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15 UNITED STATES DISTRICT COURT
 16 CENTRAL DISTRICT OF CALIFORNIA

17 SECURITIES AND EXCHANGE
 18 COMMISSION,

19 Plaintiff,

20 v.

21 ROBERT YANG; et al.,

22 Defendants.

23 and

24 YANROB'S MEDICAL, INC.; et al.,

25 Relief Defendants.

Case No. 5:15-CV-02387-SVW (KKx)

DECLARATION OF RECEIVER,
 STEPHEN J. DONELL, IN SUPPORT
 OF MOTION FOR AUTHORITY TO
 ABANDON A CONTRACT

[Notice of Motion and Motion;
 Memorandum of Points and Authorities;
 and [Proposed] Order submitted
 concurrently herewith]

Date: June 27, 2016
 Time: 1:30 P.m.
 Ctrm: 6
 Judge: Hon. Stephen V. Wilson

DECLARATION OF STEPHEN J. DONELL

I, Stephen J. Donell, declare as follows:

1. I am the receiver appointed by this Court for Defendants Suncor Fontana, LLC, Suncor Hesperia, LLC, Suncor Care Lynwood, LLC, and their respective subsidiaries and affiliates (collectively, the "Receivership Entities" or "Entities"). I make this Declaration in support of my concurrently filed Notice of Motion and Motion of Receiver, Stephen J. Donell, for Authority to Abandon a Contract (the "Motion") and have personal knowledge of the facts set forth herein and, if called to testify, could testify competently thereto.

2. I have previously confirmed, as indicated in my First Quarterly Status Report of Receiver Stephen J. Donell ("Report") (Docket No. 53), that over \$500,000 in funds raised from Entity investors were diverted for the purchase of the real property located at 11202 Opal Ave., Mentone, California (the "Mentone Property"), which was purchased by relief defendant Suncor Care, Inc. ("Suncor Care"). I have further concluded that Suncor Care, Inc. is an affiliate of the Receivership Entities. Accordingly, I have determined in my business judgment that the Mentone Property is a receivership asset. The Mentone Property is presently comprised of unproductive orchard land, but sits at the center of a series of parcels of real property immediately adjacent to the City of Redlands, California, which parcels are apparently intended to be developed as single-family housing.

3. After Suncor Care purchased the Mentone Property, the individual defendants in the above-captioned action entered into a contract, on behalf of Suncor Care, to develop the Mentone Property and sell it. Specifically, among the materials and documents my team recovered is a pre-receivership Purchase and Sale Agreement (the "PSA"), dated on or about June 3, 2015, relating to the Mentone Property. The PSA indicates that the defendants in the above-captioned action intended to develop (including securing permits and entitlements) the Mentone Property as a site for 27 single-family homes, prior to the consummation of a sale of

1 the Mentone Property. A true and correct copy of the PSA, as signed by Claudia
2 Kano on behalf of the seller, Suncor Care, and which was missing various exhibits
3 when recovered by my team, is attached hereto as **Exhibit A**. I also possess a
4 signature page from the buyer, RL Communities, Inc. ("RL"), which I have
5 recovered as part of my document recovery efforts. A fundamental condition
6 precedent to RL's obligation to purchase the Mentone Property is the agreement by
7 the City of Redlands to annex the Mentone Property prior to closing.

8 4. The PSA provides, among other things, that: RL would initially transfer
9 \$150,000 into an escrow account for the use of Suncor Care; that Suncor Care
10 would obtain various entitlements relating to the Mentone Property, including but
11 not limited to the annexation or incorporation of the Mentone Property into the City
12 of Redlands as noted above ("Entitlement Requirements"); RL would purchase the
13 Mentone Property for \$5,000,000 from Suncor Care, and close escrow on that
14 purchase after, *inter alia*, the Entitlement Requirements were fulfilled by Suncor
15 Care. Of the \$150,000 in initial money to be transferred by RL, \$100,000 was
16 Independent Consideration, as defined in the PSA, and was immediately released to
17 Suncor Care, with further provision that "[i]n all instances under this Agreement in
18 which [RL] elects to terminate or is deemed to have terminated the Agreement and
19 all or any portion of the Deposits are returned to [RL], Seller shall retain the
20 Independent Consideration."

21 5. The PSA also provided that if RL delivered to Suncor a Notice to
22 Proceed, as defined in the PSA, then RL would deposit a further \$100,000 into
23 escrow ("Second Deposit"), which money would be released to Suncor Care upon,
24 *inter alia*, Suncor Care delivering into escrow a recordable Deed of Trust, as defined
25 in the PSA.

26 6. A First Amendment to Real Estate Purchase and Sale Agreement was
27 apparently executed on or about September 18, 2015 by the parties to the PSA
28 ("First Amendment"). A true and correct copy of the First Amendment is attached

1 hereto as **Exhibit B**. Among other things, the First Amendment extended the
2 Feasibility Period, as defined in the PSA, and allowed for RL's First Deposit of
3 \$50,000, as defined in the PSA, to be released to Suncor Care upon Suncor Care's
4 immediate delivery into escrow of a Deed of Trust, as defined in the PSA and as
5 attached to the First Amendment as Exhibit 1.

6 7. I have, with my professionals, confirmed that RL transferred a total of
7 \$150,000 into a Park Place Escrow account numbered 11406, relating to the PSA,
8 the First Amendment, and the Mentone Property.

9 8. I do not have in my records, any indication that RL ever delivered to
10 Suncor Care a Notice to Proceed, as defined in the PSA or in the First Amendment.

11 9. I have confirmed with my professionals that the Deed of Trust was
12 recorded by RL, relating to the Mentone Property. A true and correct copy of the
13 recorded Deed of Trust is attached hereto as **Exhibit C**.

14 10. I have, with my professionals, confirmed that all but \$10,000 of the
15 amounts deposited into escrow account 11406 by RL was either misdirected by the
16 defendants in the above-captioned action for purposes unrelated to the Mentone
17 Property, or was otherwise withdrawn from escrow account number 11406 as cash
18 withdrawals, or was spent on construction-related costs that cannot be tied to any
19 particular entity or property at issue in this receivership. Of the \$10,000 identified
20 above, \$8,000 was spent on Mentone Property-related work, and \$2,000 remains
21 unspent.

22 11. I have received proposals for professional work relating to what
23 (excluding all costs incurred to-date) would be required in order to fulfill the
24 Entitlement Requirements of the PSA, and have worked with my professionals to
25 develop a comprehensive budget for what I would likely need to spend in order to
26 fulfill the terms of the PSA, as amended. This budget is detailed in the table below:
27
28

Cost	Amount
Pat Meyer – Entitlement Consultant – Scope of Work	\$30,000
TGA/Justo Acosta -- Engineering	\$52,500
Architectural and Technical Studies	\$50,000
City Application Fees For General Plan Amendment, Zoning Change, Tentative Map, Etc.	\$25,000
County Application Fees for Annexation and Related Costs	\$10,000
Environmental Impact Report	\$250,000
Legal Fees	\$75,000
TOTAL	\$492,500

12. On April 6, 2016, I participated in a call with my counsel and, on behalf of RL, with Gary Hester. At that time, I expressed my position that in order for me to proceed with the transaction contemplated under the PSA and the First Amendment, the timeframe for completing the Entitlement Requirements would have to be extended, as they could take between a year and a year-and-a-half to obtain the necessary entitlements, including the annexation of the Property by the City of Redlands, the PSA would have to be amended to give me greater certainty regarding its terms and also that RL would actually consummate the transaction, and RL would need to contribute additional money in the amount of at least \$200,000 (to be deducted from the \$5,000,000 purchase price under the PSA as an advance), in order to help fund the development process and share risk with me.

13. On April 12, 2016, Gary Hester informed my team via an email that a shift of the time-frame would be acceptable, but that RL was not willing to contribute any additional money up front. I instructed my counsel to inform Mr.

1 Hester that I would be filing this Motion, and I am informed that that was
2 communicated to Mr. Hester by my counsel, Kenyon Harbison.

3 14. The total amount of Receivership Entity funds recovered by me since
4 the inception of the receivership is at least \$2,413,195.45, before any deductions for
5 my fees or for those of my professionals.

6 15. Completing the project relating to the Mentone Property, and fulfilling
7 the terms of the PSA, as amended or as potentially further amended, this could
8 potentially create a net profit for the investors in the Receivership Entities of
9 approximately \$3,943,815, provided that relevant city and county agencies issue
10 required approvals, and that RL moves forward with completing the transaction.
11 This figure is derived from the total purchase price under the PSA (\$5,000,000),
12 minus the known amount of Receivership Entity investor money invested in
13 purchasing the Mentone Property (\$556,000), minus my estimated costs to fulfil the
14 Entitlement Requirements (\$492,500), minus an additional \$7,685 in entitlement
15 costs relating to the Mentone Property that were incurred prior to my appointment.
16 This figure does not include my fees or those my professionals have incurred in
17 analyzing the Mentone Property and the PSA and related documents.

18 16. In my business judgment, there are significant potential benefits to the
19 estate of the Receivership Entities, which would accrue if I took the risk of
20 attempting to redevelop the Mentone Property pursuant to the PSA and the First
21 Amendment, namely the significant potential profit referenced in the above
22 paragraph. However, in my business judgment, there are also significant risks.
23 First, I cannot provide any guaranties to the Court or to investors that the cost to
24 obtain the Entitlement Requirements would not exceed the amounts stated in the
25 paragraph 11. Second, it cannot be assumed that the City of Redlands will
26 ultimately agree to annex the Property. Third, substantial uncertainty exists
27 concerning whether or not the City of Redlands, or the relevant county agencies,
28 would issue the other approvals necessary to fulfill the Entitlement Requirements,

1 even if I undertook to perform under either the PSA and First Amendment, or under
2 a future-negotiated amendment to the PSA. Fourth, because the money that was
3 deposited into escrow by RL has been dissipated on non-related matters, and
4 because RL is unwilling to advance any additional money to share risk, the estate of
5 the Receivership Entities would have to bear 100% of the risk of any failure to
6 fulfill the Entitlement Requirements, even if it was caused by regulatory actions
7 outside of the Receiver's control.


