL CONDUCT THOROUGH PHYSICAL, GEOLOGICAL, PEST CONTROL, AND ENVIRONMENTAL INSPECTIONS AND INVESTIGATIONS OF THE PROPERTY AS MAY BE DETERMINED BY BUYER, THROUGH QUALIFIED PROFESSIONALS SELECTED BY BUYER. Seller and Brokers and agents herein strongly recommend that Buyer fully exercise and not waive such inspections and investigations.

B. Buyer may at his sole discretion select and employ, at Buyer's expense, a licensed engineer(s), architect(s), contractor(s), geologist(s), pest control licensee(s), environmental consultant(s), or other qualified professional(s) to make inspection(s) and investigations of the Property, including, but not limited to, (i) its general structure, plumbing, heating, air conditioning (if any), electrical system, built-in appliances, cesspool/sewer/septic system, well, roof, soils, foundation, mechanical systems, pool, spa, related equipment and filters, sprinklers, and those other matters affecting the desirability of the Property (all if and only to the extent any such structures, systems, and components are presently a part of the Property); (ii) any actual or potential wood destroying pests or other conditions damaging to the Property or any portion thereof; (iii) environmental hazards, substances, products, or conditions, including without limitation, asbestos, formaldehyde, lead, lead-based paint, contaminated soil or water, fuel, chemical storage tanks, hazardous waste, electromagnetic fields, and radon gas, any of which may constitute a health risk; (iv) the presence or absence of any required governmental permits, inspections, applications, approvals, and certificates of occupancy, and compliance or lack of compliance with building codes and laws applicable to the Property; (v) plans and specifications for the Property; (vi) all applicable zoning, municipal, county, state, and federal,

including those affecting the past, current, or any future use of the Property; (vii) deed restrictions and other matters of public record which may govern, restrict, condition, or prohibit the use, alteration, or development of the Property; and (viii) generally, without limitation, any and all other items and matters of whatsoever nature, character, or description, which Buyer deems material to Buyer's interests, in, on, or affecting the Property; and to approve or disapprove said inspection within the period and in the manner set forth in Paragraph 1

C. In the event Buyer is dissatisfied with the results of such inspection(s), Buyer may give written Notice of Cancellation to Seller strictly as and within the time provided in Paragraph 1. Buyer's failure to give such notice as and within the period specified therein shall conclusively be deemed Buyer's satisfaction and removal of such contingency and Buyer's election to proceed with the Sale.

15. COMPLETE AGREEMENT; NO OTHER REPRESENTATIONS OR WARRANTIES. Seller shall not be liable or bound in any manner by any oral or written statements, representations, or information pertaining to the Property or the operation thereof, furnished by any real estate broker, agent, employee, contractor, or other person. Buyer further acknowledges and agrees Seller has no obligations to make repairs, replacements or improvements except as may otherwise be expressly stated herein. Without limiting any other provision hereof, Buyer represents, warrants and covenants to Seller that, except for Seller's express representations and warranties specified in this Addendum, Buyer is relying solely upon Buyer's own investigation of the Property.

16. WRITTEN AFFIRMATION OF SELLER REQUIRED. Buyer understands that Seller may continue to receive and respond to other offers on the Property and may be making several Counter-Offer concurrently containing the same or different terms. This Counter-Offer shall not be binding until accepted by Buyer and executed by Buyer and Seller on the signature page below; and then approved by Seller, in Seller's sole discretion, in the form of the Seller's Affirmation of Addendum attached hereto as Exhibit "A" which, if so executed by Seller, will constitute Seller's Addendum that Seller will sell the Property to Buyer, subject to Bankruptcy Court approval, the rights of any overbidding parties, and the terms and conditions of this Addendum. Buyer further acknowledges that it would be imprudent and unrealistic to rely upon the expectation of entering into a binding Addendum regarding the subject matter of this Counter-Offer prior to receipt of Seller's Affirmation of Addendum, and further represents to Seller that any efforts to complete due diligence, to negotiate or to perform any of the obligations provided herein shall not be considered as evidence of binding intent without Seller's Affirmation of Addendum, and understands that BUYER'S ACCEPTANCE HEREOF SHALL HAVE NO FORCE OR EFFECT PRIOR TO BUYER'S RECEIPT OF SUCH AFFIRMATION OF ADDENDUM SIGNED BY SELLER.

17. ATTORNEYS' FEES. In the event that either party hereto brings an action or other proceeding to enforce or interpret the terms and provisions of this Addendum, the prevailing party in that action or proceeding shall be entitled to have and recover from the non-prevailing party all such fees, costs and expenses (including, without limitation, all court costs and reasonable attorneys' fees) as the prevailing party may suffer or incur in the pursuit or defense of such action or proceeding.

18. There shall be no loan contingency whatsoever.

19. **TRUSTEE'S LIABILITY.** The Buyer acknowledges that the Trustee is acting in his official capacity only. No personal liability shall be sought or enforced against the Trustee with regard to the Addendum, including the Addendum, the assets, the sale of the Property, or the physical condition of the Property. In the event that the Trustee fails or refuses to complete the transaction for any reason, then the limit of the Trustee's liability is only to return any money paid to the Trustee by the Buyer, without deduction. Prior to and after the closing of escrow, the United States Bankruptcy Court shall have and retain the sole and exclusive jurisdiction over the Property and the Addendum; and all disputes arising before and after closing shall be resolved in said Court. Further, the Trustee and the Buyer have agreed that if a dispute arises, such dispute may initially be resolved through the Mediation Program pending in the United States Bankruptcy Court for the Central District of California.

