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12 STEPHEN J. DONELL

13 UNITED STATES DISTRICT COURT
14 CENTRAL DISTRICT OF CALIFORNIA

15 SECURITIES AND EXCHANGE
16 COMMISSION,

17 Plaintiff,

18 v.

19 ROBERT YANG, et al.,

20 Defendants,

21 YANROB'S MEDICAL, INC., et al.,

22 Relief Defendants.

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

DECLARATION OF RECEIVER,
STEPHEN J. DONELL, IN SUPPORT
OF MOTION FOR ORDER
APPROVING: (1) SALE OF
LYNWOOD PROJECT; (2) OVERBID
PROCEDURES; AND (3) REAL
ESTATE BROKER'S COMMISSION

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

Date: September 11, 2017

Time: 1:30 p.m.

Ctrm: 10A

Judge: Hon. Stephen V. Wilson

1 **DECLARATION OF STEPHEN J. DONELL**

2 I, Stephen J. Donell, declare:

3 1. I am the Court-appointed receiver in the above-entitled action, styled
4 SEC v. Yang, et al., for Defendants Suncor Lynwood, LLC, Suncor Fontana, LLC,
5 Suncor Hesperia, LLC, Suncor Care Lynwood, LLC, and their respective
6 subsidiaries and affiliates (collectively, the "Receivership Entities"). I was
7 appointed on December 11, 2015 pursuant to this Court's Preliminary Injunction,
8 Order Appointing Receiver, Freezing Assets, and Providing for Other Ancillary
9 Relief (the "Appointment Order"). I make this declaration in support of my
10 concurrently filed Motion for Order Approving: (1) Sale of Lynwood Project; (2)
11 Overbid Procedures; and (3) Real Estate Broker's Commission. I have personal
12 knowledge of the facts stated herein, and if called upon to do so, I could and would
13 personally and competently testify to them.

14 2. Pursuant to the Appointment Order, this Court has vested me with
15 exclusive authority and control over the assets of the Receivership Entities
16 ("Receivership Assets"). Among other things, the Court has directed me to:
17 (1) marshal and preserve Receivership Assets; (2) conduct such investigation and
18 discovery as is necessary to identify and locate outstanding Receivership Assets;
19 and (3) pursue and recover available Receivership Assets, wherever and by
20 whomever held.

21 3. As reflected in some of my prior submissions to the Court, I have
22 confirmed that the real property and improvements located at 3599 Norton Avenue,
23 Lynwood, California 90262 (aka 3598 Martin Luther King, Jr. Boulevard,
24 Lynwood, California 90262) (the "Lynwood Project" or the "Property") were
25 purchased by a Receivership Entity, Suncor Lynwood, LLC, with funds derived
26 from investors. The Property presently includes a vacant structure that I understand
27 was previously used as a skilled nursing or similar facility and it is my
28

1 understanding that Suncor likewise intended to redevelop the Property for use as a
2 sub-acute or skilled nursing facility.

3 4. In connection with my efforts to administer, and later sell, the Property,
4 I previously obtained a broker's opinion of value ("BOV") for the Property. The
5 BOV indicated that the value for the Property likely ranged between \$1.5 million
6 and \$2 million. Contemporaneously with my obtaining the BOV, my broker, Lee &
7 Associates ("Broker") commenced marketing the Property for sale. These efforts
8 ultimately resulted in 14 arms-length offers to purchase the Property out of
9 receivership.

10 5. After due diligence and negotiations among several parties interested in
11 purchasing the Property, I requested highest and best offers from all interested
12 parties, some, but not all, of whom submitted revised offers. The highest and best
13 offer to purchase the Property was received from INI Investment Corporation
14 ("Buyer"), which offered to purchase the Property for \$2,110,000, subject to the
15 terms and provisions of the Purchase and Sale Agreement ("PSA") attached hereto
16 as **Exhibit 1**. The PSA is subject to approval by this Court. Based on information
17 presently available to me, I anticipate that the net proceeds of a sale to Buyer, at the
18 PSA purchase price and after the payment of outstanding property taxes,
19 commissions, and other fees, will be approximately \$1.5 million. In addition, it is
20 presently my understanding that other parties remain interested in the Property and
21 may seek to participate in my proposed overbid/auction process for the Property.

22 6. Since my engagement of Broker, I have worked with Broker to develop
23 and undertake a marketing campaign for the Property that, while widespread, also
24 focused on ensuring that the Property was marketed to prospective buyers in
25 appropriate markets. Among other things, Broker and I, individually or collectively:

26 • Prepared and uploaded marketing materials to the Lee &
27 Associates website;

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- 1 • Presented the Property for sale to appropriate agents at bi-
2 monthly meetings;
- 3 • Developed a unique database of approximately five-hundred
4 (500) potential buyers and real property investors with a demonstrated interest in
5 assets similar to the Lynwood Project;
- 6 • Delivered targeted marketing materials to owners and developers
7 of skilled nursing and sub-acute care facilities, and delivered hard copies of these
8 materials to all interested brokers and principals; and
- 9 • Uploaded marketing materials developed specifically for the
10 Lynwood project to a number of third party websites regularly used to advertise
11 similar properties, including "Loopnet," "Xceligent," "AIR," and "Costar."