8 17. I have recently received a broker's opinion of value, relating to the
9 Mentone Property, indicating that in "as-is" condition, even lacking entitlements, it
10 should be saleable for an amount in the range of \$1,850,000 to \$2,125,000, and
11 potentially more.

12 18. In my business judgment, while there are significant potential benefits
13 to proceeding under the PSA, under the First Amendment, and under a contemplated
14 further amendment, the risks outweigh the benefits, and the PSA and related
15 contracts or amendments must be abandoned.

16 19. In light of the material nature of the subject PSA and the impact of the
17 receivership estate, in my business judgment, I believe it is incumbent upon me to
18 seek approval from the Court before proceeding with this course of action.

19
20 I declare under penalty of perjury under the laws of the State of California
21 that the foregoing is true and correct.

22 Executed on May 27, 2016, at Los Angeles, California.

23
24
25 

26 Stephen J. Donell

EXHIBIT A

Seller

REAL ESTATE PURCHASE AND SALE AGREEMENT

This Real Estate Purchase and Sale Agreement ("Agreement") is made as of June 3rd, 2015 by and between Suncor Care, Inc., a California corporation ("Seller"), and RL Communities, Inc., a California corporation ("Buyer").

Recitals

SAN BERNARDINO

A. Seller owns that certain real property generally located along Fifth Avenue and east of Wabash Avenue in the City of Redlands (the "City"), County of ~~Riverside~~, California, consisting of approximately 17.6 acres, APN 0299-111-02, commonly known as the "27 Lot Redland Mentone Site" and which is more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the "Real Property");

B. Buyer desires to acquire the right to purchase, subject to the terms and conditions set forth in this Agreement, the Property (as defined below) at an agreed price and under specified terms and conditions, and desires to investigate the suitability of and further entitle the Property for a subdivided residential development, perform land physical development, and vertically construct new homes;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller hereby agree as follows:

Agreement

1. Purchase and Sale. Subject to certain conditions precedent as set forth in this Agreement and at the purchase price and under the terms and conditions set forth in this Agreement, Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, the following (collectively, the "Property"):

- (a) The Real Property;

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(b) Any existing improvements on the Real Property (the "Improvements");

(c) All governmental licenses, permits, approvals, applications, subdivision maps, entitlements (including, without limitation the Tentative Map and other Seller's Entitlements, as defined in Section 6(a) below), certificates, rights under development agreements, school fee mitigation agreements, utility and other reimbursement rights, building permit and development allocations, and any other development rights or entitlements relating to the Real Property, and all other permits (including "will serve" letters) relating to the Real Property (collectively, the "Licenses and Permits"); and

(d) The right to use in connection with its development of the Property all surveys, plans, specifications, engineering, geotechnical, soil and other tests, studies and reports, environmental studies, title policies, and all other documents and intangible rights pertaining to the ownership and/or operation of the Real Property, relating to the Real Property and the Improvements (collectively the "Documents").

(e) The Licenses and Permits and Documents to be conveyed to Buyer are set forth in Exhibit B to this Agreement.

2. Purchase Price. The purchase price for the Property (the "Purchase Price") is Five Million Dollars (\$5,000,000), payable as set forth in Section 4 below.

3. Term of Agreement. This Agreement will commence and be effective upon the parties' execution hereof (the "Effective Date"). This Agreement will remain in full force and effect until the earlier to occur of the following: (i) Buyer, pursuant to Section 5(a), notifies Seller before the Feasibility Period expires that Buyer will not purchase the Property; (ii) the deadline for Close of Escrow set forth in Section 8(b), and (iii) termination prior to Close of Escrow in accordance with the terms hereof (the "Agreement Term").

4. Payment of Purchase Price. Buyer shall pay the Purchase Price for the Property as follows:

(a) Immediately upon the parties' execution of this Agreement, Buyer shall deposit into the Escrow established pursuant to Section 8(a) an initial deposit of Fifty Thousand Dollars (\$50,000) ("**Buyer's First Deposit**"), plus the full amount of Independent Consideration (as defined in Section 4(c) below). If so instructed by Buyer, the Escrow Agent shall hold Buyer's Deposit for Buyer's benefit in a market-rate interest bearing account. Escrow Agent shall release to Seller the Independent Consideration in accordance with Section 4(c) below. Buyer's Deposit shall be fully refundable to Buyer during the Feasibility Period as set forth in Section 5(a) below.

(b) If Buyer delivers to Seller a Notice to Proceed (as defined in Section 5(b) below) before the Feasibility Period expires, then concurrently with Buyer's delivery of the Notice to Proceed, Buyer shall (i) deposit into the Escrow an additional One Hundred Thousand Dollars (\$100,000) ("**Buyer's Second Deposit**") and, together with Buyer's First Deposit, the "**Deposits**", (ii) instruct the Escrow Agent in writing to release to Seller the full amount of the Deposits immediately upon Seller's delivery into Escrow of a recordable Deed of Trust (as defined in Section 4(e) below) and to release to Buyer all interest accrued on Buyer's First Deposit while in Escrow (the Deposits shall not include any interest earned thereon while in Escrow). Upon their release to Seller, the Deposits will be non-refundable to Buyer (except as otherwise provided in this Agreement) and shall apply to the Purchase Price at Closing.

(c) Along with Buyer's First Deposit, Buyer shall deposit into Escrow the amount of One Hundred Dollars (\$100) (the "**Independent Consideration**") as independent consideration for Seller's performance under this Agreement and which shall be retained by Seller in all instances. The Independent Consideration shall be non-refundable to Buyer as independent consideration for the rights and options extended to Buyer under this Agreement, including, without limitation, the right and option to terminate the Agreement as provided herein. The Independent Consideration shall be released to Seller immediately following Buyer's deposit of such funds into Escrow. In all instances under this Agreement in which Buyer elects to terminate or is deemed to have terminated the Agreement and all or any portion of the Deposits are returned to Buyer, Seller shall retain the Independent Consideration. The Independent Consideration shall not be applicable towards the Purchase Price or treated as consideration given by Buyer for any purpose other than stated in this Section 4(c).

(d) Buyer shall pay the full remaining amount of the Purchase Price in cash at the Close of Escrow.

(e) Seller's obligation under certain circumstances to repay to Buyer the Deposits and Buyer's Costs (as defined in Section 8(c) below), as set forth herein, shall be secured by a deed of trust on the Real Property, in the form attached to this Agreement as Exhibit G (the "**Deed of Trust**").

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Upon Seller's receipt of the Notice to Proceed and confirmation that Buyer has deposited into Escrow Buyer's Second Deposit, Seller shall, as a condition to the release of the Deposits to Seller, deposit into Escrow a duly executed and notarized original of the Deed of Trust with instructions to Escrow Agent to record same against the Real Property when Escrow Agent has the full amount of both Deposits in Escrow and is prepared to release same to Seller. Buyer shall quitclaim/reconvey the Deed of Trust at Closing or, if the Agreement is terminated prior to Closing, upon such termination and, if applicable, Seller's repayment of the Deposits and reimbursement of Buyer's Costs to Buyer.

(f) LIQUIDATED DAMAGES. IF BUYER DEFAULTS IN ITS OBLIGATION TO CLOSE ESCROW UNDER THE TERMS OF THIS AGREEMENT AND DOES NOT TIMELY CURE SUCH DEFAULT (A BREACH), SELLER MAY INSTRUCT ESCROW AGENT TO CANCEL THE ESCROW AND SELLER WILL THEREUPON BE RELEASED FROM SELLER'S OBLIGATIONS HEREUNDER WITH RESPECT TO THE PROPERTY (EXCEPT FOR THOSE OBLIGATIONS THAT THIS AGREEMENT STATES SURVIVE TERMINATION). BUYER AND SELLER AGREE THAT, BASED UPON THE CIRCUMSTANCES NOW EXISTING, KNOWN AND UNKNOWN, IT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO ESTABLISH SELLER'S DAMAGES BY REASON OF BUYER'S BREACH OF ITS OBLIGATION TO CLOSE ESCROW. ACCORDINGLY, BUYER AND SELLER AGREE THAT, IN THE EVENT OF BUYER'S BREACH OF BUYER'S OBLIGATION TO CLOSE ESCROW UNDER THIS AGREEMENT, IT WOULD BE REASONABLE AT SUCH TIME TO AWARD SELLER "LIQUIDATED DAMAGES" EQUAL TO THE AMOUNT OF BUYER'S DEPOSIT AND, IF APPLICABLE, THE FEASIBILITY PERIOD EXTENSION DEPOSIT PREVIOUSLY RELEASED TO SELLER, LESS THE ESCROW AGENT'S CHARGES. SELLER'S RETENTION OF BUYER'S DEPOSIT AND, IF APPLICABLE, THE FEASIBILITY PERIOD EXTENSION DEPOSIT, IS NOT INTENDED AS A FORFEITURE OR PENALTY UNDER CALIFORNIA LAW, BUT INSTEAD IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO THE CALIFORNIA CIVIL CODE. SELLER HEREBY WAIVES THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 3389. SELLER AGREES THAT THESE LIQUIDATED DAMAGES ARE IN LIEU OF ANY OTHER MONETARY RELIEF OR OTHER REMEDY, INCLUDING WITHOUT LIMITATION SPECIFIC PERFORMANCE, TO WHICH SELLER OTHERWISE MIGHT BE ENTITLED UNDER THIS AGREEMENT, AT LAW OR IN EQUITY, RELATING TO BUYER'S BREACH OF ITS OBLIGATION TO CLOSE ESCROW.

Seller's Initials OK

Buyer's Initials _____

5. Buyer's Decisions to Purchase or Not Purchase the Property.

(a) Buyer may, in its sole and absolute discretion, without any reason or cause, at any time before the Feasibility Period expires, decide that Buyer will not purchase the Property. If Buyer notifies Seller at any time before the Feasibility Period expires that Buyer will not purchase the Property or if Buyer fails to give Seller a Notice to Proceed (as defined in Section 5(b)) prior to the expiration of

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the Feasibility Period, then (i) the Escrow Agent shall promptly return to Buyer the Buyer's First Deposit and all interest accrued thereon, (ii) this Agreement shall immediately terminate, and (iii) the parties hereto will have no further obligations to each other hereunder (except for those obligations that this Agreement states shall survive termination).