20. **HOLD HARMLESS.** The Buyer understands the terms and conditions of the entire purchase contract and holds the Bankruptcy Estate and the realtors, brokers, agents, Lynda T. Bui, Trustee, Shulman Hodges & Bastian LLP, the law firm of which the Trustee is associated, agents and employees, harmless from any liabilities arising from this contact. All parties hereto further agree, jointly and severally, to pay on demand as well as to indemnify and hold Escrow harmless from and against all costs, damages, judgments, attorneys' fees, expenses, obligations and liabilities of any kind or nature which in good faith, Escrow may incur or sustain in connection with or arising out of this Escrow and Escrow is hereby given a lien upon all the rights, titles and interest of each of the undersigned in all escrow papers and other property and monies deposited in this escrow, to protect the rights of escrow and to indemnify and reimburse Escrow under this Addendum. In the event this Escrow is not completed for any reason, Escrow is authorized to deduct and pay its fee, plus costs incurred from any funds on deposit.

21. **EXPIRATION OF COUNTER-OFFER.** This Counter-Offer shall expire if not accepted by Buyer by delivering a copy hereof, fully signed and initialed by Buyer, to Seller on or before close of business on **September 21st, 2017**. Such acceptance shall nevertheless be subject to Paragraph 16.

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

Dated: 09/21/2017 09/21/2017  
03:39 PM PDT 03:42 PM PDT




Jessica Nava



**Phillip P. Nava and Jessica Nava, Buyer**

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

Dated: \_\_\_\_\_

By: \_\_\_\_\_

**Lynda T. Bui in her sole capacity as Chapter 7  
Trustee for the Bankruptcy Estate of *In re*  
Salvador Dario Contreras and Ana Luz Contreras,  
Case No. 6:17-bk-13428-MJ, and not in her  
individual capacity**



19. **TRUSTEE'S LIABILITY.** The Buyer acknowledges that the Trustee is acting in his official capacity only. No personal liability shall be sought or enforced against the Trustee with regard to the Addendum, including the Addendum, the assets, the sale of the Property, or the physical condition of the Property. In the event that the Trustee fails or refuses to complete the transaction for any reason, then the limit of the Trustee's liability is only to return any money paid to the Trustee by the Buyer, without deduction. Prior to and after the closing of escrow, the United States Bankruptcy Court shall have and retain the sole and exclusive jurisdiction over the Property and the Addendum; and all disputes arising before and after closing shall be resolved in said Court. Further, the Trustee and the Buyer have agreed that if a dispute arises, such dispute may initially be resolved through the Mediation Program pending in the United States Bankruptcy Court for the Central District of California.

20. **HOLD HARMLESS.** The Buyer understands the terms and conditions of the entire purchase contract and holds the Bankruptcy Estate and the realtors, brokers, agents, Lynda T. Bui, Trustee, Shulman Hodges & Bastian LLP, the law firm of which the Trustee is associated, agents and employees, harmless from any liabilities arising from this contact. All parties hereto further agree, jointly and severally, to pay on demand as well as to indemnify and hold Escrow harmless from and against all costs, damages, judgments, attorneys' fees, expenses, obligations and liabilities of any kind or nature which in good faith, Escrow may incur or sustain in connection with or arising out of this Escrow and Escrow is hereby given a lien upon all the rights, titles and interest of each of the undersigned in all escrow papers and other property and monies deposited in this escrow, to protect the rights of escrow and to indemnify and reimburse Escrow under this Addendum. In the event this Escrow is not completed for any reason, Escrow is authorized to deduct and pay its fee, plus costs incurred from any funds on deposit.

21. **EXPIRATION OF COUNTER-OFFER.** This Counter-Offer shall expire if not accepted by Buyer by delivering a copy hereof, fully signed and initialed by Buyer, to Seller on or before close of business on **September 21st, 2017**. Such acceptance shall nevertheless be subject to Paragraph 16.

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

Dated: 09/21/2017 09/21/2017  
03:39 PM PDT 03:42 PM PDT





*Jessica Nava*



**Phillip P. Nava and Jessica Nava, Buyer**

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

Dated: 9/15/17

By: 

**Lynda T. Bui in her sole capacity as Chapter 7  
Trustee for the Bankruptcy Estate of *In re*  
Salvador Dario Contreras and Ana Luz Contreras,  
Case No. 6:17-bk-13428-MJ, and not in her  
individual capacity**

SO AGREED.

Dated: 9/22/2017

09/21/2017  
Dated: 12:51 PM PDT

DocuSigned by:

*Matt Vanderbeek*

45C79B55BBDA419...

**Matt Vanderbeek, Trustee's Agent**

*Christopher Hysell*



**Christopher Hysell, Buyer's Agent**

EXHIBIT "A"

SELLER'S AFFIRMATION OF ADDENDUM

Seller hereby acknowledges Buyer's acceptance of the foregoing Counter-Offer and affirmatively agrees to sell the Property to Buyer on the terms and conditions of the foregoing Addendum, but subject to Bankruptcy Court approval and rights any of overbidders. Seller shall revoke any other outstanding Counter-Offer made to other prospective buyers or make the same subject and subordinate to this Addendum.