12 7. In addition to the above-described efforts, I and my staff assembled and
13 populated a virtual "data room" containing all recovered records which I
14 determined, in my reasonable business judgment, would be relevant to the purchase
15 and sale of the Property, and provided access to all prospective buyers, after
16 securing customary non-disclosure commitments.

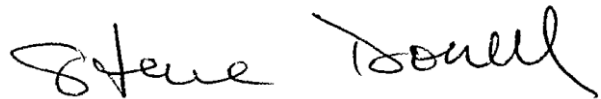
17 8. By agreement, and subject to approval of this Court, if the Property is
18 sold, Broker and Bestway Realty will be paid a total commission of 5% of the
19 purchase price for the Property. Pursuant to my agreement with Broker, Broker will
20 be solely responsible for and will compensate cooperating and referring brokers, and
21 thus will split the commission as appropriate. Based on my extensive experience in
22 real estate transactions, the amount of Broker's commission is commercially
23 reasonable, and was fully negotiated after reviewing proposals from five other
24 qualified brokers.

25 9. As reflected in my concurrently submitted motion, I and my Broker
26 have diligently marketed the Property for sale through commercially reasonable and
27 customary channels, resulting in serious interest generated among 14 prospective
28 purchasers. From these parties, several competing offers were submitted, and a

1 second round of offers was solicited, ultimately resulting in the highest and best
2 offer submitted by Buyer in the amount of \$2,110,000.00, which amount exceeds
3 the estimated fair market value of the Property as reflected in a BOV. Accordingly,
4 I believe in my reasonable business judgment, that the proposed sale to Buyer,
5 subject to overbid, as described in my concurrently filed motion, is fair and
6 reasonable, in the best interests of the receivership estate, and will generate the
7 highest and best value for the Property.

8 I declare under penalty of perjury under the laws of the State of California
9 that the foregoing is true and correct.

10 Executed this 7th day of August, 2017, at Los Angeles, California.

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14 _____
STEPHEN J. DONELL

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EXHIBIT 1

PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

THIS PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (this "**Agreement**") is made as of June 5, 2017 (the "**Effective Date**"), by and between STEPHEN J. DONELL, solely in his capacity as the Court-appointed receiver in the United States District Court, Central District of California (the "**Court**") action styled *SEC v. Yang, et al.*, Case No. 5:15-cv-02387-SVW (KKx) (the "**Receiver**"), and INI INVESTMENT, CORP., a California corporation (the "**Buyer**"), on the terms and conditions hereinafter set forth.

ARTICLE 1 PURCHASE AND SALE

1.1 In accordance with that certain order entered by the Court on December 11, 2015, in the action styled *SEC v. Yang, et al.*, USDC, C.D. Cal. Case No. 5:15-cv-02387-SVW (KKx) (the "**SEC Action**"), a copy of which has been provided to Buyer, the Receiver has been appointed as the receiver for Suncor Lynwood, LLC ("**Owner**"), Suncor Fontana, LLC, Suncor Hesperia, LLC, Suncor Care Lynwood, LLC, and their respective subsidiaries and affiliates (collectively, the "**Receivership Entities**" or "**Entities**") and enjoys exclusive authority and control over the Receivership Entities and their estate (the "**Receivership Estate**"). Subject to Court approval, as detailed below, Buyer desires to buy from Receiver and Receiver desires to sell to Buyer, subject to the terms of this Agreement, the Property, as defined and described below. The term "**Seller**" as used in this Agreement shall mean the Receiver in connection with the sale of the Property by Owner.

1.2 For purposes of this Agreement, the "**Property**" shall mean and include in its present "AS-IS", "WHERE IS" condition, all of Seller's right, title and interest in and to the following:

(i) that certain land located and addressed at 3599 Norton Avenue (a/k/a 3598 Martin Luther King Jr. Blvd.), in the City of Lynwood, Los Angeles County, State of California, and situated on the land more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference (the "**Real Property**");

(ii) any and all rights, privileges and easements appurtenant to the Real Property and owned by Seller, including, without limitation, development rights, air rights, water, water rights, riparian rights and water stock relating to the Real Property and rights-of-way or other appurtenances used exclusively in connection with the beneficial use and enjoyment of the Real Property (collectively, the "**Appurtenances**"); and

(iii) any and all buildings and structures located on the Real Property and all on-site parking structures or spaces (collectively, the "**Improvements**" and together with the Real Property and the Appurtenances, the "**Property**").

1.3 Opening of Escrow. Buyer and Seller shall open escrow ("**Escrow**") with FIDELITY NATIONAL TITLE COMPANY, located at 3237 East Guasti Road, Suite 105,

Ontario, California 91761, Attention: Janette DeLap (the "**Escrow Holder**"). Escrow Holder shall execute the Escrow Holder Signature Page attached hereto and return one (1) fully executed original of this Agreement and the Escrow Holder Signature Page and the Broker Signature Page(s) to each of Seller and Buyer. The purchase and sale of the Property shall be consummated through the Escrow in accordance with the instructions contained in this Agreement.