(b) If Buyer, before the Feasibility Period expires, elects to proceed with the transaction hereunder, then Buyer shall issue to Seller a written notice specifying that Buyer elects to proceed with the transaction contemplated by this Agreement (the "Notice to Proceed"). The Notice to Proceed will specifically state (i) that it is "a Notice to Proceed pursuant to Section 5(b) of the Real Estate Purchase and Sale Agreement dated June 2nd, 2015 between Buyer and Seller," and (ii) that the Escrow Agent is simultaneously being directed to release the Deposits to Seller (and to release to Buyer all interest earned thereon while in Escrow) in accordance with Sections 4(b) and 4(e). Buyer's failure to deliver the Notice to Proceed in accordance with the preceding provisions of this subsection on or before the date the Feasibility Period expires is not a default by Buyer under this Agreement, but such failure will terminate this Agreement (other than the obligations of Buyer and Seller that expressly survive termination pursuant to another provision hereof).

(c) If Buyer gives the Notice to Proceed at any time prior to the expiration of the Feasibility Period, as provided herein, and if (i) Buyer then fails to make, or to instruct Escrow Agent to release to Seller (in accordance with Sections 4(b) and 4(e)), the Deposits as provided herein, or (ii) for any reason other than Seller's default or breach of its obligations under this Agreement, Escrow does not close, then, except in the event of Seller's default or breach, Seller may retain the amount of the Deposits that have been released from Escrow to Seller as liquidated damages in accordance with Section 4(f) above. In such event, the parties hereto will have no further obligations to each other, except for those obligations that this Agreement states survive termination.

6. Entitlements for Residential Development of the Property.

(a) Seller shall, as a condition to Buyer's obligation to close Escrow, and at Seller's sole cost and expense, apply for, process, obtain and deliver to Buyer Final Approval of all of the following for the development of twenty-seven (27) single-family, detached homes and related improvements on the Real Property (collectively, the "Seller's Entitlements"): (i) required General Plan designation and zoning; (ii) final, approved environmental impact report; and (iii) a vesting tentative subdivision map and, if applicable, any related planned development permit (collectively, the "Tentative Map"). Except as otherwise consented to in writing by Buyer, the Seller's Entitlements shall be consistent with the project description contained in Exhibit F attached hereto and incorporated herein by this reference. Seller covenants to use commercially reasonable and diligent efforts to apply for,

process, and obtain Final Approval of all of Seller's Entitlements. At all times during the term of this Agreement, Seller shall consult with Buyer about the Seller's Entitlements and keep Buyer reasonably informed about Seller's progress with respect to same. Without limiting the foregoing, throughout the term of this Agreement, Seller shall give Buyer at least seventy-two (72) hours' prior notice of any meetings or hearings with respect to Seller's Entitlements and Buyer shall have the right to have a representative present at all such meetings and hearings, and Seller shall promptly report to Buyer all material matters discussed at any meetings/hearings at which Buyer did not have a representative or in the course of any informal or impromptu meetings or discussions Seller has with any third party, including any governmental or quasi-governmental agency or entity, with respect to Seller's Entitlements. In addition, after Buyer delivers a Notice to Proceed, Seller shall not materially amend or modify, nor shall agree to any material amendment or modification of, any of Seller's Entitlements without Buyer's prior written consent, which Buyer shall not unreasonably withhold, condition or delay. As used in this Section 6(a), a material modification or amendment of a Seller Entitlement shall be a modification or amendment thereto that makes a change to one or more provision or requirement of the Seller Entitlement from the form or state thereof as of the date Buyer delivers a Notice to Proceed and that materially and adversely affects the development of homes on the Real Property and/or the cost of such development. Other than the Seller's Entitlements, Buyer shall be solely responsible after the Closing for obtaining, at its own cost and expense, all other approvals, permits and entitlements required for the development of single-family detached homes on the Real Property (the "Remaining Entitlements"). After the Closing, Buyer shall have sole discretion as to how to apply for, pursue, and obtain the Remaining Entitlements and shall have unrestricted access to the staff and elected officials of the County and any other governmental or quasi-governmental agency or body with jurisdictions over the Real Property, as well as all third parties who own projects within the City or County. As used in this Agreement, "Final Approval" of any of the Entitlements for the Property shall mean that (i) a party has obtained all necessary final administrative and discretionary approvals for the Entitlement from all governmental authorities with jurisdiction over the Real Property, (ii) all administrative and court challenges and/or appeals with respect to the Entitlement, if any, filed or pursued by any third party have been resolved, settled, or completed through non-appealable judgment and (iii) all deadlines for any third party to file or pursue any administrative and/or court challenge with respect to the Entitlement have passed.

(b) Both before and after the Closing, Seller shall take no action or make any statement that hinders, disparages, or otherwise injures or impairs Buyer's efforts to apply for, process and obtain Final Approval of the Remaining Entitlements and/or to defend and enforce the Seller's Entitlements. Seller's obligations under this Section 6(b) shall survive the Closing.

7. Buyer's Feasibility/Title Review.

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(a) Buyer, without incurring any obligation to purchase the Property or to release Buyer's Deposit to Seller hereunder, may conduct due diligence regarding the Property for a period ending at 5:00 PM on the date that is sixty (60) days after the Effective Date (the "Feasibility Period"). Seller has delivered, or shall deliver to Buyer, within three (3) days after the Effective Date, access to all records, documents, and information in Seller's possession or control regarding the Property, the Improvements thereon, the Seller's Entitlements, and/or the Licenses and Permits and Documents, including without limitation and as applicable those that constitute or relate to seismic and geological reports, soils reports, environmental studies or reports (including any Phase I or Phase II environmental studies), engineering studies and reports, utility availability and "will serve" letters, traffic studies, plans and specifications, negative declarations, environmental impact and other environmental reports and studies, notices of determination, entitlement applications, the Seller's Entitlements and any other submittals by Seller to governmental and public entities, contracts with consultants and contractors that have provided work on the Property, any and all leases and other agreements with any tenants or occupants of the Property, title policies and reports, and all other material studies, documents and reports relating to the Property, the Improvements thereon, Seller's or Seller's tenants' prior use thereof, and/or the condition thereof, all as is necessary for Buyer to complete its due diligence. Buyer shall have the right to contact any governmental and public entities and any quasi-governmental and quasi-public agencies regarding the Property and any private consultant and contractors (including those that have provided services to Seller) regarding the Property. In addition, Seller shall provide Buyer with copies of pleadings and/or other documents resulting from or related to all lawsuits, arbitrations, and other legal disputes and/or proceedings concerning the Property. At all times after the Effective Date and throughout the Agreement Term, Buyer, and its employees, representatives, consultants, and agents, will have the right to enter the Real Property during reasonable business hours for all purposes in connection with its due diligence. Seller hereby grants Buyer a limited license to enter the Real Property for such purposes. Buyer shall keep the Real Property free and clear of any mechanic's or other liens arising out of Buyer's entry of the Real Property for due diligence purposes. Buyer has the right, but not the obligation, to undertake any testing, surveying, drilling, or other analysis of the Real Property during the Feasibility Period and throughout the Agreement Term, including the right to conduct any subsurface testing of the Real Property. Buyer shall have the right to conduct whatever physical inspections it deems necessary. Subject to Section 10, Buyer shall provide to Seller copies of all reports that Buyer receives regarding the Property upon Seller's request; provided, no failure by Buyer to provide any such report shall provide grounds to terminate this Agreement. Buyer and Seller shall not disclose to any third party any results or reports regarding environmental testing performed by Buyer on the Real Property, except as required by applicable law. Any and all inspections and testing will be at Buyer's sole cost and expense, and Buyer shall hold Seller harmless and indemnify Seller and the Property from any and all such costs and expenses.

(b) Within five (5) days after the Effective Date, Buyer and Seller shall cause Park Place Title Company (the "Title Company") to issue and deliver to Buyer a preliminary California Land Title Association title report and each document shown as an exception or encumbrance in the report and a commitment to issue at Closing in Buyer's favor an ALTA standard owner's policy of title insurance

covering the Real Property in the amount of the Purchase Price (the "Policy Amount"). By no later than thirty (30) days before the Feasibility Period expires, Buyer shall notify Seller in writing of any objection to any exception therein ("Title Defects"). Upon receipt of Buyer's written objections, Seller shall have ten (10) days thereafter within which to elect, by written notice to Buyer, to remove or delete from the title to be conveyed to Buyer (in a manner reasonably acceptable to Buyer) any Title Defects objected to by Buyer. If Seller elects to cure any of the Title Defects, they shall be removed from record title by Seller at Seller's expense (or otherwise rendered acceptable to Buyer) prior to or at Closing and such Title Defects will not appear on the title insurance policy issued to Buyer by Title Company. If Seller does not elect or is unable to cure any Title Defect, Seller shall notify Buyer thereof in writing within said ten (10) day period, and Buyer shall elect, before the end of the Feasibility Period, to either waive its objections and proceed with its purchase pursuant to the terms of this Agreement or terminate this Agreement. If Buyer waives its objections to those Title Defects that Seller does not elect or is unable to remove, all such Title Defects, and any exceptions shown on the preliminary title report to which Buyer did not object (other than those that Seller is required to remove without Buyer's objection hereunder) will be deemed "Permitted Exceptions." Buyer's failure to object in this manner to any title exception will constitute an approval by Buyer of that exception. Seller's failure to timely respond to any objection to any Title Defect will be deemed Seller's refusal to cure the Title Defect at or before Closing. Notwithstanding any of the above, Seller shall remove at or before Closing all monetary encumbrances on the Real Property (except those obtained or expressly assumed by Buyer), including without limitation, deeds of trust, mortgages, financing statements, mechanics' liens, or other monetary obligations encumbering the Real Property (other than the lien for ad valorem property taxes not yet delinquent), and Buyer has no obligation hereunder to object to such items in order to obligate Seller to remove such items. Seller shall not take or refrain from taking any action after the Effective Date that will adversely affect the status of title to the Real Property, including further encumbering the Real Property or allowing any party to place or maintain any new lien, encumbrance, easement, or other rights or mortgages against the Real Property.

(c) Buyer has the right, throughout the term of this Agreement, to record against the Real Property a request for special notice from any holder of any encumbrance or lien against the Real Property.