"SELLER"

Dated: \_\_\_\_\_

9/2/17

By: \_\_\_\_\_



**Lynda T. Bui, solely in her capacity as Chapter 7 Trustee  
for the Bankruptcy Estate of  
*In re Salvador Dario Contreras and Ana Luz Contreras*  
Case No. 6:17-bk-13428-MJ**





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# RESIDENTIAL PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

(C.A.R. Form RPA-CA, Revised 12/15)

Date Prepared: 09/12/2017

## 1. OFFER:

- A. THIS IS AN OFFER FROM Philip P Nava, Jessica Nava ("Buyer").  
 B. THE REAL PROPERTY to be acquired is 11626 Driftwood Dr, Fontana, CA 92337-0612, situated in Fontana (City), San Bernardino (County), California, 92337-0612 (Zip Code), Assessor's Parcel No. \_\_\_\_\_ ("Property").  
 C. THE PURCHASE PRICE offered is Three Hundred Fifteen Thousand Dollars \$ 315,000.00  
 D. CLOSE OF ESCROW shall occur on \_\_\_\_\_ (date) (or ☒ 45 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 Pro Realty Group (Print Firm Name) is the agent of (check one):  
☒ the Seller exclusively; or ☐ both the Buyer and Seller.  
 Selling Agent Realty One Group Masters (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 \$ 3,500.00  
 (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 \_\_\_\_\_), made payable 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 \$ 5,950.00 within 10 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 \$ 300,700.00

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 \$ 9,300.00

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) FHA/VA: 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 FHA/VA amendatory clause (C.A.R. Form FVAC) shall be a part of this Agreement.

## E. ADDITIONAL FINANCING TERMS:

- F. BALANCE OF DOWN PAYMENT OR PURCHASE PRICE in the amount of \$ (4,450.00) to be deposited with Escrow Holder pursuant to Escrow Holder instructions.

- G. PURCHASE PRICE (TOTAL): \$ 315,000.00

Buyer's Initials ( PN ) ( IN )

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Seller's Initials ( AB ) ( \_\_\_\_\_ )



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

Realty One Group Masters, 1345 S Grand Ave Glendora, CA 91740  
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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 checked="" type="checkbox"/> Buyer's Inspection Advisory (C.A.R. Form BIA)
<input type="checkbox"/> Probate Advisory (C.A.R. Form PA)
<input checked="" type="checkbox"/> Statewide Buyer and Seller Advisory (C.A.R. Form SBSA)
<input type="checkbox"/> Trust Advisory (C.A.R. Form TA)
<input type="checkbox"/> REO Advisory (C.A.R. Form REO)
<input type="checkbox"/> Short Sale Information and Advisory (C.A.R. Form SSIA)
<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 Property ID

(2) ☐ Buyer ☒ Seller shall pay for the following Report Termite Inspection Report prepared by \_\_\_\_\_

(3) ☐ Buyer ☐ Seller shall pay for the following Report \_\_\_\_\_ prepared by \_\_\_\_\_

Buyer's Initials ( PA ) ( IN )

Seller's Initials ( [Signature] ) ( \_\_\_\_\_ )

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CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 2 OF 10)

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**B. GOVERNMENT REQUIREMENTS AND RETROFIT:**

- (1) ☐ Buyer ☒ Seller shall pay for smoke alarm and carbon monoxide device installation and water heater bracing, if required by Law. Prior to Close Of Escrow ("COE"), Seller shall provide Buyer written statement(s) of compliance in accordance with state and local Law, unless Seller is exempt.
- (2) (i) ☐ Buyer ☒ Seller shall pay the cost of compliance with any other minimum mandatory government inspections and reports if required as a condition of closing escrow under any Law.
- (ii) ☐ Buyer ☐ Seller shall pay the cost of compliance with any other minimum mandatory government retrofit standards required as a condition of closing escrow under any Law, whether the work is required to be completed before or after COE.
- (iii) Buyer shall be provided, within the time specified in paragraph 14A, a copy of any required government conducted or point-of-sale inspection report prepared pursuant to this Agreement or in anticipation of this sale of the Property.

**C. ESCROW AND TITLE:**

- (1) (a) ☒ Buyer ☒ Seller shall pay escrow fee ***each to pay his own*** \_\_\_\_\_  
 (b) Escrow Holder shall be ***Sellers Choice*** \_\_\_\_\_  
 (c) The Parties shall, within **5 (or \_\_\_\_\_) Days** After receipt, sign and return Escrow Holder's general provisions.  
 (2) (a) ☐ Buyer ☒ Seller shall pay for **owner's** title insurance policy specified in paragraph 13E \_\_\_\_\_  
 (b) Owner's title policy to be issued by \_\_\_\_\_  
 (Buyer shall pay for any title insurance policy insuring Buyer's **lender**, unless otherwise agreed in writing.)

**D. OTHER COSTS:**

- (1) ☐ Buyer ☒ Seller shall pay County transfer tax or fee \_\_\_\_\_.
- (2) ☐ Buyer ☒ Seller shall pay City transfer tax or fee \_\_\_\_\_.
- (3) ☐ Buyer ☐ Seller shall pay Homeowners' Association ("HOA") transfer fee \_\_\_\_\_.
- (4) Seller shall pay HOA fees for preparing documents required to be delivered by Civil Code §4525.
- (5) ☐ Buyer ☐ Seller shall pay HOA fees for preparing all documents other than those required by Civil Code §4525.
- (6) Buyer to pay for any HOA certification fee.
- (7) ☐ Buyer ☐ Seller shall pay for any private transfer fee \_\_\_\_\_.
- (8) ☐ Buyer ☐ Seller shall pay for \_\_\_\_\_.
- (9) ☐ Buyer ☐ Seller shall pay for \_\_\_\_\_.
- (10) ☐ Buyer ☐ Seller shall pay for the cost, not to exceed \$ \_\_\_\_\_, of a standard (or ☐ upgraded) one-year home warranty plan, issued by \_\_\_\_\_, with the following optional coverages: ☐ Air Conditioner ☐ Pool/Spa ☐ 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.

OR ☐ Buyer waives the purchase of a home warranty plan. Nothing in this paragraph precludes Buyer's purchasing a home warranty plan during the term of this Agreement.