1.4 Closing Date. The closing of the purchase and sale of the Property (the "**Closing**" or "**Close of Escrow**") shall occur thirty (30) days after the Court Approval Date (as defined below) (the "**Closing Date**"). TIME SHALL BE OF THE ESSENCE with respect to Buyer's obligation to close on the Closing Date. For purposes hereof, the "**Court Approval Date**" shall be the date the Court enters the Sale Order (as defined and described in Section 14.11 below). If the Close of Escrow does not occur within one hundred twenty days (120) after the opening of Escrow, for reasons other than Seller's default, Seller, in Seller's sole and absolute discretion, may terminate this Agreement by written notice to Buyer, in which case, this Agreement shall automatically terminate and the Deposit shall be promptly returned to Buyer.

ARTICLE 2 PURCHASE PRICE

2.1 Purchase Price. The purchase price for the Property shall be TWO MILLION ONE HUNDRED TEN THOUSAND and NO/100 DOLLARS (\$2,110,000.00) (the "**Purchase Price**") which shall be subject to an Auction (as defined in Section 14.2, below) pursuant to Section 14 hereof.

2.2 Payment of the Purchase Price. Buyer shall pay the Purchase Price to Seller as follows:

(a) Not later than one (1) business day after the opening of Escrow, Buyer shall deposit with Escrow Holder, in cash, certified or bank cashier's check, made payable to Escrow Holder, or by a confirmed Federal Reserve wire transfer of funds (hereinafter referred to as "**Immediately Available Funds**"), an amount equal to TWO HUNDRED TEN THOUSAND and NO/100 DOLLARS (\$210,000.00) (with all interest earned thereon, the "**Earnest Money Deposit**"). The Earnest Money Deposit shall be nonrefundable to Buyer except in the event: (i) of Seller's default under this Agreement, as set forth in Section 5.3(a)(ii) below; or (ii) Buyer is not the High Bidder (as defined in Section 14.6 below) or the Court otherwise fails to approve the sale of the Property to Buyer. Escrow Holder shall invest the Earnest Money Deposit in an interest-bearing account pursuant to the provisions of Section 2.3(a) below.

(b) In the event the Closing under this Agreement occurs, then the Earnest Money Deposit shall be credited against the Purchase Price at Closing. In the event the Closing under this Agreement shall fail to occur, then the Earnest Money Deposit shall be non-refundable, except as otherwise expressly set forth in Section 2.2(a) above.

(c) At least one (1) business day prior to the Closing Date, Buyer shall deposit or cause to be deposited with Escrow Holder, in Immediately Available Funds, the balance of the

Purchase Price and all other amounts payable by Buyer pursuant to this Agreement into Escrow. TIME IS OF THE ESSENCE as to this and all other dates herein.

2.3 Escrow Provisions Regarding Earnest Money Deposit.

(a) Escrow Holder shall hold the Earnest Money Deposit and make delivery of the Earnest Money Deposit to the party entitled thereto under the terms of this Agreement. Escrow Holder shall invest the Earnest Money Deposit in an interest-bearing account maintained at a federally insured bank or savings and loan association as approved by Seller and Buyer, and all interest and income thereon shall become part of the Earnest Money Deposit and shall be remitted to the party entitled to the Earnest Money Deposit pursuant to this Agreement.

(b) Escrow Holder shall hold the Earnest Money Deposit until the earlier occurrence of (i) the Closing Date, at which time the Earnest Money Deposit shall be applied against the Purchase Price, (ii) Buyer's failure to close the transaction contemplated hereby or breach of its obligations hereunder, in which event Seller may terminate this Agreement and Escrow Holder shall disburse the Earnest Money Deposit (plus accrued interest thereon) to Seller immediately following Escrow Holder's receipt of written notice from Seller confirming such failure to close or breach by Buyer (without any further action on the part of either Buyer or Seller, including mutual written deposit release instructions), or (iii) in the event Seller is not the High Bidder or the Court otherwise fails to approve the sale of the Property to Buyer. The tax identification numbers of the parties shall be furnished to Escrow Holder upon request.

(c) Intentionally Omitted.

(d) The parties acknowledge that Escrow Holder is acting solely as a stakeholder at their request and for their convenience, and that Escrow Holder shall not be deemed to be the agent of either of the parties for any act or omission on its part unless taken or suffered in bad faith in willful disregard of this Agreement or involving gross negligence. Seller and Buyer jointly and severally release Escrow Holder from any and all liability for costs, claims and expenses, including reasonable attorneys' fees, incurred in connection with the performance of Escrow Holder's duties hereunder, except with respect to actions or omissions taken or suffered by Escrow Holder in bad faith, in willful disregard of this Agreement and/or involving gross negligence on the part of the Escrow Holder.

(e) The parties shall deliver to Escrow Holder an executed copy of this Agreement, which shall constitute the sole instructions to Escrow Holder. Escrow Holder shall execute the signature page for Escrow Holder attached hereto with respect to the provisions of this Section 2.3; provided, however, that (i) Escrow Holder's signature hereon shall not be a prerequisite to the binding nature of this Agreement on Buyer and Seller, and the same shall become fully effective upon execution by Buyer and Seller, and (ii) the signature of Escrow Holder will not be necessary to amend any provision of this Agreement other than this Section 2.3.