(d) Buyer shall indemnify and hold Seller harmless from any liability for injury to persons or damage to property arising out of or in connection with Buyer and/or Buyer's consultants, agents, and employees coming onto the Real Property for any purpose under the terms of this Agreement, including, without limitation, mechanic's, materialman's or other liens upon the Real Property created or caused by Buyer and/or its agents. Before making any entry onto the Real Property, Buyer shall provide Seller with written proof of Buyer's insurance against risk of loss to person and property arising from entry upon the Real Property. In no event will Buyer have any liability to Seller as a result of any statement contained in any report or other written statement or oral communication

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regarding the Property. Buyer's indemnity obligations under this Section 7(d) shall survive the Closing or the earlier termination of this Agreement.

8. Escrow/Closing.

(a) Immediately upon the parties' execution of this Agreement, the parties shall open an escrow (the "Escrow") with Park Place Escrow, Inc., 2400 East Katella Avenue, Suite 1260, Anaheim, CA 92806 (Attn.: Nancye Woodward) telephone (714) 263-2012, Ext. 109, facsimile ~~(714) 263~~ ²⁰⁴⁵ ("Escrow Agent") for the purpose of facilitating Buyer's purchase of the Property

(b) The Escrow will close ("Closing" or "Close of Escrow") on the date that is thirty (30) days after Seller obtains Final Approval of all of Seller's Entitlements. Notwithstanding the foregoing, if Seller is unable to obtain Final Approval of any of Seller's Entitlements by the date that is twelve (12) months after the date Buyer delivers its Notice to Proceed, or if at any time after Buyer delivers its Notice to Proceed, the City or any other governmental or quasi-governmental agency or entity with jurisdiction over the Property takes final action to deny or reject any of Seller's Entitlements or any portion thereof, then Buyer may terminate this Agreement and Seller shall refund to Buyer the full amount of the Deposits.

(c) Notwithstanding any provision herein to the contrary, the Close of Escrow, and Buyer's obligations under this Agreement, shall be subject to the satisfaction of the following conditions at or prior to the time prescribed herein. Buyer has the right to waive any of the following conditions in Buyer's sole discretion.

(i) At Close of Escrow, the Title Company shall issue and deliver to Buyer the Title Policy for the Real Property together with the endorsements referred to herein insuring Buyer's fee simple title to the Real Property in the amount of the Purchase Price, subject only to the Permitted Exceptions, or the Title Company shall have irrevocably committed in writing to issue such policy. The Title Policy shall demonstrate the Real Property to be free and clear of all trust deeds and monetary liens not obtained or expressly assumed by Buyer, and of all other items disapproved by Buyer during the Feasibility Period that Seller agrees to remove;

(ii) Seller shall have performed, observed and complied with all covenants, agreements, and conditions required by this Agreement to be performed, observed, and complied with on its part in sufficient time to permit the Close of Escrow;

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(iii) All representations and warranties of Seller shall be true and correct as of the date hereof and as of the Close of Escrow;

(iv) There shall have occurred no material adverse change affecting the physical condition of the Real Property since the end of the Feasibility Period.

Each of the foregoing conditions is for Buyer's sole benefit. If any conditions precedent to Buyer's obligations set forth above are not satisfied, or waived in writing by Buyer, at or prior to the times prescribed therein, then Buyer shall have all remedies available to Buyer under this Agreement and applicable law, including, without limitation, for specific performance by Seller of its obligation to deed the Property to Buyer, and, without limiting the foregoing, Buyer shall have the option, exercisable by written notice to Seller at or prior to the then-scheduled Closing Date, of declining to proceed with the Close of Escrow and terminating this Agreement, or delaying the Close of Escrow, at no cost to Buyer, for a period of up to sixty (60) days, to allow the parties to cooperate to satisfy the unsatisfied condition, which the parties covenant to cooperate in good faith to accomplish. If Buyer declines to proceed with Close of Escrow, either before or after exercising its option to delay the Closing under this Section 8(c), then, except as expressly set forth herein, all rights, obligations and liabilities of Seller and Buyer under this Agreement will terminate (except for any obligations or liabilities under this Agreement which specifically set forth that such obligations or liabilities survive the termination of this Agreement) and, if the failure to satisfy any condition is due to any reason other than a default or breach by Buyer, then, without limiting Buyer's remedies or damages, all of the Deposits, whether or not previously released to Seller (excluding the Independent Consideration), will be returned or refunded to Buyer, and if the failure to satisfy any condition is due to a breach or default by Seller, then Seller shall reimburse Buyer for all costs Buyer has incurred as of the date of termination with respect to its feasibility review and this Agreement (collectively, "Buyer's Costs"); provided, however, that Seller's liability to Buyer for Buyer's Costs shall not exceed 8 Thousand Dollars (\$ 8), or, if the failure to satisfy any condition is due to a default or breach by Buyer, then Seller shall retain all of the Deposits previously released to Seller and Seller shall have no obligation to reimburse Buyer for any of Buyer's Costs.

(d) At or before Closing, Seller shall execute and deliver to the Escrow Agent the following:

(i) A grant deed ("Deed"), free of all mortgages, deeds of trust, financing statements, liens and other encumbrances and subject only to the Permitted Exceptions, in the form attached hereto as Exhibit C;

- affidavit;
- (ii) If required by the Title Company, an appropriate mechanic's lien affidavit;
 - (iii) A certification as to the non-foreign status of Seller in the form reasonably required by Escrow Agent and Buyer, and a Withholding Exemption Certificate on California Franchise Tax Board Form 593W, both duly executed by Seller;
 - (iv) Assignment and Bill of Sale, in the form attached hereto as Exhibit D, duly executed and transferring to Buyer all personal property or property rights (including, but not limited to the Licenses and Permits and Documents) contemplated by this Agreement or reasonably requested by Buyer, free and clear of all liens, claims or encumbrances;
 - (v) Appropriate evidence of Seller's formation, existence and authority to sell and convey the Property;
 - (vi) Appropriate written proof that Seller has paid in full all amounts owed and payable to all third parties that have provided materials, labor and/or services to Seller prior to Closing in connection with the Property and Seller's Entitlements, which proof shall include as appropriate unconditional lien releases; and
 - (vii) Such other documents that the Title Company may reasonably require in connection with issuance of the owner's policy to Buyer and to deliver good and marketable title to the Real Property from Seller to Buyer as provided in this Agreement.
- (e) At or before Closing, Buyer shall execute and deliver to the Escrow Agent the following:
- (i) The Purchase Price (subject to prorations and adjustments, and a credit for Deposits), in a form of funds acceptable to Escrow Agent;
 - (ii) The Assignment and Bill of Sale, duly executed; and

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(iii) Appropriate evidence of Buyer's formation, existence and Buyer's authority to purchase the Property.

(f) At or before Closing, Seller and Buyer shall each execute counterpart closing statements in a customary form, and such other documents that are reasonably necessary to consummate Closing.

(g) At or before Closing, both parties shall pay their respective costs in a form of funds reasonably acceptable to Escrow Agent.

9. Closing Costs/Prorations.

(a) At Closing, personal property taxes, real property taxes and any other assessments against the Property, assessments and any other items of income and expense with respect to the Real Property shall be prorated between the parties as of the Closing by the Escrow Agent on the basis of a 365-day year.

(b) Buyer shall pay recording fees, one-half of the premium for an ALTA standard owner's Title Policy, and one-half of all Escrow costs and fees. Seller shall pay all documentary and transfer taxes, one-half of the premium for an ALTA standard owner's Title Policy, one-half of all Escrow costs and fees, and any delinquent property taxes and other charges collected with the collection of property taxes. Each party shall be responsible for its own attorneys' fees and consulting costs.

10. Ownership of Reports. If, for any reason other than Seller's breach, Escrow does not close as provided in this Agreement, or this Agreement is terminated prior to Closing, Buyer shall give Seller copies of Buyer's records regarding the Property, including all applications, plans, drawings, designs, reports, and other documentation regarding the Property prepared by or for Buyer, all of which shall become Seller's property; provided, however, that Buyer shall have no obligation to provide to Seller the following documents: internal correspondence or memorandum, appraisals, market analyses or studies, financial analyses, loan documentation, correspondence between Buyer and any potential lenders, or any communication between Buyer and its attorneys. Furthermore, Buyer does not warrant or represent that Seller shall have the right to use for its own benefit any of the applications, plans, drawings, designs, reports, and other documentation regarding the Property prepared by or for Buyer.

11. Seller's Representations and Warranties. Seller represents and warrants to Buyer:

(a) Seller is the sole owner of the Property and fully entitled to enter into this Agreement and, as of the date of execution of this Agreement, the Property is free and clear of all financial encumbrances, except for any financial encumbrances shown on the preliminary title report, which Seller shall remove at or before Closing. Seller has not entered into any other contracts, agreements or understandings, verbal or written, for the sale, transfer or lease of any portion of the Property and no party has a right or option to purchase the Property. The Property is not subject to any leases, tenancies, or other occupancy rights, recorded or unrecorded, written or oral.

(b) As of the date of execution of this Agreement, Seller has no notice or knowledge of any pending or potential lawsuits, condemnation or eminent domain proceedings, claims, notices of violation of any applicable laws, regulations or codes, or other adverse action with respect to the Property or the Seller's Entitlements by any private or public person or entity. Throughout the term of this Agreement, Seller shall promptly notify Buyer of any such matters of which Seller receives notice or otherwise obtains knowledge. Seller has not entered, and throughout the Agreement Term will not enter, into any agreements that will affect, or to Seller's best knowledge, could affect, Buyer's intended development of the Property.

(c) To Seller's knowledge, Seller is in full compliance with all Environmental Laws affecting the Real Property. To Seller's knowledge, there are no alleged or actual (a) Environmental Losses, or (b) failure to comply with Environmental Laws affecting the Real Property. The Real Property is free from Contamination placed on the Real Property by Seller or with Seller's knowledge or consent. Hazardous Substances have not been generated, Released, recycled, used, reused, sold, stored, handled, managed, transported or disposed of in, on or under the Real Property by Seller or with Seller's knowledge or consent. Throughout the term of this Agreement, Seller shall promptly notify Buyer of any items described in this Section 11(c) of which Seller receives notice or otherwise obtains knowledge. All capitalized terms used in this Section 11(c) are defined in Exhibit E.