**8. ITEMS INCLUDED IN AND EXCLUDED FROM SALE:**

**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 paragraph 8 B or C.

**B. ITEMS INCLUDED IN SALE:** Except as otherwise specified or disclosed,

- (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 power systems, built-in appliances, window and door screens, awnings, shutters, window coverings, attached floor coverings, television antennas, satellite dishes, air coolers/conditioners, pool/spa equipment, garage door openers/remote controls, mailbox, in-ground landscaping, trees/shrubs, water features and fountains, water softeners, water purifiers, security systems/alarms and the following if checked: ☐ all stove(s), except \_\_\_\_\_; ☐ all refrigerator(s) except \_\_\_\_\_; ☐ all washer(s) and dryer(s), except \_\_\_\_\_;
- (3) The following additional items: \_\_\_\_\_
- (4) Existing integrated phone and home automation systems, including necessary components such as intranet and Internet-connected hardware or devices, control units (other than non-dedicated mobile devices, electronics and computers) and applicable software, permissions, passwords, codes and access information, are (☐ are NOT) included in the sale.
- (5) **LEASED OR LIENED ITEMS AND SYSTEMS:** Seller shall, within the time specified in paragraph 14A, (i) disclose to Buyer if any item or system specified in paragraph 8B or otherwise included in the sale is leased, or not owned by Seller, or specifically subject to a lien or other encumbrance, and (ii) Deliver to Buyer all written materials (such as lease, warranty, etc.) concerning any such item. Buyer's ability to assume any such lease, or willingness to accept the Property subject to any such lien or encumbrance, is a contingency in favor of Buyer and Seller as specified in paragraph 14B and C.
- (6) Seller represents that all items included in the purchase price, unless otherwise specified, (i) are owned by Seller and shall be transferred free and clear of liens and encumbrances, except the items and systems identified pursuant to 8B(5) and \_\_\_\_\_, and (ii) are transferred without Seller warranty regardless of value.

**C. ITEMS EXCLUDED FROM SALE:** Unless otherwise specified, the following items are excluded from sale: (i) audio and video components (such as flat screen TVs, speakers and other items) if any such item is not itself attached to the Property, even if a bracket or other mechanism attached to the component or item is attached to the Property; (ii) furniture and other items secured to the Property for earthquake purposes; and (iii)

\_\_\_\_\_ Brackets attached to walls, floors or ceilings for any such component, furniture or item shall remain with the Property (or ☐ will be removed and holes or other damage shall be repaired, but not painted).

Buyer's Initials ( AI ) ( IN )

Seller's Initials ( AB ) ( )

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**9. 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: (i) at 6 PM or ( ☐ AM/ ☐ PM) on the date of Close Of Escrow; (ii) ☐ no later than \_\_\_ calendar days after Close Of Escrow; or (iii) ☐ at \_\_\_ AM/ ☐ PM on \_\_\_\_\_.
- C. **Seller remaining in possession After Close Of Escrow:** If Seller has the right to remain in possession after Close Of Escrow, (i) the Parties are advised to sign a separate occupancy agreement such as ☐ C.A.R. Form SIP, for Seller continued occupancy of less than 30 days, ☐ C.A.R. Form RLAS for Seller continued occupancy of 30 days or more; and (ii) the Parties are advised to consult with their insurance and legal advisors for information about liability and damage or injury to persons and personal and real property; and (iii) Buyer is advised to consult with Buyer's lender about the impact of Seller's occupancy on Buyer's loan.
- D. **Tenant-occupied property: 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 ☐ **Tenant to remain in possession** (C.A.R. Form TIP).

- E. At Close Of Escrow, Seller assigns to Buyer any assignable warranty rights for items included in the sale; and Seller shall Deliver to Buyer available Copies of any such warranties. Brokers cannot and will not determine the assignability of any warranties.
- F. At Close Of Escrow, unless otherwise agreed in writing, Seller shall provide keys, passwords, codes and/or means to operate all locks, mailboxes, security systems, alarms, home automation systems and intranet and Internet-connected devices included in the purchase price, and garage door openers. If the 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.

**10. STATUTORY AND OTHER DISCLOSURES (INCLUDING LEAD-BASED PAINT HAZARD DISCLOSURES) AND CANCELLATION RIGHTS:**

- A. (1) Seller shall, within the time specified in paragraph 14A, Deliver to Buyer: (i) if required by Law, a fully completed: Federal Lead-Based Paint Disclosures (C.A.R. Form FLD) and pamphlet ("Lead Disclosures"); and (ii) unless exempt, fully completed 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 of 1982 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 ESD).
- (2) Any Statutory Disclosure required by this paragraph is considered fully completed if Seller has answered all questions and completed and signed the Seller section(s) and the Listing Agent, if any, has completed and signed the Listing Broker section(s), or, if applicable, an Agent Visual Inspection Disclosure (C.A.R. Form AVID). Nothing stated herein relieves a Buyer's Broker, if any, from the obligation to (i) conduct a reasonably competent and diligent visual inspection of the accessible areas of the Property and disclose, on Section IV of the TDS, or an AVID, material facts affecting the value or desirability of the Property that were or should have been revealed by such an inspection or (ii) complete any sections on all disclosures required to be completed by Buyer's Broker.
- (3) **Note to Buyer and Seller:** Waiver of Statutory and Lead Disclosures is prohibited by Law.
- (4) Within the time specified in paragraph 14A, (i) Seller, unless exempt from the obligation to provide a TDS, shall, complete and provide Buyer with a Seller Property Questionnaire (C.A.R. Form SPQ); (ii) if Seller is not required to provide a TDS, Seller shall complete and provide Buyer with an Exempt Seller Disclosure (C.A.R. Form ESD).
- (5) Buyer shall, within the time specified in paragraph 14B(1), return Signed Copies of the Statutory, Lead and other disclosures to Seller.
- (6) In the event Seller or Listing Broker, 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.**
- (7) If any disclosure or notice specified in paragraph 10A(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.
- B. **NATURAL AND ENVIRONMENTAL HAZARD DISCLOSURES AND OTHER BOOKLETS:** Within the time specified in paragraph 14A, Seller shall, if required by Law: (i) Deliver to Buyer earthquake guide(s) (and questionnaire), environmental hazards booklet, and home energy rating pamphlet; (ii) 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; and 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](http://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.
- 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 ESD).