(f) Escrow Holder, as the person responsible for closing the transaction within the meaning of Section 6045(e)(2)(A) of the Internal Revenue Code of 1986, as amended (the "**Code**"), shall file all necessary information, reports, returns, and statements regarding the

transaction required by the Code including, but not limited to, the tax reports required pursuant to Section 6045 of the Code. Further, Escrow Holder agrees to indemnify and hold Buyer, Seller, and their respective attorneys and brokers and Broker (as defined in Section 13.1 below) harmless from and against any losses resulting from Escrow Holder's failure to file the reports Escrow Holder is required to file pursuant to this section.

(g) The provisions of this Section 2.3 shall survive the termination of this Agreement, and if not so terminated, the Closing and delivery of the receiver's deed to Buyer.

ARTICLE 3 CONDITION OF TITLE

3.1 Approval of Title; Title Contingency Date. Buyer hereby acknowledges that Buyer has received the Title Documents (as hereinafter defined) prior to the Effective Date. Buyer's obligations under this Agreement are subject to Buyer's approval or disapproval, provided to Seller by written notice on or before the date which is thirty (30) days after the Effective Date (the "**Title Contingency Date**"), of the Title Documents and the matters and underlying documents referenced and contained therein. Buyer shall have until ten (10) days prior to the Title Contingency Date (the "**Interim Date**") to provide written notice (the "**Title Notice**") to Seller of any matters shown in the Title Documents which are not satisfactory to Buyer. If Seller has not received such written notice from Buyer by the Interim Date, that shall be deemed Buyer's unconditional approval of the condition of title to the Property. Except as provided hereinbelow, Seller may have until five (5) days after receipt of the Title Notice to make such arrangements or take such steps as the parties shall mutually agree to satisfy Buyer's objection(s); provided, however, that, except with respect to liens secured by deeds of trust securing loans made to Seller, mechanics' liens relating to work authorized by Seller, and delinquent taxes (herein "**Monetary Liens**", which Seller agrees to have removed on or before the Closing Date), Seller shall have no obligation whatsoever to expend or agree to expend any funds, to undertake or agree to undertake any obligations or otherwise to cure or agree to cure any title objections. Within five (5) days after receipt of a Title Notice, Seller shall deliver written notice to Buyer and Escrow Holder identifying which disapproved items (other than Monetary Liens) Seller shall undertake to cure or not cure ("**Seller's Response**"). If Seller does not deliver a Seller's Response within said five (5) day period, Seller shall be deemed to have elected to not remove or otherwise cure any exceptions disapproved by Buyer. If Seller elects, or is deemed to have elected, not to remove or otherwise cure an exception disapproved in Buyer's Title Notice, Buyer shall have until the Title Contingency Date to notify Seller and Escrow Holder, in writing, of Buyer's election to either waive the objection or terminate this Agreement and the Escrow. If Seller and Escrow Holder have not received written notice from Buyer by the Title Contingency Date, that shall be deemed Buyer's disapproval of the Seller Response and election to terminate the Agreement and Escrow. Except for Monetary Liens, all matters shown in the Title Documents and any survey of the Property obtained by Buyer with respect to which Buyer fails to give a Title Notice on or before the Interim Date shall be deemed to be approved by Buyer. As used herein, "**Title Documents**" shall mean, collectively, that certain preliminary title report for the Real Property (and the matters and underlying documents referenced and contained therein) dated as of January 30, 2017, and amended February 14, 2017, and bearing Title No. 00119719-994-VNO-RR1 (the "**Title Report**") prepared by FIDELITY NATIONAL TITLE COMPANY (the "**Title Company**") and certain hyperlinked copies of exception

documents referred to in Schedule B of the Title Report.

3.2 Title Policy. A CLTA Owner's Title Insurance Policy (the "**Title Policy**") shall be issued by the Title Company as of the Closing Date. The Title Policy shall be a standard CLTA Owner's Title Insurance Policy, unless Buyer elects, by appropriate escrow instructions to the Title Company, to cause the Title Company to issue an extended ALTA Owner's Title Insurance Policy in place of the standard CLTA Title Policy. If Buyer elects to have an extended ALTA policy issued, Buyer shall pay the premium for said extended ALTA Policy in excess of the costs and premium that would have been incurred for a standard CLTA Policy; provided, however, that in no event shall the Title Contingency Date nor the close of Escrow be extended due to Buyer's Title Policy requirements. In addition, Buyer shall obtain, at its sole cost, any survey required in connection with the ALTA Policy and any endorsements requested by Buyer, and Buyer shall be solely responsible for the Title Company's acceptance of such survey; provided, however, that in no event shall the issuance or receipt of any such survey or any extended coverage or endorsements be a condition precedent to, or delay, the Closing or extend the Title Contingency Date. The Title Policy shall be in the amount of the Purchase Price and shall insure fee title to the Real Property in Buyer.

3.3 Disclaimer of Title, Warranty. Nothing in this Agreement shall be construed as a warranty or representation by Seller, either express or implied, concerning Seller's title to the Real Property, and Seller makes no such warranty or representation (and Buyer acknowledges that Seller is only in possession of the Real Property and does not and have not at any time owned title to the Real Property). Buyer is relying solely upon the Title Report, the Title Policy and the receiver's deed from Seller to Buyer recorded at closing and Buyer's own due diligence investigations of the Property respecting title to the Real Property.