(d) Seller's execution, delivery and performance of this Agreement has been duly authorized and no consent of any other person or entity to such execution, delivery and performance is required to render this document a valid and binding instrument enforceable in accordance with its terms.

(e) Seller is not a "foreign person" within the meaning of Section 1445(f) of the Internal Revenue Code and Seller is not, nor is any person who owns a controlling interest in or otherwise controls Seller, (a) listed on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Assets Control ("OFAC"), Department of the Treasury, and/or on any other similar list maintained by the OFAC pursuant to any authorizing statute, Executive Order or regulation (collectively, "OFAC Laws and Regulations"); or (b) a person either (i) included within the term "designated national" as defined in the Cuban Assets Control Regulations, 31 C.F.R. Part 515, or (ii) designated under Sections 1(a), 1(b), 1(c) or 1(d) of Executive Order No. 13224, 66 Fed. Reg. 49079 (published September 25, 2001) or similarly designated under any related enabling legislation or any other similar Executive Orders (collectively, the "Executive Orders"). Neither Seller nor any of its principals or affiliates is (x) a person or entity with which Buyer is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law, or that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Orders, or (y) is affiliated or associated with a person or entity listed in the preceding clause (x). To the best knowledge of Seller, neither Seller nor any of its principals or affiliates, nor any brokers or other agents acting in any capacity in connection with the transactions contemplated herein (I) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Orders or (II) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law. As used herein, "Anti-Terrorism Law" means the OFAC Laws and Regulations, the Executive Orders and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. No. 107-56, 115 Stat. 272 (2001), as amended.

(f) The entering into this Agreement and the sale of the Property to Buyer does not constitute a violation or breach by Seller of: (i) any contract, agreement, understanding or instrument to which it is a party by which Seller or the Property is subject or bound; (ii) any judgment, order, writ, injunction or decree issued against or imposed upon them; or (iii) any applicable law, order, rule or regulation of any governmental or quasi-governmental authority.

(g) Seller shall not at any time while this Agreement is in effect, make or permit any contract or agreement or impose or allow to impose any new lien, encumbrance or other matter affecting title to the Property or grant or allow to be granted any right in or on or to the Property without the prior written consent of Buyer, which consent may be withheld, conditioned or delayed by Buyer in its sole discretion. Seller shall not by any act or failure to act give rise to a right to declare a default under any existing or future deed of trust or other encumbrance on the Property.

(h) Throughout the Agreement Term, Seller shall maintain the Real Property in good order, condition and repair and shall not commit waste or allow any another party to commit

waste on or of the Real Property or otherwise materially and adversely affect the Real Property and shall cure any violations of applicable laws, regulations, and codes applicable to the Property.

(i) Seller shall deliver Property to Buyer at Close of Escrow in its same condition as exists on the Effective Date.

(j) Seller has provided to Buyer all materials set forth in Section 7(a) in Seller's possession or control and, except as otherwise disclosed to Buyer by Seller, to Seller's knowledge (i) none of such due diligence materials so provided to Buyer by Seller contains any information that is materially false or materially misleading, and (ii) all copies of contracts and agreements with respect to the Property provided to Buyer by Seller are complete.

Each of the foregoing shall be true as of the Effective Date and as of Close of Escrow and shall survive the Closing or the earlier termination of this Agreement.

12. Buyer's Purchase "As-Is". As of the date of the expiration of the Feasibility Period, Buyer will have examined and inspected the Property and will know and be satisfied with the physical condition, quality, quantity, and state of repair of the Real Property in all respects and shall have determined that the same is acceptable to Buyer "AS-IS." Buyer acknowledges that, except for Seller's representations, warranties and covenants set forth in this Agreement, Buyer is acquiring the Property in "AS-IS" condition solely in reliance on its own inspections and examination and its own evaluation of the Property. Buyer agrees that, other than as set forth in this Agreement or in any document provided to Buyer by Seller, no representations, statements or warranties have at any time been made by Seller or Seller's agents as to the physical condition, quality, quantity, or state of repair of the Real Property or related to the operation or prospects for the Real Property. Buyer acknowledges and agrees that during the Feasibility Period: (i) Buyer will review all instruments, records, and documents which Buyer deems appropriate and advisable to review in connection with this transaction, including but not limited to any of the entitlements (including the Seller's Entitlements), architectural drawings, plans, specifications, surveys, building and occupancy permits, and any licenses, contracts, warranties and guarantees relating to the Real Property, and Buyer, by proceeding with this transaction following the expiration of the Feasibility Period, will be deemed to have determined that the same and information and data contained therein and evidenced thereby are satisfactory to Buyer; (ii) Buyer will review all applicable laws, ordinances, and governmental regulations (including but not limited to those relative to building, zoning, and land use) affecting the development use, occupancy, or enjoyment of the Real Property; (iii) Buyer will, at its own cost and expense, make its own independent investigation respecting the Real Property and is relying thereon and on the advice of its consultants in entering into this Agreement and, by proceeding with this transaction following the expiration of the Feasibility Period, will be deemed to

have determined that the same are satisfactory to Buyer; and (iv) except for Seller's representations, warranties and covenants herein, Buyer expressly waives and relinquishes any rights it may have under, and specifically releases Seller from any liability with respect to, any laws or regulations requiring disclosure of natural hazards affecting the Real Property except as expressly provided herein.

13. Risk of Loss. Seller shall bear all risk of loss related to the Real Property prior to Closing. If, at any time prior to Closing, the Real Property or any substantial and material portion thereof is destroyed or damaged, or if any governmental entity or agency takes, attempts to take, or commences any proceeding or procedure to take the Real Property, or any substantial and material portion thereof, by eminent domain (a "Taking"), Seller shall promptly notify Buyer. Within fifteen (15) days of receipt of Seller's notice (and the Feasibility Period and/or Closing Date shall be extended as required to allow for the full 15-day period), Buyer may either (i) terminate this Agreement by delivery of written notice to Seller, whereupon both parties will be relieved of all further obligations under this Agreement (except for those that this Agreement states shall survive termination) and the entire amount of the Deposits shall be returned to Buyer, whether or not previously released to Seller; or (ii) continue this Agreement in full force and effect, in which event there shall be no adjustment to the Purchase Price and no return of the Deposits, due to such destruction, damage or Taking, but Seller shall assign to Buyer all of Seller's rights, if any, to any condemnation award and/or insurance proceeds with respect to such condemnation or damage.

14. Brokers/Commissions. Seller is represented in this transaction by Doug Jorritsma of Land Advisors Organization ("Seller's Broker"). At Closing, Seller shall be solely responsible for paying to Seller's Broker any brokerage commission/finder's fee/other commission due to Seller's Broker pursuant to a separate written agreement between Seller and Seller's Broker. Buyer and Seller each represent and warrant to the other that, other than as set forth above, there are no other real estate brokers, salesman or finders involved in this transaction. If a claim for brokerage fees or commissions in connection with this transaction is made by any broker, salesman or finder claiming to have dealt by, through or on behalf of one of the parties hereto, such party (the "Indemnitor") shall indemnify, defend and hold harmless the other party hereto (the "Indemnitee"), and Indemnitee's officers, directors, agents and representatives, from and against any and all liabilities, damages, claims, costs, fees, and expenses whatsoever, including reasonable attorneys' fees and court costs through all trial and all appellate levels, with respect to said claim for brokerage.

15. Miscellaneous.

a. Assignment. Buyer, without Seller's prior consent, may assign this Agreement and its rights and obligations hereunder to an entity of which Buyer or its shareholder, Richard Lafferty,

owns at least a fifty-one percent (51%) equity interest. Any such assignee shall assume all obligations of Buyer under this Agreement. Neither party may otherwise assign this Agreement, unless such party first obtains the written consent of the other party, which consent such other party shall not unreasonably withhold, condition, or delay.

b. Notices. All notices or other communication provided for under this Agreement shall be in writing, shall be effective upon receipt or refusal to accept delivery, and shall be (i) delivered personally, (ii) sent by registered or certified mail, return receipt requested, postage prepaid, or by private overnight courier service, addressed to the person to receive such notice or communication at the following address, or (iii) sent by facsimile transmission to the phone number, or by email to the email address, listed below, with a copy of such notice concurrently sent by the method set forth in the preceding clause (ii). The address of any party for purposes of notices shall be the address set forth below; provided that any party may change its address by giving notice to the other parties hereto in accordance herewith.

Notice to Seller must be addressed as follows:

Suncor Care, Inc.,
Attn.: CLAUDIA KANO, SVP
406 East Vanderbilt Way
San Bernardino, CA 92408
Facsimile: (909) 433-0680
Email: claudiakano@aol.com

With a copy to:

Park Place Escrow, Inc. / Nancy Woodward Escrow Officer
2400 Katella Avenue Suite 1260
Anaheim,
CA 92806

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Facsimile: 714-263-2095

Notice to Buyer must be addressed as follows:

RL Communities, Inc.
Attn.: Richard Lafferty
5000 Executive Parkway, Suite 530
San Ramon, CA 94583
Facsimile: (925) 275-1238
Email: rlafferty@laffertycommunities.com

With a copy to:

Richard Norris
Archer Norris
2033 North Main Street, Suite 800
Walnut Creek, CA 94596-3728
Facsimile: (925) 930-6620
Email: rnorris@archernorris.com

c. Entire Agreement/Binding Effect. This instrument and the attached Exhibits constitute the entire agreement between the parties relating to the Agreement. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force and effect. Any amendment to this Agreement will be of no force and effect unless it is in writing and signed by all parties. This Agreement shall bind and inure to the benefit of the parties to this Agreement and their employees, agents, representatives, heirs, personal representatives, successors, and assigns, except as otherwise provided in this Agreement.

d. Governing Law/Venue and Jurisdiction/Interpretation. Any litigation arising under this Agreement will be prosecuted in the Superior Court of California, County of Riverside. The laws of the State of California govern all matters arising out of this Agreement. All of the parties to this Agreement have participated fully in negotiating and drafting this Agreement, so if any ambiguity or a question of intent or interpretation arises, this Agreement is to be construed as if the parties had drafted it jointly, as opposed to being construed against a party because it was responsible for drafting one or more provisions of this Agreement. In construing this Agreement, the singular forms of nouns

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and pronouns include the plural, and vice versa and the use of any gender shall include every other gender and all captions and Section headings are to be discarded.

e. Severability. In the event any interpretation of a provision of this Agreement is determined by appropriate judicial authority to be illegal or otherwise invalid, such provision will be given its nearest legal meaning or construed as deleted as such authority determines and the remainder of this Agreement will continue in full force and effect.

f. Exhibits. All of the Exhibits to this Agreement are incorporated in and made a part of this Agreement.

g. Time of Essence. The parties hereby agree that time is of the essence with respect to performance of each of the parties' obligations under this Agreement. The parties agree that in the event that any date on which performance is to occur falls on a Saturday, Sunday or state or national holiday, then the time for such performance will be extended until the next business day thereafter occurring.