Buyer's Initials ( PA ) ( IN )  
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Seller's Initials ( AB ) ( \_\_\_\_\_ )





(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"). (vi) private transfer fees; (vii) Pet fee restrictions; and (viii) smoking restrictions. 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: (i) a general physical inspection; (ii) an inspection specifically 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) inspect for lead-based paint and other lead-based paint hazards; (iv) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA); (v) review the registered sex offender database; (vi) confirm the insurability of Buyer and the Property including the availability and cost of flood and fire insurance; and (vii) review and seek approval of leases that may need to be assumed by Buyer. Without Seller's prior written consent, Buyer shall neither make nor cause to be made: invasive or destructive Buyer Investigations, except for minimally invasive testing required to prepare a Pest Control Report; or 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 ( AI ) ( IN )  
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Seller's Initials ( AB ) ( \_\_\_\_\_ )





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(5), 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 **5 (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 14D, 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 14D(1).

(5) **Access to Property:** Buyer shall have access to the Property to conduct inspections and investigations for **17 (or \_\_\_\_ ) Days** After Acceptance, whether or not any part of the Buyer's Investigation Contingency has been waived or removed.

**C. ☐ REMOVAL OF CONTINGENCIES WITH OFFER:** Buyer removes the contingencies specified in the attached Contingency Removal form (C.A.R. Form CR). If Buyer removes any contingency without an adequate understanding of the Property's condition or Buyer's ability to purchase, Buyer is acting against the advice of Broker.

**D. 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 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.

**E. 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.

**F. 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.

**G. 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.

**H. 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 BDRD or SDRD). 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 preceding 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).**

Buyer's Initials ( PA ) ( IN )  
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Seller's Initials ( [Signature] ) ( \_\_\_\_\_ )





- 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).
- 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.**

Buyer's Initials ( PA ) ( IN )  
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Seller's Initials ( [Signature] ) (        )





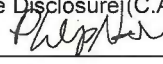
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# Exhibit 3



- (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.
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 AOA).
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 the offer is Signed by Seller and a Copy of the Signed offer is personally received by Buyer, or by \_\_\_\_\_, who is authorized to receive it, by 5:00 PM on the third Day after this offer is signed by Buyer (or 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-B) for additional terms.

Date \_\_\_\_\_ BUYER Philip P Nava  09/12/2017 18:27:51

(Print name) Philip P Nava

Date \_\_\_\_\_ BUYER Jessica Nava  09/12/2017 18:34:13

(Print name) Jessica Nava

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

Seller's Initials ( JB ) ( \_\_\_\_\_ )



Property Address: 11626 Driftwood Dr, Fontana, CA 92335 Page 85 of 95 Date: September 12, 2017

**32. 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, and agrees to sell the Property on the above terms and conditions. Seller has read and acknowledges receipt of a Copy of this Agreement, and authorizes Broker to Deliver a Signed Copy to Buyer.

☒ (If checked) SELLER'S ACCEPTANCE IS SUBJECT TO ATTACHED COUNTER OFFER (C.A.R. Form SCO or SMCO) DATED: September 14, 2017

☐ One or more Sellers 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-S) for additional terms.

Date 9/15/17 SELLER [Signature]  
(Print name) \_\_\_\_\_

Date \_\_\_\_\_ SELLER \_\_\_\_\_  
(Print name) \_\_\_\_\_

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

(\_\_\_\_\_/\_\_\_\_\_) (Do not initial if making a counter offer.) 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(2), 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, 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. If Listing Broker and Cooperating Broker are not both Participants of the MLS, or a reciprocal MLS, in which the Property is offered for sale, then compensation must be specified in a separate written agreement (C.A.R. Form CBC). 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) Realty One Group Masters

By Christopher Hysell CalBRE Lic. # 01992879 Date 09/12/2017 18:14:03  
By \_\_\_\_\_ CalBRE Lic. # \_\_\_\_\_ Date \_\_\_\_\_  
Address 1345 S. Grand Avenue City Glendora State CA Zip 91740  
Telephone (626)594-6061 Fax (626)650-0373 E-mail HysellRealEstate@gmail.com

Real Estate Broker (Listing Firm) Pro Realty Group

By Matt Vanderbeek CalBRE Lic. # 01270203 Date 9/22/2017  
By \_\_\_\_\_ CalBRE Lic. # \_\_\_\_\_ Date \_\_\_\_\_  
Address 45C79B55BBD419 s Vista City Aliso Viejo State CA Zip 92656  
Telephone (949)95-8914 Fax \_\_\_\_\_ E-mail mattvanderbeek@gmail.com

#### ESCROW HOLDER ACKNOWLEDGMENT:

Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked, ☐ a deposit in the amount of \$ \_\_\_\_\_), counter offer numbers \_\_\_\_\_ ☐ Seller's Statement of Information and \_\_\_\_\_, and agrees to act as Escrow Holder subject to paragraph 20 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 has the following license number # \_\_\_\_\_

☐ Department of Business Oversight, ☐ Department of Insurance, ☐ Bureau of Real Estate.

**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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THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ACCURACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.