ARTICLE 4 PRE-CLOSING OBLIGATIONS

4.1 Property Contracts. Within three (3) business days after the Effective Date, Buyer may deliver written notice to Seller (the "**Property Contracts Notice**") specifying any service contracts or service agreements relating to the operation and maintenance of the Property to which Seller is a party ("**Property Contracts**") which Buyer desires to continue at the Closing (the "**Assigned Property Contracts**"), to the extent any such Property Contracts exist and are assignable to Buyer. If Buyer shall fail to send any such notice, all Property Contracts will be terminated at Closing, provided however, in no event shall Seller be required to terminate any Property Contracts which by their terms are not terminable prior to the Closing or otherwise not terminable without payment by Seller of a penalty, charge or premium ("**Non-Terminable Contracts**"). The Assigned Property Contracts and the Non-Terminable Contracts shall be assigned to Buyer at Closing, without any representation, warranty or indemnification whatsoever.

4.2 Mechanic's Liens. Buyer shall not permit any mechanic's or materialmen's liens or any other liens to attach to the Property by reason of any actions or inactions of Buyer or any of Buyer's agents, contractors, engineers, surveyors, attorneys and employees ("**Consultants**"). The provisions of this paragraph shall survive the termination of this Agreement, and if not so terminated, shall survive the closing of the Agreement and delivery of receiver's deed for the Property.

4.3 Documents. In the event this Agreement is terminated for any reason (including due to either party's default), Buyer shall immediately deliver to Seller, at no cost to Seller, the originals (or copies if the originals are not available) of all studies, tests, surveys, applications, maps, agreements, plans and other documents related to the Property in Buyer's possession or control, whether previously delivered to Buyer by Seller, and any reports, studies or other information prepared or compiled for Buyer by the Consultants or other third-party, in connection with Buyer's investigation of the Property ("**Third-Party Reports**") or obtained by Buyer in connection with its investigation and analysis of the Property, and, upon written request of Seller, Buyer shall assign to Seller, AS-IS and without representation or warranty as to accuracy or completeness, and subject to the proprietary rights of any third party consultants and any limitations imposed by them, all right, title and interest of Buyer in and to all or any portion of such documents as specified by Seller; provided, however, that this Section 4.3 shall not apply to: (a) confidential information; (b) any information subject to a legal privilege (including, without limitation, legal memoranda); or (c) accounting and financial information (including, without limitation, financial models regarding the Property). The provisions of this Section 4.3 shall survive any termination of this Agreement.

4.4 Escrow Cancellation Charges. In the event the Escrow shall fail to close by reason of a party's default, the defaulting party shall be liable for all Escrow cancellation charges, including but not limited to the costs of the title examination, Title Commitment and escrow fee. In the event the Escrow shall fail to close due to the failure of a Closing condition set forth in Section 5.3 that is not caused by a default of one of the parties, each party shall pay one-half (1/2) of any Escrow cancellation charges.

ARTICLE 5 CLOSING

5.1 Escrow. The Closing of the purchase and sale of the Property shall be consummated through Escrow in accordance with the provisions of this Article 5.

5.2 Escrow Instructions for Closing. This Agreement shall constitute joint instructions to Escrow Holder. The parties agree to execute and deliver to the Escrow Holder reasonable and customary additional escrow instructions in the usual form of Escrow Holder for the purpose of consummating the purchase and sale contemplated by this Agreement; provided, however, that standard extension provisions in such escrow instructions shall not apply; and provided, further, that in the event of any conflict between this Agreement and any escrow instructions, the provisions of this Agreement shall control. Escrow Holder shall perform all customary functions of an escrow holder to consummate this transaction, including among other duties the calculation of the prorations and Closing Costs (as defined in Section 5.7 below) required by this Agreement, as well as serving as depository for all funds, instruments, and documents needed for the Close of Escrow. Upon the Closing, Escrow Holder is hereby instructed to remit all sales proceeds from the sale of the Property to an interest-bearing account maintained at a federally insured bank or savings and loan association established by Seller, which sales proceeds shall be held and distributed in the manner set forth in the Order Approving the Sale (as defined below). For the sake of clarity, Escrow Holder's remittance of all sales proceeds from the sale of the Property pursuant to the manner set forth in the foregoing sentence shall mean that such sales proceeds shall be remitted to Receiver.

5.3 Closing Conditions.

(a) Buyer's obligation to Close is subject to satisfaction of the following conditions, which are for the benefit of Buyer and may be waived by Buyer in its sole discretion:

(i) Buyer shall have completed its review of the Title Documents and shall have approved the Title Documents, or be deemed to have approved of the Title Documents, on or prior to the Title Contingency Date; and

(ii) Seller shall not, as of the Closing Date, be in material default in the performance of its obligations under this Agreement.