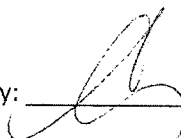
h. Execution. This Agreement may be executed in any number of counterparts, each of which, when executed, will be deemed to be an original, and all of which will be deemed to be one and the same instrument. Facsimile transmission signatures will be deemed original signatures if followed by hard copy delivery.

i. Confidentiality. The parties agree that the terms set forth in this Agreement are to remain totally and completely confidential and are not to be revealed or disclosed to any person or party whatsoever, except: (i) with the consent of the other parties; (ii) as may be disclosed to a party's attorneys, accountants, and other representatives that are involved in connection with the consummation of this transaction; (iii) each party's investors and/or lenders; (iv) in accordance with the provisions of this Agreement; (v) as may be required by applicable law; (vi) as may be necessary for Buyer to pursue the Remaining Entitlements or any other necessary or appropriate governmental approvals; and (vii) in connection with any litigation between the parties. These confidentiality requirements shall not apply to Buyer after the Closing.

Executed on the date first indicated above.

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SELLER: Suncor Care, Inc.,
a California corporation

By:  _____
Its: SUP _____

BUYER: RL Communities, Inc.,
a California corporation

By: _____
Richard Lafferty, President

LIST OF EXHIBITS

- Exhibit A Legal Description of Property
- Exhibit B Licenses and Permits and Documents
- Exhibit C Form of Deed
- Exhibit D Form of Assignment and Bill of Sale
- Exhibit E Environmental Definitions
- Exhibit F Description of Project
- Exhibit G Form of Deed of Trust



EXHIBIT A

Legal Description of the Property

[insert legal description]

EXHIBIT B

Licenses and Permits and Documents

[Insert list of Licenses and Permits and Documents]

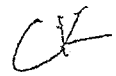


EXHIBIT C

Form of Deed

[to be attached]

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EXHIBIT D

Form of Assignment and Bill of Sale

[to be attached]



EXHIBIT E

Environmental Definitions

As used in this Agreement, the following terms have the meanings set forth below:

“Contamination” – the Release or presence of Hazardous Substances in, on, underlying or surrounding the Property (including soils and groundwater), including migration of or depositing of Hazardous Substances onto or under adjoining or neighboring properties or the release or presence of Hazardous Substances from or associated with the Property at any other offsite location.

“Environmental Laws” – any and all federal, state, or local laws (including common law), rules, regulations, orders, ordinances, permits, authorizations, writs, judgments, injunctions, decrees or determinations, whether issued by a court or government agency, in effect during the period of this Agreement relating to the protection of the environment, the Release of any Hazardous Substances into the environment, the generation, management, transportation, storage, treatment and disposal of Hazardous Substances, or the pollution of air, soil, groundwater or surface water (including, without limitation, the Clean Air Act, the Toxic Substance Control Act, the Clean Water Act, the Comprehensive Environmental Response Compensation and Liability Act, and the Resource Conservation and Recovery Act, all as amended, including similar state or local laws).

“Environmental Loss” – any and all claims, damages, losses, expenses, costs, deficiencies, penalties, liens, interest, fines, assessments, charges, compensation, obligations, and liabilities of any kind imposed by private parties or governmental agencies in civil, criminal or administrative proceedings, or incurred by, under or pursuant to Environmental Laws, whether based upon negligence, strict liability or otherwise, under any theory or process of recovery or relief, at law or at equity, including remediation, restoration, abatement, investigation, testing, monitoring, personal injury, death and property damage costs, contribution for, or recovery of such costs under the Comprehensive Environmental Response Compensation and Liability Act, as amended, or similar state or federal laws, and reasonable attorney’s fees, court costs and interest paid or accrued, related to the Contamination of the Property or offsite locations arising from operations or activities on the Property or the Remediation thereof.

“Hazardous Substance” – any toxic or hazardous substance, material or waste, pollutant, hazardous substance or wastes, petroleum or petroleum derived substance or waste, radioactive

substance, material or waste, asbestos containing materials, or any constituent of any such substance or waste regulated under or defined by or pursuant to any Environmental Law.

"Release" – any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration into the environment or into or out of the Property, including the movement of Hazardous Substances through or in the air, soil, surface water or groundwater of the Property or adjoining properties.

"Remediation" – all actions, whether undertaken pursuant to judicial or administrative order or otherwise, reasonably necessary to comply with applicable Environmental Law, to (a) investigate, clean up, remediate, remove, treat, cover or in any other way adjust Hazardous Substances in or around the Property; or (b) prevent or control the Release of Hazardous Substance so that they do not migrate or endanger or threaten to endanger public health or welfare or the indoor or outdoor environment.

"Seller" – includes Seller's members, officers, directors, employees, agents, affiliates and successors and predecessors.

EXHIBIT F

Description of Project

[to be attached]

CK

EXHIBIT G

Form of Deed of Trust

[to be attached]

CK

EXHIBIT B

**FIRST AMENDMENT TO
REAL ESTATE PURCHASE AND SALE AGREEMENT**

This First Amendment to Real Estate Purchase and Sale Agreement (“**Amendment**”) is effective as of September 18, 2015 by and between Suncor Care, Inc., a California corporation (“**Seller**”), and RL Communities, Inc., a California corporation (“**Buyer**”).

Recitals

A. Buyer and Seller are parties to that certain Real Estate Purchase and Sale Agreement, dated June 3, 2015 (the “**Agreement**”). The parties now desire to amend the Agreement to extend the Feasibility Period and modify the Deposits provisions, all as set forth in this Amendment. All capitalized terms not defined in this Amendment shall have the meaning set forth in the Agreement.

Accordingly, the parties now hereby agree as follows:

Agreement

1. Extension of Feasibility Period. The first sentence of Section 7(a) of the Agreement is hereby amended so that the Feasibility Period now ends at 5:00 P.M. PT on Friday, October 9, 2015.

2. Release of Buyer’s First Deposit. Notwithstanding the extension of the Feasibility Period, on September 25, 2015, Buyer’s First Deposit shall become non-refundable to Buyer (except as otherwise set forth in the Agreement) as if Buyer delivered a Notice to Proceed on such date, and shall be released to Seller immediately upon Seller’s delivery into Escrow of a recordable Deed of Trust, in the form attached to this Amendment as Exhibit 1, and the satisfaction of all other requirements for the release of the Deposits set forth in the Agreement.

3. Buyer’s Notice to Proceed/Buyer’s Second Deposit. Buyer shall, by no later than 5:00 pm on Friday, September 25, 2015, deposit into Escrow the full amount of Buyer’s Second Deposit. Notwithstanding Buyer’s deposit of Buyer’s Second Deposit into Escrow, Buyer shall have until the end of the Feasibility Period, as extended in Section 1 above, to decide whether or not to proceed with its acquisition of the Property/whether or not to deliver a Notice to Proceed.

a. If Buyer delivers a Notice to Proceed to Seller on or before 5:00 pm PT on Friday October 9, 2015, then concurrently with Buyer’s delivery of the Notice to Proceed, and provided that the Deed of Trust has been recorded, Buyer shall instruct the Escrow Agent in writing to release to Seller the full amount of Buyer’s Second Deposit, which will be secured by the Deed of Trust, will be non-refundable to Buyer when released to Seller (except as otherwise provided in this Agreement) and shall apply to the Purchase Price at Closing.

b. If Buyer does not timely deliver a Notice to Proceed to Seller, or if Buyer informs Seller and Escrow Agent in writing on or before October 9, 2015 that Buyer has decided not to purchase the Property, then (i) unless Buyer is otherwise entitled under the Agreement to a return of Buyer’s First Deposit, Seller shall retain the full amount of Buyer’s First Deposit, (ii) the Escrow Agent shall promptly return to Buyer Buyer’s Second Deposit and all interest accrued thereon while in Escrow, (iii) this Agreement shall immediately terminate, and (iv) the

parties hereto will have no further obligations to each other hereunder (except for those obligations that this Agreement states shall survive termination). Escrow Agent is hereby instructed to hold Buyer's Second Deposit in Escrow until Friday, October 9, 2015 and then only to release it Seller if Escrow Agent receives a timely Notice to Proceed from Buyer; otherwise, unless otherwise instructed by Buyer in writing, Escrow Agent is hereby instructed to return the Buyer's Second Deposit to Buyer on Monday, October 12, 2015.

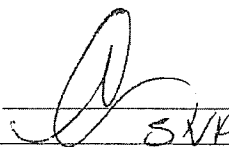
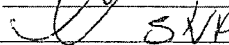
4. Effect of Amendment. This Amendment shall supersede in their entirety those "Amended/ Additional Escrow Instructions," dated September 18, 2015, from Park Place Escrow, Inc., that the parties have executed previously. Escrow Agent shall treat this Amendment as the parties' joint escrow instructions and the Amended/ Additional Escrow Instructions shall have no further force or effect.

5. Miscellaneous. Except as amended by this Amendment, the terms and provisions of the Agreement shall remain unmodified and shall continue in full force and effect, and Buyer and Seller hereby ratify and affirm all their respective rights and obligations under the Agreement. In the event of any conflict between this Amendment and the Agreement, this Amendment shall govern. The terms and provisions of this Amendment, together with the Agreement, shall constitute all of the terms and provisions to which Buyer and Seller have agreed with respect to the Agreement and the Property, and there are no other terms and provisions, oral or written, that apply to the Agreement and/or the Property other than as set forth herein and in the Agreement.

6. Execution. This Amendment may be executed in counterparts, and all of such counterparts shall together constitute one fully-executed document. The parties agree to accept signatures transmitted via facsimile or e-mail.

Executed on the date first indicated above.