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Buyer Acknowledges that page 10 is part of this Agreement ( PA ) ( IN )  
Buyer's Initials \_\_\_\_\_

Reviewed by  
Broker or Designee \_\_\_\_\_



RPA-CA REVISED 12/15 (PAGE 10 of 10)

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

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11626 Driftwood

Exhibit 3





CALIFORNIA  
ASSOCIATION  
OF REALTORS®

# BUYER'S INSPECTION ADVISORY

(C.A.R. Form BIA, Revised 11/14)

Property Address: 11626 Driftwood Dr, Fontana, CA 92337-0612 ("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 Philip P Nava 09/12/2017 18:27:51

Buyer Jessica Nava 09/12/2017 18:34:13

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BIA REVISED 11/14 (PAGE 1 OF 1)

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





CALIFORNIA  
ASSOCIATION  
OF REALTORS®

Main Document Page 87 of 95

## 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. I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE PRINTED ON THE BACK (OR A SEPARATE PAGE).**

☒ Buyer ☐ Seller ☐ Landlord ☐ Tenant

Philip P Nava

Jessica Nava

Jessica Nava



09/12/2017 18:27:51

Date



09/12/2017 18:34:13

Date

Agent Realty One Group Masters

BRE Lic. # 01862038

By Christopher Hysell Real Estate Broker (Firm)

09/12/2017 18:14:03

BRE Lic. # 01992879

Date

(Salesperson or Broker-Associate) Christopher Hysell

### 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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AD REVISED 12/14 (PAGE 1 OF 2)

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

Realty One Group Masters, 1345 S Grand Ave Glendora, CA 91740  
Christopher Hysell

Produced with zipForm® by zipLogix

Phone: 6265946061

Fax: 626-650-0373

11626 Driftwood

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



Exhibit 3



**2079.13** As used in Sections 2079.14 to 2079.24, inclusive, the following terms have the following meanings: **(a)** "Agent" means a person acting under provisions of Title 9 (commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained. **(b)** "Associate licensee" means a person who is licensed as a real estate broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker's agent in connection with acts requiring a real estate license and to function under the broker's supervision in the capacity of an associate licensee. The agent in the real property transaction bears responsibility for his or her associate licensees who perform as agents of the agent. When an associate licensee owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the associate licensee functions. **(c)** "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee. **(d)** "Commercial real property" means all real property in the state, except single-family residential real property, dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, mobilehomes, as defined in Section 798.3, or recreational vehicles, as defined in Section 799.29. **(e)** "Dual agent" means an agent acting, either directly or through an associate licensee, as agent for both the seller and the buyer in a real property transaction. **(f)** "Listing agreement" means a contract between an owner of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer. **(g)** "Listing agent" means a person who has obtained a listing of real property to act as an agent for compensation. **(h)** "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the listing agent. **(i)** "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property. **(j)** "Offer to purchase" means a written contract executed by a buyer acting through a selling agent that becomes the contract for the sale of the real property upon acceptance by the seller. **(k)** "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property that constitutes or is improved with one to four dwelling units, any commercial real property, any leasehold in these types of property exceeding one year's duration, and mobilehomes, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code. **(l)** "Real property transaction" means a transaction for the sale of real property in which an agent is employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase. **(m)** "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer, and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year's duration. **(n)** "Seller" means the transferor in a real property transaction, and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor. **(o)** "Selling agent" means a listing agent who acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a buyer for the real property, or an agent who locates property for a buyer or who finds a buyer for a property for which no listing exists and presents an offer to purchase to the seller. **(p)** "Subagent" means a person to whom an agent delegates agency powers as provided in Article 5 (commencing with Section 2349) of Chapter 1 of Title 9. However, "subagent" does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.

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

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

2079.16 Reproduced on Page 1 of this AD form.

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

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

(DO NOT COMPLETE, SAMPLE ONLY)

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

(Name of Listing Agent)

(DO NOT COMPLETE. SAMPLE ONLY)

is the agent of (check one): ☐ the buyer exclusively; or ☐ the seller exclusively; or

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

☐ both the buyer and seller.

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

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

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

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

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

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

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

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



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AD REVISED 12/14 (PAGE 2 OF 2)

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

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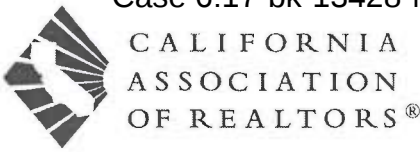
11626 Driftwood

# Exhibit 3



# POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER OR SELLER - DISCLOSURE AND CONSENT

(C.A.R. Form PRBS, 11/14)



A real estate broker (Broker), whether a corporation, partnership or sole proprietorship, may represent more than one buyer or seller. This multiple representation can occur through an individual licensed as a broker or salesperson or through different individual broker's or salespersons (associate licensees) acting under the Broker's license. The associate licensees may be working out of the same or different office locations.

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

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

**Dual Agency:** If Seller is represented by Broker, Seller acknowledges that broker may represent prospective buyers of Seller's property and consents to Broker acting as a dual agent for both seller and buyer in that transaction. If Buyer is represented by Broker, buyer acknowledges that Broker may represent sellers of property that Buyer is interested in acquiring and consents to Broker acting as a dual agent for both buyer and seller with regard to that property.

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

**Offers not necessarily confidential:** Buyer is advised that seller or listing agent may disclose the existence, terms, or conditions of buyer's offer unless all parties and their agent have signed a written confidentiality agreement. Whether any such information is actually disclosed depends on many factors, such as current market conditions, the prevailing practice in the real estate community, the listing agent's marketing strategy and the instructions of the seller.

Buyer and seller understand that Broker may represent more than one buyer or more than one seller and even both buyer and seller on the same transaction and consents to such relationships.