(b) Seller's obligation to Close is subject to satisfaction of the following conditions, which are for the benefit of Seller and may be waived by Seller in its sole discretion:

(i) All representations and warranties made by Buyer in this Agreement shall be true when made and shall be true as of the Closing Date, without any material adverse change, except for any material adverse change of which Buyer has notified Seller and which Seller has accepted;

(ii) All of the documents and funds required to be delivered by Buyer to Seller or Escrow Holder (as the case may be) at the Closing pursuant to the terms and conditions hereof shall have been delivered;

(iii) Seller shall have received all consents, documentation and approvals necessary to consummate and facilitate the transactions contemplated hereby, including, without limitation, approval of the sale of the Property to Buyer from the Court and as may be required by law;

(iv) Buyer shall not, as of the Closing Date, be in default in the performance of its obligations under this Agreement; and

(c) In addition to the foregoing, Buyer's and Seller's respective obligations to Close are subject to the approval of the transaction contemplated herein by the Court, which approval shall not be subject to any appeal and shall be a condition for the benefit of both Buyer and Seller and may not be unilaterally waived by either party.

(d) If the purchase and sale fails to close by the Closing Date due to a failure of a condition, the party for whose benefit the condition is set forth may terminate this Agreement at any time thereafter until the Closing occurs, so long as the failure of condition is not caused by such party's breach of its obligations under this Agreement. If Buyer so terminates in connection with the condition set forth in Section 5.3(a)(ii) above (only), then Buyer shall be entitled, as its sole and exclusive remedy, to the return of the Earnest Money Deposit. If Seller so terminates, Seller shall be entitled to retain the Earnest Money Deposit. Further, if the Court enters a Sale Order in which another unaffiliated third party (and not Buyer) is the successful High Bidder entitled to consummate the purchase and sale of the Property (pursuant to and as set forth in Article 14 of this Agreement), then within ten (10) business days following the later of: (i) Seller's or such successful High Bidder's receipt of the Third Party Reports (together with invoices therefor and reasonably satisfactory evidence of Buyer's payment with respect thereto), and (ii) the closing of such purchase and sale of the Property to such High Bidder, Seller shall pay to Buyer, Buyer's actual out of pocket third party costs (including reasonable legal fees) that were incurred by Buyer in the preparation of such Third Party Reports, in an amount up to, but not exceeding, \$10,000.00 in the aggregate (collectively, the "**Buyer's Costs**").

5.4 Buyer's Deliveries. Not later than one (1) business day prior to the Closing Date, Buyer shall deliver to Escrow Holder:

(a) The difference between the Purchase Price and the Earnest Money Deposit, and all costs and fees required to be paid by Buyer pursuant to Sections 5.6 and 5.7 below, all in Immediately Available Funds;

(b) A title affidavit and indemnity pertaining to Buyer's activity on the Property prior to Closing, in the customary form reasonably acceptable to Buyer, to enable Title Company to delete the standard exceptions to the title insurance policy set forth in this Agreement to be issued pursuant to the Title Report;

(c) Any declaration or other statement which may be required to be submitted to the local assessor with respect to the terms of the sale of the Property;

(d) A closing statement executed by Buyer;

(e) Resolutions, certificates of good standing, and such other organizational documents, in form acceptable to the Title Company, authorizing the execution, delivery and performance by Buyer of this Agreement and designating one or more members to execute documents on Buyer's behalf in connection with this transaction; and

(f) Such other documents and instruments as may be reasonably requested by Seller or by the Escrow Holder in order to consummate this transaction.

5.5 Seller's Deliveries. Not later than one (1) business day prior to the Closing Date, Seller shall deliver to Escrow Holder:

(a) A fully executed and acknowledged receiver's deed in the form attached as Exhibit "B" conveying the Real Property to Buyer; and

(b) Such other documents and instruments as may be required herein or reasonably requested by the Escrow Holder in order to consummate this transaction.

5.6 Prorations.

(a) **General.** All normal and customarily proratable items, including, without limitation, collected rents, operating expenses, all current installments of real estate taxes, assessments, bonds and personal property or use taxes, if any, shall be prorated as of the Closing Date. If, however, subsequent to the Close of Escrow, by reason of any change in assessment or change in rate or any other reason, the real estate taxes for the fiscal year covered by such apportionment should be determined to vary from those apportioned, the amount of any refund received by, or payment due from, Buyer shall be apportioned between Seller and Buyer as of the Closing Date at the request of either party. Escrow Agent shall prepare and deliver to Seller and Buyer a proration schedule (the "**Proration Schedule**") of the adjustments described in this Section 5.6 not later than two (2) days prior to Closing. Such adjustments shall be paid by Buyer to Seller (if the prorations result in a net credit to Seller) or by Seller to Buyer (if the prorations result in a net credit to Buyer), by increasing or reducing the cash to be paid by Buyer at Closing. Any apportionments and prorations which are not expressly provided for below shall be made in accordance with customary practice in Los Angeles County, State of California.

(b) **Operating Expenses.** All of the operating, maintenance, taxes (other than real estate taxes, such as rental taxes), and other expenses incurred in operating the Property that Seller customarily pays, and any other costs incurred in the ordinary course of business for the management and operation of the Property, shall be prorated on an accrual basis. Seller shall pay all such expenses that accrue prior to Closing and Buyer shall pay all such expenses that accrue from and after the Closing Date. Notwithstanding anything in this Agreement, Seller is not obligated to pay any contractors, vendors or others associated with the Property.