SELLER: Suncor Care, Inc.,
a California corporation

By:  CLAUDIA KANO
Its:  SVP

BUYER: RL Communities, Inc.,
a California corporation

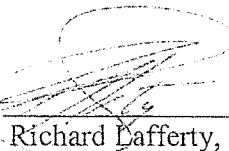
By: 
Richard Dafferty, President

EXHIBIT 1 TO AMENDMENT

Form of Deed of Trust

[attach form of Deed of Trust]

RECORDING REQUESTED BY:
Lawyers Title

WHEN RECORDED MAIL DOCUMENT AND TAX STATEMENT TO:

R.L. COMMUNITIES, INC.
Attn.: Richard Lafferty
5000 Executive Parkway, Suite 530
San Ramon, CA 94583

APN: 0299-111-02
TITLE ORDER NO.: 614674550
ESCROW NO.: 11406-NW

THIS SPACE FOR RECORDER'S USE ONLY

DEED OF TRUST AND ASSIGNMENT OF RENTS

This **DEED OF TRUST**, made this September 25, 2015, between

TRUSTOR – **SUNCOR CARE, INC., a CA corporation**
whose address is 406 East Vanderbilt Way, San Bernardino, CA 92408

TRUSTEE: **LAWYERS TITLE COMPANY** and

BENEFICIARY: : **RL COMMUNITIES, INC., A California Corporation, ,**

Witnesseth: That Trustor **IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS TO TRUSTEE IN TRUST, WITH POWER OF SALE**, that property in the County of San Bernardino, State of California, described as:

PER EXHIBIT "A", ATTACHED HERETO.

TOGETHER WITH the rents, issues and profits thereof, **SUBJECT, HOWEVER**, to the right, power and authority hereinafter given to and conferred upon Beneficiary by Paragraph (10) of the provisions incorporated herein by reference to collect and apply such rents, issues and profits.

FOR THE PURPOSE OF SECURING:

1. Performance of each agreement of Trustor incorporated by reference or contained herein. 2. The obligation, under certain circumstances, pursuant to that certain Real Estate Purchase and Sale Agreement, dated June 3, 2015, between Trustor, as "Seller" and Beneficiary, as "Buyer," as amended by that certain First Amendment to Purchase and Sale Agreement, with an effective date of September 18, 2015 (collectively, the "Purchase Agreement") to return to Beneficiary the Deposits (as defined in the Purchase Agreement) released to Trustor from the Escrow, including without limitation, Buyer's First Deposit (as defined in the Purchase Agreement) in the amount of **FIFTY THOUSAND AND NO/100Dollars (\$50,000.00)**, and, if released to Trustor after the date hereof pursuant to the Purchase Agreement, Buyer's Second Deposit (as defined in the Purchase Agreement) in the amount of **ONE HUNDRED THOUSAND AND NO/100Dollars (\$100,000.00)** . 3. Payment of such further sums as the then record owner of said property hereafter may borrow from Beneficiary, when evidenced by another note (or notes) or other writing between Trustor and Beneficiary reciting it is so secured.

In accordance with Section 2924B, Civil Code, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale hereunder be mailed to Trustor at Trustor's address herein before set forth, or if none shown, to Trustor at the property address.

NOTICE: A COPY OF ANY NOTICE OF DEFAULT AND OF ANY NOTICE OF SALE WILL BE SENT ONLY TO THE ADDRESS CONTAINED IN THE RECORDED REQUEST, IF YOUR ADDRESS CHANGES, A NEW REQUEST MUST BE RECORDED.

#1781

To protect the security of this Deed of Trust, Trustor Agrees: By the execution and delivery of this Deed of Trust and the note secured hereby, that provisions (1) to (14) inclusive, of the fictitious deed of trust recorded in Santa Barbara County and Sonoma County October 18, 1961, and in all counties October 23, 1961, in the book and the page of Official Records in the office of the county recorder of the county where said property is located, noted below opposite the name of such county, vis.:

COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE
Alameda	435	684	Kings	792	833	Placer	895	301	Sierra	29	335
Alpine	1	250	Lake	362	39	Plumas	151	5	Siskiyou	468	181
Amador	104	348	Lassen	171	471	Riverside	3005	523	Solano	1105	182
Butte	1145	1	Los Angeles	T2055	899	Sacramento	4331	62	Sonoma	1851	689
Calaveras	145	152	Madera	810	170	San Benito	271	383	Stanislaus	1715	456
Colusa	296	617	Marin	1508	339	San Bernardino	5567	61	Sutter	572	297
Contra Costa	3978	47	Mariposa	77	292	San Francisco	A332	905	Tehama	401	289
Del Norte	78	414	Mendocino	579	530	San Joaquin	2470	311	Trinity	93	366
El Dorado	568	456	Merced	1547	538	San Luis Obispo	1151	12	Tulare	2294	275
Fresno	4626	572	Modoc	184	851	San Mateo	4078	420	Tuolumne	135	47
Glenn	422	184	Mono	52	429	Santa Barbara	1878	860	Ventura	2062	386
Humboldt	657	527	Monterey	2194	538	Santa Clara	5336	341	Yolo	653	245
Imperial	1091	501	Napa	639	86	Santa Cruz	1431	494	Yuba	334	486
Inyo	147	598	Nevada	305	320	Shasta	684	528			
Kern	3427	60	Orange	5889	611	San Diego	Series 2, Book 1961, Page 183887				

(which provisions, identical in all counties, are printed on the attached page of this form) hereby are adopted and incorporated herein and made part hereof as fully as though set forth herein at length; that he will observe and perform said provisions; and that the references to property, obligations, and parties in said provisions shall be construed to refer to the property, obligations, and parties set forth in this Deed of Trust.

A notary public officer or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document

STATE OF CALIFORNIA)
 COUNTY OF LOS ANGELES)
 On SEPTEMBER 25, 2015, before me,
JON DAVID WALKER, a Notary Public
 personally appeared CLAUDIA KAWO

SUNCOR CARE, INC., a CA corporation

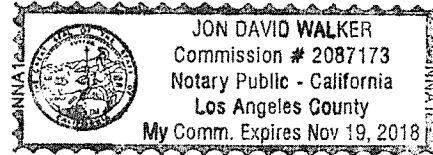
By: [Signature]
 CLAUDIA KAWO, Sr. Vice President

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Signature]



(SEAL)

The following is a copy of provision (1) to (14) inclusive, of the fictitious deed of trust, recorded in each county in California, as stated in the foregoing Deed of Trust and by reference in said Deed of Trust as being a part thereof as if set forth at length therein. To Protect the Security of This Deed of Trust, Trustor Agrees:

(1) To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

(2) To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.

(4) To pay: at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof. Beneficiary or Trustee being authorized to enter upon said property for such purposes, appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto, and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

(5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

(6) That any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

(7) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare fault for failure so to pay.

(8) That any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may reconvey only part of said property; consent to the making of any map or plot thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

(9) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto". Five years after issuance of such full reconveyance, Trustee may destroy said note and this Deed (unless directed in such request to retain them).

(10) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(11) That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

#1783
(DO NOT RECORD)

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, whether as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time-to-time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

(12) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time-to-time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

(13) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrator, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the note secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

(14) That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

REQUEST FOR FULL RECONVEYANCE

To be used only when Note has been paid.

Dated:

09/25/16

To LAWYERS TITLE COMPANY, Trustee.:

The undersigned is the legal owner and holder of all indebtedness secured by the within Deed of Trust. All sums secured by said Deed of Trust have been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel all evidences of indebtedness, secured by said Deed of Trust, delivered to you herewith together with said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, the estate now held by you under the same.

MAIL RECONVEYANCE TO:

By  _____

By _____

**Do not lose or destroy this Deed of Trust OR THE NOTE which it secures.
Both must be delivered to the Trustee for cancellation before reconveyance will be made.**

**DEED OF TRUST
Park Place Escrow, Inc., AS TRUSTEE**

EXHIBIT C

RECORDING REQUESTED BY:

LAWYERS TITLE

AND WHEN RECORDED MAIL TO:

R.L. Communities, Inc.

Attn: Richard Lafferty

5000 Executive Parkway

Suite 530

San Ramon, CA 94583

ORDER NO.:

ESCROW NO.:

614674580.9

APN: 0299-111-02

Electronically Recorded in Official Records, County of San Bernardino

10/08/2015
08:22 AM
EM



BOB DUTTON

ASSESSOR - RECORDER - CLERK

874 Lawyer's Title

Doc #: 2015-0439736



Titles: 2 Pages: 7

Fees 68.00

Taxes .00

Other .00

PAID 68.00

DEED OF TRUST AND ASSIGNMENT OF RENTS

3

RECORDING REQUESTED BY:
Lawyers Title

WHEN RECORDED MAIL DOCUMENT AND TAX
STATEMENT TO:

R.L. COMMUNITIES, INC.
Attn.: Richard Lafferty
5000 Executive Parkway, Suite 530
San Ramon, CA 94583

APN: 0299-111-02
TITLE ORDER NO.: 614674550
ESCROW NO.: 11406-NW

THIS SPACE FOR RECORDER'S USE ONLY

DEED OF TRUST AND ASSIGNMENT OF RENTS

This **DEED OF TRUST**, made this September 25, 2015, between
TRUSTOR – SUNCOR CARE, INC., a CA corporation
whose address is 406 East Vanderbilt Way, San Bernardino, CA 92408
TRUSTEE: LAWYERS TITLE COMPANY and

THIS INSTRUMENT IS RECORDED AT
THE REQUEST OF LAWYERS TITLE
COMPANY AS AN ACCOMODATION
ONLY. IT HAS NOT BEEN EXAMINED
AS TO ITS EXECUTION OR AS TO ITS
EFFECTS UPON TITLE.

BENEFICIARY: : RL COMMUNITIES, INC., A California Corporation, ,

Witnesseth: That Trustor **IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS TO TRUSTEE IN TRUST, WITH POWER OF SALE**, that property in the County of San Bernardino, State of California, described as:

PER EXHIBIT "A", ATTACHED HERETO. See attached Exhibit "A" for complete legal

TOGETHER WITH the rents, issues and profits thereof, **SUBJECT, HOWEVER**, to the right, power and authority hereinafter given to and conferred upon Beneficiary by Paragraph (10) of the provisions incorporated herein by reference to collect and apply such rents, issues and profits.