**Seller and/or Buyer acknowledges reading and understanding this Possible Representation of More Than One Buyer or Seller - Disclosure and Consent and agrees to the agency possibilities disclosed.**

Seller [Signature] Date 9/15/17  
Seller \_\_\_\_\_ Date \_\_\_\_\_

Buyer [Signature] Date \_\_\_\_\_  
Buyer Jessica Nava Date \_\_\_\_\_  
09/12/2017 18:27:51 Philip P Nava  
09/12/2017 18:34:13 Jessica Nava

Re: DocuSigned by: Pro Realty Group CalBRE Lic # \_\_\_\_\_ Date 9/22/2017  
By Matt Vanderbeek CalBRE Lic # 01270203 Date \_\_\_\_\_

Real Estate Broker (Firm) Realty One Group Masters CalBRE Lic # 01862038 Date \_\_\_\_\_  
By Christopher Hysell 09/12/2017 18:14:03 CalBRE Lic # 01992879 Date \_\_\_\_\_  
Christopher Hysell

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PRBS 11/14 (PAGE 1 OF 1)

POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER OR SELLER (PRBS PAGE 1 OF 1)

Realty One Group Masters, 1345 S Grand Ave Glendora, CA 91740  
Christopher Hysell

Produced with zipForm® by zipLogix

Phone: 6265946061

Fax: 626-650-0373

11626 Driftwood

10771 Fifer Road Fraser, Michigan 48026 www.zipLogix.com

Exhibit 3

CALIFORNIA  
ASSOCIATION  
OF REALTORS®**WIRE FRAUD ADVISORY**

(C.A.R. Form WFA, 6/16)

Property Address: 11626 Driftwood Dr, Fontana, CA 92337-0612 ("Property").**WIRE FRAUD ADVISORY:**

The ability to communicate and conduct business electronically is a convenience and reality in nearly all parts of our lives. At the same time, it has provided hackers and scammers new opportunities for their criminal activity. Many businesses have been victimized and the real estate business is no exception.

While wiring funds is a welcome convenience, buyers and sellers need to exercise extreme caution. Emails attempting to induce fraudulent wire transfers have been received and have appeared to be legitimate. Reports indicate that some hackers have been able to intercept emailed wire transfer instructions, obtain account information and, by altering some of the data, redirect the funds to a different account. It also appears that some hackers were able to provide false phone numbers for verifying the wiring instructions. In those cases, the buyers called the number provided, to confirm the instructions, and then unwittingly authorized a transfer to somewhere other than escrow. Sellers have also had their sales proceeds taken through similar schemes.

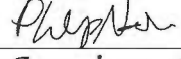



**ACCORDINGLY, BUYERS AND SELLERS ARE ADVISED:**

1. Obtain the phone number of the Escrow Officer at the beginning of the transaction.
2. **DO NOT EVER WIRE FUNDS PRIOR TO CALLING YOUR ESCROW OFFICER TO CONFIRM WIRE INSTRUCTIONS. ONLY USE A PHONE NUMBER YOU WERE PROVIDED PREVIOUSLY. Do not use any different phone number included in the emailed wire transfer instructions.**
3. Orally confirm the wire transfer instruction is legitimate and confirm the bank routing number, account numbers and other codes before taking steps to transfer the funds.
4. Avoid sending personal information in emails or texts. Provide such information in person or over the telephone directly to the Escrow Officer.
5. Take steps to secure the system you are using with your email account. These steps include creating strong passwords, using secure WiFi, and not using free services.

If you believe you have received questionable or suspicious wire instructions, immediately notify your bank, the Escrow Holder and your real estate agent. The sources below, as well as others, can also provide information:

Federal Bureau of Investigation: <https://www.fbi.gov/>National White Collar Crime Center: <http://www.nw3c.org/>On Guard Online: <https://www.onguardonline.gov/>

**By signing below, the undersigned acknowledge that each has read, understands and has received a copy of this Wire Fraud Advisory.**

Buyer			09/12/2017 18:27:51	<u>Philip P Nava</u>	Date	_____
Buyer	<u>Jessica Nava</u>		09/12/2017 18:34:13	<u>Jessica Nava</u>	Date	_____
Seller					Date	<u>9/19/17</u>
Seller					Date	_____

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Reviewed by \_\_\_\_\_



WFA 6/16 (PAGE 1 OF 1)

WIRE FRAUD ADVISORY (WFA PAGE 1 OF 1)



## 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, California 92618**

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

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) **September 27, 2017**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- **Lynda T. Bui (TR)** [trustee.bui@shbllp.com](mailto:trustee.bui@shbllp.com), [C115@ecfbis.com](mailto:C115@ecfbis.com) Chapter 7 Trustee
- **Brandon J Iskander** [biskander@shbllp.com](mailto:biskander@shbllp.com), [avernon@shbllp.com](mailto:avernon@shbllp.com) Attorney for Chapter 7 Trustee
- **James F Lewin** [james.lewin@mtglawfirm.com](mailto:james.lewin@mtglawfirm.com), [jimlewin7@gmail.com](mailto:jimlewin7@gmail.com), [wade.tang@mtglawfirm.com](mailto:wade.tang@mtglawfirm.com), [jenelly.goldade@mtglawfirm.com](mailto:jenelly.goldade@mtglawfirm.com), [denise.bundy@mtglawfirm.com](mailto:denise.bundy@mtglawfirm.com), [renee.parker@mtglawfirm.com](mailto:renee.parker@mtglawfirm.com) Attorney for Seterus, Inc. as the authorized subservicer for Federal National Mortgage Association ("Fannie Mae")
- **Leonard M Shulman** [lshulman@shbllp.com](mailto:lshulman@shbllp.com) Attorney for Chapter 7 Trustee
- **Brian J Soo-Hoo** [ecf@bankruptcylawpros.com](mailto:ecf@bankruptcylawpros.com) Attorney for the Debtors
- **United States Trustee (RS)** [ustregion16.rs.ecf@usdoj.gov](mailto:ustregion16.rs.ecf@usdoj.gov) United States Trustee

☐ Service information continued on attached page

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

On (*date*) **September 27, 2017**, 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.