(c) **Utilities.** The final readings and final billings for utilities will be made, if possible, as of the Closing Date, in which case Seller shall pay all such bills as of the Closing Date and no proration shall be made at the Closing with respect to utility bills. Otherwise, a proration shall be made based upon the parties' reasonable good faith estimate and a readjustment made within thirty (30) days after the Closing, if necessary. Seller shall be entitled to the return of any deposit(s) posted by it with any utility company, and Seller shall notify each

utility company serving the Property to terminate Seller's account, effective as of noon on the Closing Date.

(d) **Real Estate Taxes.** Any real estate ad valorem or similar taxes for the Property, or any installment of assessments payable in installments which installment is payable in the calendar year of Closing, shall be prorated to the date of Closing, based upon actual days involved. The proration of real property taxes or installments of assessments shall be based upon the assessed valuation and tax rate figures (assuming payment at the earliest time to allow for the maximum possible discount) for the year in which the Closing occurs to the extent the same are available; provided, however, that in the event that actual figures (whether for the assessed value of the Property or for the tax rate) for the year of Closing are not available at the Closing Date, the proration shall be made using figures from the preceding year (assuming payment at the earliest time to allow for the maximum possible discount). The proration of real property taxes or installments of assessments shall be final and not subject to re-adjustment after Closing.

(i) With respect to operating expenses, taxes, utility charges, other operating cost pass-throughs, retroactive rental escalations, sums or charges payable by any person or entity entitled to occupy any portion of the Real Property and Improvements under a lease, license or other occupancy agreement ("**Tenant Leases**"), to the extent that Seller has received as of the Closing payments allocable to periods subsequent to Closing, the same shall be properly prorated with an adjustment in favor of Buyer, and Buyer shall receive a credit therefor at Closing. With respect to any payments received by Buyer after the Closing allocable to Seller prior to Closing, Buyer shall promptly pay the same to Seller.

(e) **Insurance Premiums.** No proration shall be made in relation to insurance premiums and insurance policies will not be assigned to Buyer.

(f) **Assigned Property Contracts.** Amounts payable under the Assigned Property Contracts shall be prorated on an accrual basis. Seller shall pay all amounts due thereunder which accrue prior to the Close of Escrow and Buyer shall pay all amounts accruing on the Close of Escrow and thereafter.

(g) **No Post-Closing Adjustments.** Buyer and Seller hereby acknowledge and agree that neither Buyer nor Seller shall have any right to re-adjust any item on the Proration Schedule (or any item omitted therefrom) after the Closing. The provisions of this Section 5.6 shall survive the Closing and delivery of the receiver's deed to Buyer.

5.7 Closing Costs. Seller shall pay: (a) the premium for a standard CLTA Owner's Policy of Title Insurance; (b) all county documentary transfer taxes; and (c) one-half (1/2) of all Closing Costs. Buyer shall pay: (i) any additional premium for an ALTA Policy of Title Insurance (or any other extended coverage) and the cost of any survey and/or title endorsements desired by Buyer, if Buyer elects to receive same; and (ii) one-half (1/2) of Closing Costs. Any other costs or expenses of the Escrow shall be borne by the parties in accordance with customary practice in Los Angeles County, State of California. For purposes of this Agreement, "**Closing Costs**" shall mean escrow fees, city documentary transfer taxes, document preparation charges and acknowledgment and recording costs, but shall not include any attorneys' fees or other such costs and expenses incurred separately by Buyer or Seller.

5.8 Possession Upon Close of Escrow. Seller shall deliver possession of the Property to Buyer upon the Close of Escrow.

5.9 Waiver of "Bulk Sale" Provisions. Buyer and Seller hereby acknowledge and agree that the sale of the Property shall not be made as a "bulk sale" under Sections 6101 *et seq.* of the California Commercial Code, that there shall be no separate escrow or sub-escrow for the sale of any portion of the Property, and that no "bulk sale" notice pursuant to Section 6105 of the California Commercial Code shall be given by Escrow Holder or the parties in connection with the transfer of any portion of the Property.

ARTICLE 6 REPRESENTATIONS AND WARRANTIES OF BUYER

6.1 Representations and Warranties of Buyer. Buyer represents and warrants as follows:

(a) **Authority.** The execution and delivery of this Agreement, and the consummation of the transactions contemplated hereby, have been duly authorized and approved by all requisite action of Buyer, and no other authorizations or approvals, whether of governmental bodies or otherwise, will be necessary in order to enable Buyer to enter into or to comply with the terms of this Agreement.

(b) **Binding Effect of Documents.** This Agreement and the other documents to be executed by Buyer hereunder, upon execution and delivery thereof by Buyer, will have been duly entered into by Buyer, and will constitute legal, valid and binding obligations of Buyer. Neither this Agreement nor anything provided to be done under this Agreement violates or shall violate any contract, document, understanding, agreement or instrument to which Buyer is a party or by which it is bound.

