

Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address James C. Bastian, Jr. – Bar No. 175415 Melissa Davis Lowe – Bar No. 245521 SHULMAN BASTIAN FRIEDMAN & BUI LLP 100 Spectrum Center Drive, Suite 600 Irvine, California 92618 Telephone: (949) 340-3400 Facsimile: (949) 340-3000 Email: JBastian@shulmanbastian.com MLowe@shulmanbastian.com <input type="checkbox"/> <i>Individual appearing without attorney</i> <input checked="" type="checkbox"/> <i>Attorney for: Debtors</i>	FOR COURT USE ONLY
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UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA - SANTA ANA DIVISION

8434 Rochester Ave RE, LLC, a California limited liability company, Debtor 14554 Valencia Ave, LLC, a California limited liability company, Debtor 14963 Sierra Bonita Lane, LLC, a Wyoming limited liability company, Debtor <input type="checkbox"/> Affects All Debtors <input type="checkbox"/> Affects 8434 Rochester Ave RE, LLC, <input checked="" type="checkbox"/> Affects 14554 Valencia Ave, LLC, <input type="checkbox"/> Affects 14963 Sierra Bonita Lane, LLC,	CASE NO.: 8:24-bk-10729-SC (Lead Case) CHAPTER: 11 Jointly Administered with: Case No. 8:24-bk-10730-SC Case No. 8:24-bk-10732-SC
	NOTICE OF SALE OF ESTATE PROPERTY

Sale Date: December 18, 2024	Time: 3:30 p.m.
Location: U.S. Bankruptcy Court, Courtroom 5C, 411 Fourth Street, Santa Ana, CA 92701-4593	

Type of Sale: Public Private

Last date to file objections: December 4, 2024

Description of property to be sold:

Commercial real property located at 14554 Valencia Ave., Fontana, CA 92335; 24,296-square foot industrial warehouse and distribution facility.

Terms and conditions of sale:

Buyer (all capitalized terms herein shall have the meaning set forth in the Motion) has offered \$5,588,080.00, subject to the Bidding Procedures set forth below. Buyer is purchasing the Property "AS IS" without warranties of any kind, expressed or implied, being given by Valencia concerning the condition of the Property or the quality of the title thereto, or any other matters relating to the Property.

Purchase price of \$5,588,080.00, or an amount as increased by successful overbid. All costs of sale, including escrow fees, and commissions will be paid at closing and are estimated to total approximately \$335,000.00 (includes an estimated commission of 5% of the purchase price.) Valencia and the Buyer will each pay their own escrow fees as is customary in the County where the Property is located. Valencia estimates that after payment of the costs of sale, the net proceeds from the sale for its interest in the Property will be over \$5 million which such amount will be paid to Winhall to pay down its secured claim. The sale price and costs of sale are subject to the Court approval.

The sale of the Property shall be free and clear of all liens, claims and encumbrances pursuant to Bankruptcy Code Section 363(f)(2), (3), or (4). To the extent there are disputed unresolved liens, such unresolved liens, if any, will attach to the proceeds of the sale in the same validity and priority as prior to the sale, pending agreement with the lienholder or further Court order.

Proposed sale price:

\$5,588,080.00, subject to the Bidding Procedures set forth below.

Overbid procedure (if any):

To be eligible to participate in the Auction at the hearing on the Motion, each offer, solicitation, or proposal (each, a "Bid"), and each individual or entity submitting such a Bid (each, a "Bidder"), must satisfy each of the following conditions; if all conditions are satisfied, the Bid will be a "Qualified Bid" and the Bidder will be a "Qualified Bidder":

1. Form. The Bid must: (a) be in writing; (b) disclose the identity of the individual or entity that will be bidding; and (c) be in the form of a duly authorized, executed, and non-contingent purchase agreement, together with all schedules, exhibits, and related documents thereto.
2. Good Faith Deposit. The Bid must be accompanied by a cash deposit in the amount of \$150,000.
3. Same or Better Terms. The Bid must be on terms and conditions that are substantially the same or better than, not more burdensome in any material way than, and no more conditional than the terms of the Buyer's offer for the Property ("Stalking Horse Bid") attached as Exhibit 1 to the Earnhart Declaration to the Motion. The Bid may not contain additional termination rights, covenants, financing or due diligence contingencies, or closing conditions, other than as may be included in the Stalking Horse Bid for the Property.
4. "As-Is," "Where-Is Condition; No Warranties. The Bid must acknowledge that the Property is being sold on an "as-is," "where-is" basis without warranties of any kind, expressed or implied, being given by Valencia, or by any person or entity acting on their behalf, concerning the condition of the Property or the quality of the Property's title, or any other matters relating to the Property. The Bidder must represent and warrant that the Bidder is purchasing the property as a result of Bidder's investigations and is not buying the property pursuant to