**Judge's Copy**

**Honorable Meredith A. Jury, US Bankruptcy Court, 3420 Twelfth St, Suite 325, Riverside, CA 92501**

☒ 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*) **Not Applicable**, 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.

**September 27, 2017**

*Date*

**Lorre Clapp**

*Printed Name*

**/s/ Lorre Clapp**

*Signature*

**U.S. MAIL SERVICE LIST**

- **Buyer:** Philip P Nava and Jessica Nava, 4327 Clair St, Montclair, CA 91763
- **Buyer's Broker:** Realty One Group Masters, Christopher Hysell, 1345 S Grand Ave, Glendora, CA 91740
- **Trustee's Broker:** Pro Realty Group, Matt Vanderbeek, 54 Endless Vista, Aliso Viejo, CA 92656
- **San Bernardino County Tax Collector:** San Bernardino County Tax Collector, 268 West Hospitality Lane, First Floor, San Bernardino, CA 92415-0360
- **Secured Creditor:** Seterus, Inc., PO Box 1077, Hartford, CT 06143-1077
- **Secured Creditor:** Wells Fargo Bank NA, MAC X2303-01A, 1 Home Campus, Des Moines, IA 50328

**Court Mailing List:**

**DEBTORS**

SALVADOR DARIO CONTRERAS  
ANA LUZ CONTRERAS  
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**PROOF OF CLAIM ADDRESS**

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DIRECTV LLC  
ATTN BANKRUPTCIES  
PO BOX 6550  
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**PROOF OF CLAIM ADDRESS**

DIRECTV LLC  
BY AMERICAN INFOSOURCE LP AS  
AGENT  
4515 N. SANTA FE AVENUE  
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**COURT MAILING LIST**

DISCOVER BANK  
DISCOVER PRODUCTS INC  
PO BOX 3025  
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29125 SOLON ROAD  
SOLON, OH 44139-3442

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PYOD, LLC ITS SUCCESSORS AND ASSIGNS  
AS ASSIGNEE OF CITIBANK, N.A.  
RESURGENT CAPITAL SERVICES  
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GREENVILLE, SC 29602-9008

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PRIYA PATEL  
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**COURT MAILING LIST**

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**COURT MAILING LIST**

SETERUS, INC.  
8501 IBM DR. BLDG. 201  
CHARLOTTE, NC 28262-4333

**COURT MAILING LIST**

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929 E 37TH ST  
LONG BEACH, CA 90807-4141

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STATE BOARD OF EQUALIZATION  
SPECIAL OPS MIC 55  
PO BOX 942879  
SACRAMENTO CA 94279-0055

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1349 GOLDENEAGLE DR  
CORONA, CA 92879-0809

**COURT MAILING LIST**

VERIZON  
500 TECHNOLOGY DR STE 300  
SAINT CHARLES, MO 63304-2225

**COURT MAILING LIST**

WF CARD SERVICE  
PO BOX 14517  
DES MOINES, IA 50306-3517

**COURT MAILING LIST**

WELLS FARGO MERCHANT SERVICES  
P.O. BOX 4132  
CONCORD, CA 94524-4132

**COURT MAILING LIST**

WESTERN DENTAL SERVICES, INC.  
P.O. BOX 14228  
ORANGE, CA 92863-1228

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**UNDELIVERABLE**

**COURT MAILING LIST**

SETERUS, INC. AS THE AUTHORIZED  
SUBSERVICER

**RETURNED 7/26/17; ATTEMPTED, NOT  
KNOWN; UNABLE TO FORWARD**

**COURT MAILING LIST**

JULIE MARZAC  
16 SHERIDAN  
IRVINE, CA 92620-3376

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KNOWN; UNABLE TO FORWARD**

**COURT MAILING LIST**

SEVAN AZIZIAN  
339 N BATAVIA ST  
ORANGE, CA 92868-2101

**COURT MAILING LIST**

ZULEIMA VARGAS  
2736 W LINCOLN AVE APT 254  
ANAHEIM, CA 92801-7314

**DUPLICATE**

**COURT MAILING LIST**

ANA LUZ CONTRERAS  
11626 DRIFTWOOD DR  
FONTANA, CA 92337-0612

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ADDRESSED; UNABLE TO FORWARD**

**COURT MAILING LIST**

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JM COMMERCIAL LLC  
4041 MACARTHUR BLVD STE 220  
NEWPORT BEACH, CA 92660-2514

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ADDRESS; UNABLE TO FORWARD**

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33 A TWILIGHT CANYON RD  
YORBA LINDA, CA 92887

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**COURT MAILING LIST**

STATE FARM INSURANCE COMPANIES  
PO BOX 2746  
JACKSONVILLE, FL 32232-2746

**RFSN FOR SETERUS, INC.**

THE MORTGAGE LAW FIRM PLC  
41689 ENTERPRISE CIRCLE NORTH  
SUITE 228  
TEMECULA, CA 92590

**N/A**

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RIVERSIDE DIVISION  
3420 TWELFTH STREET,  
RIVERSIDE, CA 92501-3819

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22279 ROSEMARY CANYON CT  
CORONA, CA 92883-5935

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PO BOX 3155  
BILLINGS, MT 59103

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KNOWN; UNABLE TO FORWARD**

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THOMAS SMITH  
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