FOR THE PURPOSE OF SECURING:

1. Performance of each agreement of Trustor incorporated by reference or contained herein. 2. The obligation, under certain circumstances, pursuant to that certain Real Estate Purchase and Sale Agreement, dated June 3, 2015, between Trustor, as "Seller" and Beneficiary, as "Buyer," as amended by that certain First Amendment to Purchase and Sale Agreement, with an effective date of September 18, 2015 (collectively, the "Purchase Agreement") to return to Beneficiary the Deposits (as defined in the Purchase Agreement) released to Trustor from the Escrow, including without limitation, Buyer's First Deposit (as defined in the Purchase Agreement) in the amount of **FIFTY THOUSAND AND NO/100Dollars (\$50,000.00)**, and, if released to Trustor after the date hereof pursuant to the Purchase Agreement, Buyer's Second Deposit (as defined in the Purchase Agreement) in the amount of **ONE HUNDRED THOUSAND AND NO/100Dollars (\$100,000.00)**. 3. Payment of such further sums as the then record owner of said property hereafter may borrow from Beneficiary, when evidenced by another note (or notes) or other writing between Trustor and Beneficiary reciting it is so secured.

In accordance with Section 2924B, Civil Code, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale hereunder be mailed to Trustor at Trustor's address herein before set forth, or if none shown, to Trustor at the property address.

NOTICE: A COPY OF ANY NOTICE OF DEFAULT AND OF ANY NOTICE OF SALE WILL BE SENT ONLY TO THE ADDRESS CONTAINED IN THE RECORDED REQUEST, IF YOUR ADDRESS CHANGES, A NEW REQUEST MUST BE RECORDED.

L0110166/2244106-2

ck

To protect the security of this Deed of Trust, Trustor Agrees: By the execution and delivery of this Deed of Trust and the note secured hereby, that provisions (1) to (14) inclusive, of the fictitious deed of trust recorded in Santa Barbara County and Sonoma County October 18, 1961, and in all counties October 23, 1961, in the book and the page of Official Records in the office of the county recorder of the county where said property is located, noted below opposite the name of such county, vis.:

COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE
Alameda	435	684	Kings	792	833	Placer	895	301	Sierra	29	335
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Fresno	4626	572	Modoc	184	851	San Mateo	4078	420	Tuolumne	135	47
Glenn	422	184	Mono	52	429	Santa Barbara	1878	860	Ventura	2062	386
Humboldt	657	527	Monterey	2194	538	Santa Clara	5336	341	Yolo	653	245
Imperial	1091	501	Napa	639	86	Santa Cruz	1431	494	Yuba	334	486
Inyo	147	598	Nevada	305	320	Shasta	684	528			
Kern	3427	60	Orange	5889	611	San Diego					

(which provisions, identical in all counties, are printed on the attached page of this form) hereby are adopted and incorporated herein and made part hereof as fully as though set forth herein at length; that he will observe and perform said provisions; and that the references to property, obligations, and parties in said provisions shall be construed to refer to the property, obligations, and parties set forth in this Deed of Trust.

A notary public ~~office~~ or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document

STATE OF CALIFORNIA
 COUNTY OF LOS ANGELES
 On SEPTEMBER 25, 2015, before me,
JON DAVID WALKER, a Notary Public
 personally appeared CLAUDIA KAWO

SUNCOR CARE, INC., a CA corporation
 By: CLAUDIA KAWO, Sr. Vice President

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Jon David Walker



(SEAL)

PENALTY OF PERJURY FOR NOTARY SEAL

(GOVERNMENT CODE 27361.7)

I certify under penalty of perjury that the Notary Seal on the document to which this statement is attached reads as follows:

NAME OF NOTARY: Jon David Walker

DATE COMMISSION EXPIRES: Nov 19, 2018

COUNTY WHERE BOND IS FILED (if applicable): Los Angeles

STATE WHERE BOND IS FILED: CA

COMMISSION NUMBER (if applicable): 2087173

MANUFACTURER/VENDER NO: NNA1

PLACE OF EXECUTION: Riverside

(CITY & STATE)

DATE: September 11, 2015

SIGNATURE:  _____

PRINT NAME: P. Jones

(DO NOT RECORD)

The following is a copy of provision (1) to (14) inclusive, of the fictitious deed of trust, recorded in each county in California, as stated in the foregoing Deed of Trust and by reference in said Deed of Trust as being a part thereof as if set forth at length therein. To Protect the Security of This Deed of Trust, Trustor Agrees:

(1) To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

(2) To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.

(4) To pay: at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof. Beneficiary or Trustee being authorized to enter upon said property for such purposes, appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto, and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

(5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

(6) That any award of damages in connection with any condemnation for public use or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

(7) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare fault for failure so to pay.

(8) That any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may reconvey only part of said property; consent to the making of any map or plot thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

(9) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto". Five years after issuance of such full reconveyance, Trustee may destroy said note and this Deed (unless directed in such request to retain them).

(10) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(11) That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

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(DO NOT RECORD)

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, whether as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time-to-time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

(12) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time-to-time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

(13) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrator, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the note secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

(14) That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

REQUEST FOR FULL RECONVEYANCE

To be used only when Note has been paid.

Dated:

09/25/16

To **LAWYERS TITLE COMPANY, Trustee.:**

The undersigned is the legal owner and holder of all indebtedness secured by the within Deed of Trust. All sums secured by said Deed of Trust have been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel all evidences of indebtedness, secured by said Deed of Trust, delivered to you herewith together with said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, the estate now held by you under the same.

MAIL RECONVEYANCE TO:

By  _____

By _____

**Do not lose or destroy this Deed of Trust OR THE NOTE which it secures.
Both must be delivered to the Trustee for cancellation before reconveyance will be made.**

**DEED OF TRUST
Park Place Escrow, Inc., AS TRUSTEE**

EXHIBIT "A"

All that certain real property situated in the County of San Bernardino, State of California, described as follows:

The South one half of the East one half of Lot 6, Block 77, of Rancho San Bernardino, in the County of San Bernardino, State of California, as per map recorded in Book 7, Page 2 of maps, Records of said County as conveyed to The Metropolitan Water District of Southern California by Grant deed recorded December 29, 1994 as Instrument No. 19940511197 of Official Records of said County.

Excepting therefrom that portion described as follows:

Commencing at the Southeast corner of said Grant Deed, marked by Railroad Spike, as shown on Amended Record of Survey, filed in Book 106, Pages 97 to 103, Records of Survey, in the Office of the County Recorder of said County;

thence coincident with the East line of said Grant Deed North 00°44'46" West 508.79 feet to the point of beginning;

Thence perpendicular therefrom South 89°15'14" West 71.98 feet;

Thence perpendicular therefrom South 00°44'46" East 152.41 feet;

Thence perpendicular therefrom South 89°15'14" West 247.63 feet;

Thence perpendicular therefrom North 00°44'46" West 246.95 feet;

Thence perpendicular therefrom North 89°15'14" East 319.61 feet to said East line of said Grant Deed;

Thence coincident with said East line South 00°44'46" East 94.54 feet to the point of beginning.

Excepting therefrom all oil, gas, hydrocarbon substances, and minerals of every kind and character below the surface of the property, together with the right to drill into, through, into, use and occupy all parts of the Property lying more than 500 feet below the surface thereof for any and all purposes incidental to the exploration and for production of oil, gas, hydrocarbon substances or minerals from the property or other lands, but without, however, any right to use either the surface of the property or any portion of the property within 500 feet of the surface for any purposes whatsoever, as reserved by deed recorded January 31, 2014 as Instrument No. 2014-0044276 and re-recorded April 18, 2014 as Instrument No. 2014-0137575 both of Official Records.

Assessor's Parcel No: 0299-111-08

PROOF OF SERVICE

Securities and Exchange Commission v. Robert Yang, Suncor Fontana, et al.
USDC, Central District of California – Case No. 5:15-cv-02387-SVW (KKx)

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 515 S. Figueroa Street, 9th Floor, Los Angeles, California 90071-3398.

A true and correct copy of the foregoing document(s) described below will be served in the manner indicated below:

DECLARATION OF RECEIVER, STEPHEN J. DONELL, IN SUPPORT OF MOTION FOR AUTHORITY TO ABANDON A CONTRACT FOR SALE OF REAL PROPERTY

1. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF")** – the above-described document will be served by the Court via NEF. On **May 27, 2016**, I reviewed the CM/ECF Mailing Info For A Case for this case and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email address(es) indicated below:

- **Zachary T. Carlyle**
carlylez@sec.gov, kasperg@sec.gov, karpeli@sec.gov, blomgrene@sec.gov, pinkstonm@sec.gov, NesvigN@sec.gov
- **Stephen J. Donell**
jdelcastillo@allenmatkins.com
- **Mark T. Hiraide**
mhiraide@hiraidelaw.com, kju@phlcorplaw.com, hitabashi@phlcorplaw.com, eganous@phlcorplaw.com
- **Leslie J. Hughes**
hughesLJ@sec.gov, kasperg@sec.gov, pinkstonm@sec.gov, nesvign@sec.gov
- **George D. Straggas**
George.straggas@straggasdean.com; sarah.borghese@straggasdean.com, eric.dean@straggasdean.com
- **David J. Van Havermaat**
vanhavermaatd@sec.gov, larofiling@sec.gov, berryj@sec.vog, irwinma@sec.gov
- **Joshua Andrew del Castillo**
jdelcastillo@allenmatkins.com

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- **David R Zaro**
dzaro@allenmatkins.com

2. **SERVED BY U.S. MAIL OR OVERNIGHT MAIL (indicate method for each person or entity served)**: On _____, I served the following person(s) and/or entity(ies) in this case by placing a true and correct copy thereof in a sealed envelope(s) addressed as indicated below. I am readily familiar with this firm's practice of collection and processing correspondence for mailing. Under that practice it is deposited with the U.S. postal service on that same day in the ordinary course of business. I am aware that on motion for party served, service is presumed invalid if postal cancellation date or postage meter date is more than 1 (one) day after date of deposit for mailing in affidavit.

I declare that I am employed in the office of a member of the Bar of this Court at whose direction the service was made. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on **May 27, 2016** at Los Angeles, California.

s/ Martha Díaz

Martha Diaz