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

any representation made by Valencia, or by any person or entity acting on their behalf. The Bidder must acknowledge that he/she/it has inspected the Property and upon closing of escrow, the Bidder forever waives, for himself/herself/itself, their heirs, successors and assigns, all claims against Valencia, Valencia's estate, as Seller and individually, Seller's general counsel, Shulman Bastian Friedman & Bui LLP, and Seller's agents and employees, arising or which might otherwise arise in the future concerning the Property.

5. Corporate Authority. If the party bidding is an entity, the Bid must include written evidence that the Bidder has full power and authority (including full corporate or other organizational power and authority) to consummate the proposed transaction contemplated by the Bid.

6. Proof of Financial Ability to Perform. The Bid must provide evidence of having sufficient specifically committed funds to complete the transaction and such other documentation relevant to the Bidder's ability to qualify as the purchaser and ability to close the sale and immediately and unconditionally pay the winning bid purchase price at the close of escrow. To the extent that the Bid is not accompanied by evidence of the Bidder's capacity to consummate the transaction contemplated by the Bid with unrestricted and fully available cash, the Bid must include written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction. Moreover, if the Bidder intends to seek assumption and assignment of the Solar Agreement, the Bidder must provide evidence of its ability to perform under the Solar Agreement.

7. Irrevocable. Each Bid must expressly state that it is irrevocable until the auction to be conducted at the hearing on the Motion is completed.

8. Bid Deadline. The Bid must be received by counsel for Valencia with a copy to the Broker by no later than 5:00 p.m. (California time) on December 16, 2024.

9. Amount of Bid. Each Bid must bid an initial amount of at least \$50,000.00 over the Purchase Price, or \$5,650,000.00, plus the Reimbursable Expenses of (defined below) ("Baseline Bid"). Minimum bid increments thereafter shall be in the amount of \$25,000.00 or an amount acceptable to Seller. Seller has the sole and absolute discretion to determine which overbid is the best for the Estate and will seek approval of the Court of same.

10. Affirmative Statement. Each Bid shall be accompanied by an affirmative statement that (i) all Bidders submitting such Bid have and will continue to comply with the Bidding Procedures, and (ii) the Bidder acknowledges that he/she/it has knowingly and voluntarily submitted to the exclusive jurisdiction of the United States Bankruptcy Court for the Central District of California with respect to all matters related to the terms and conditions of the sale of the Property.

11. Independent Buyer Declaration. Each Bid shall be accompanied by a declaration, signed under penalty of perjury by either the individual Bidder or an authorized representative of a non-individual Bidder with personal knowledge of the facts asserted, attesting to and providing the following:

- The full legal name or registered name of Bidder, inclusive of any *dba*, *fka*, trade name(s), or alias;
- If Bidder is a corporation, its state of incorporation, the address of its corporate headquarters, the names of its board members and the names of its shareholders;
- That Bidder does not have a relationship with the Debtors and does not intend to have a relationship with the Debtors after the sale;
- That other than the purchase price for the Property, there is no consideration contemplated to be transferred to the Debtors as part of the sale. The only consideration is the price being paid for the Property;
- That Bidder has not colluded with any other potential buyers for the purchase of the Property in an attempt to take unfair advantage of the other prospective buyers;

- That Bidder has not colluded with the Debtors regarding the purchase of the Property in any way; and
- If prior to submitting an Independent Bidder Declaration, Bidder has ever had any contact, interaction(s), transaction(s), communication(s), personal dealing(s), business dealing(s), or the like with the Debtors, Bidder shall provide a detailed list of each occurrence – include the approximate date, time and nature of same.

12. Auction for Qualified Bidders. If there is at least one Qualified Bid for the Property, at the hearing on the Motion an auction shall be conducted for the Property to determine the highest or otherwise best Qualified Bid. Only Qualified Bidders may participate in the Auction. Prior to the Auction, the Debtors shall provide copies of all Qualified Bids to all Qualified Bidders at the same time. The auction shall be conducted as follows:

- Manner in which the Auction Conducted. The auction will be held on December 18, 2024 at 3:30 p.m., **California Time, at the United States Bankruptcy Court, Courtroom 5C, 411 West Fourth Street, Santa Ana, California VIA ZOOM**, or if rescheduled, upon telephonic notice to the Buyer and the parties having submitted overbids in order to allow all potential bidders the opportunity to overbid and purchase the Property. The Court shall direct and preside over the Auction. Only Qualified Bidders (or their qualified representatives) will be entitled to make any Bids at the Auction.
- Bid Increments. Minimum bid increments during the auction shall be in the amount of \$25,000.00.
- Successful Bidder. The Auction shall continue until Seller determines in his reasonable business judgment that there is a highest or otherwise best Qualified Bid at the Auction (a “Successful Bid,” and each Bidder submitting such Successful Bid, a “Successful Bidder”). The Auction shall not close unless and until all Bidders who have submitted Qualified Bids have been given a reasonable opportunity, as determined by Seller, to submit an Overbid at the Auction to the then-existing Overbids. At the hearing on the Motion, Seller will seek entry of an order, inter alia, authorizing and approving the sale of the Property to the Successful Bidder. The hearing on the Motion may be adjourned or rescheduled without notice other than by an announcement of the adjourned date at the hearing on the Motion.

- **First Backup Bidder.** The entity/individual with the second highest or otherwise best Qualified Bid at the Auction, as determined by Seller, in the exercise of his business judgment, will be designated as the first backup bidder (the "First Backup Bidder"). The First Backup Bidder shall be required to keep its initial Bid (or, if the First Backup Bidder submitted one or more Overbids at the Auction, its final Overbid) (the "First Backup Bid") open and irrevocable until the close of escrow on the Sale of the Property with the Successful Bidder. In the event the Successful Bidder fails to close within thirty (30) calendar days after entry of an order of the Court confirming the sale or other the time parameters approved by the Court ("Closing Deadline"), Seller shall retain the Successful Bidder's Deposit and will be released from his obligation to sell the Property to the Successful Bidder. Seller shall proceed to consummate the First Backup Bid with the First Backup Bidder.
- **Second Backup Bidder.** The entity/individual with the third highest or otherwise best Qualified Bid at the Auction, as determined by Seller, in the exercise of his business judgment, will be designated as the second backup bidder (the "Second Backup Bidder"). The Second Backup Bidder shall be required to keep its initial Bid (or, if the Second Backup Bidder submitted one or more Overbids at the Auction, its final Overbid) (the "Second Backup Bid") open and irrevocable until the close of escrow on the Sale of the Property with the Successful Bidder or, in the event the Successful Bidder failed to close on the sale of the Property, the First Backup Bidder. In the event the First Backup Bidder fails to close on the sale of the Property within thirty (30) calendar days after the Closing Deadline or other the time parameters approved by the Court, Seller shall retain the First Backup Bidder's Deposit and will be released from his obligation to sell the Property to the First Backup Bidder. Seller shall proceed to consummate the Second Backup Bid with the Second Backup Bidder.

13. **Reimbursement of Costs to Buyer.** If the Successful Bidder (or First Backup Bidder or Second Backup Bidder) is not the Buyer and is accepted and confirmed by the Court, then the Successful Bidder (or First Backup Bidder or Second Backup Bidder) will reimburse the Buyer at close of escrow up to \$25,000.00 for costs incurred by Buyer. Only actual out of pocket expenses including legal fees, costs of physical inspection, termite inspection, and loan appraisal costs are reimbursable expenses ("Reimbursable Expenses"). The Reimbursable Expenses incurred will be collected by escrow. The Buyer will provide proof of monies spent to the Successful Bidder (or First Backup Bidder or Second Backup Bidder) along with Inspection Reports.

14. **Successful Bidder Deposit.** In the event the Successful Bidder fails to close on the sale of the Property within the time parameters approved by the Court, the Debtors shall retain the Successful Bidder's Deposit and will be released from the obligation to sell the Property to the Successful Bidder and the Debtors may then sell the Property to the First Backup Bidder approved by the Court.

15. **First Back-Up Bidder Deposit.** In the event First Backup Bidder fails to close on the sale of the Property within the time parameters approved by the Court, the Debtors shall retain the First Backup Bidder's Deposit and will be released from the obligation to sell the Property to the First Backup Bidder and the Debtors may then sell the Property to the Second Back-Up Bidder approved by the Court.

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

Hearing Date and Time: December 18, 2024 at 3:30 p.m.

Hearing Place: U.S. Bankruptcy Court, Courtroom 5C, 411 Fourth Street, Santa Ana, CA 92701 VIA ZOOM

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

(Counsel for Valencia)

James C. Bastian, Jr. – Bar No. 175415

Melissa Davis Lowe – Bar No. 245521

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Date: November 26, 2024