(c) **Representation Regarding Broker.** The Seller's Broker and Buyer's Broker or any of their affiliates do not, and will not at the Closing, have any direct or indirect legal, beneficial, economic or voting interest in Buyer, nor has Buyer or any affiliate of Buyer granted (as of the Effective Date or the Closing Date) the Seller's Broker or Buyer's Broker or any of their affiliates any right or option to acquire any direct or indirect legal, beneficial, economic or voting interest in Buyer.

(d) **No Pending or Threatened Litigation.** No pending or threatened litigation exists which if determined adversely would restrain the consummation of the transactions contemplated by this Agreement or would declare illegal, invalid or non-binding any of Buyer's obligations or covenants to Seller.

(e) **Survival of Buyer's Representations and Warranties.** All warranties and representations of Buyer set forth in this Agreement shall survive for a period of twelve (12) months following the Closing Date.

ARTICLE 7
"AS IS" SALE

7.1 Independent Investigation. Buyer shall have independently investigated, analyzed and appraised the value, profitability and condition of the Property, including, without limitation, the geological and soil condition of the Property, the fitness or suitability of the Property for Buyer's intended use of the Property and all environmental matters relating to the Property (including, but not limited to, the presence or absence of hazardous or toxic substances or industrial hygiene in violation of any and all applicable environmental laws), without relying on any representations of any kind (whether oral or written, express or implied) made by Seller to Buyer. Buyer is purchasing the Property in its "AS IS, WHERE IS" condition as of the Effective Date solely in reliance upon Buyer's own investigations and evaluation thereof and without any representation or warranty by Seller as to the condition of the Property.

7.2 AS-IS Purchase; No Side Agreements Or Representations. Buyer acknowledges and agrees that Buyer has independently and personally inspected the Property, and the improvements, entitlements, plans and specifications related to the Property, Buyer has elected to go forward with the purchase of the Property on the basis of such personal examinations and inspections as Buyer has deemed appropriate to make. Buyer agrees that **AS A MATERIAL INDUCEMENT TO THE EXECUTION AND DELIVERY OF THIS AGREEMENT BY SELLER, BUYER IS PURCHASING THE PROPERTY IN AN "AS IS" AND "WHERE IS" PHYSICAL CONDITION AND IN AN "AS IS" STATE OF REPAIR, WITH ALL FAULTS.** No person acting on behalf of Seller is authorized to make, and by execution hereof Buyer acknowledges and agrees that, except as specifically provided in this agreement, Seller has not made, does not make, and specifically negates and disclaims any representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of and to, concerning or with respect to:

- (i) the value of the Property;
- (ii) the income to be derived from the Property;
- (iii) the suitability of the Property for any and all activities and uses which Buyer may conduct thereon, including without limitation any development of the Property;
- (iv) the habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Property;
- (v) the manner, quality, state of repair, or lack of repair, of the Property;
- (vi) the nature quality, availability or condition of the Property including without limitation, the water, soil and geology;

(vii) the compliance of or by the Property or the operation of the Property with any laws, rules, easements, ordinances, or regulations of any applicable governmental authority or body;

(viii) the manner, condition, or quality of the construction or materials, if any, incorporated into the Property;

(ix) compliance with any environmental protection, pollution or land use laws, rules, regulation, orders or requirements, including but not limited to, the Endangered Species Act, Title III of the Americans With Disabilities Act of 1990, as amended, and any other law, rule or regulation governing access by disabled persons;

(x) the presence or absence of hazardous or toxic substances at, on, under, or adjacent to the Real Property;

(xi) the content, completeness or accuracy of the due diligence materials, including the Due Diligence Information, any informational package, document list or other materials prepared by Seller;

(xii) the conformity of the improvements to any plans or specifications for the Property, including any plans and specifications that may have been or may be provided to Buyer;

(xiii) the conformity of the Property to past, current or future applicable zoning or building requirements;

(xiv) deficiency of any undershoring;

(xv) deficiency of any drainage;

(xvi) the existence or non-existence of land use zoning or building entitlements affecting the Property;

(xvii) deficiency of any access to the Real Property and/or Improvements; and

(xviii) with respect to any other matter concerning the Property, except as may be otherwise expressly stated herein, including any and all such matters referenced discussed or disclosed in any documents delivered by Seller to Buyer, in any public records of any governmental agency, entity or utility company, or in any other documents available to Buyer.

Buyer acknowledges and agrees that the opportunity to inspect the Property and review information and documentation respecting the Property (including that disclosed in the Acknowledgment) as provided in this Agreement is sufficient to allow the Buyer to make an adequate investigation of the Property and that Buyer is relying solely on its own investigation of the Property and review of such information and documentation, and not, on any information provided or to, be provided by Seller. Buyer further acknowledges and agrees that any

information made available to Buyer or provided or to be provided by or on behalf of Seller with respect to the Property was obtained from a variety of sources and that Seller has not made any independent investigation or verification of such information and make no representations as to the accuracy or completeness of such information, except as may otherwise be provided herein. Buyer agrees to fully and irrevocably release all such sources of information and preparers of information and documentation to the extent such sources or preparers are Seller, or its employees, members, officers directors, representatives, agents, servants, attorneys, affiliates, parent companies, subsidiaries, successors or assigns, from any and all claims that it may now have or hereafter acquire against such sources and preparers of information for any costs, loss, liability, damage, expense, demand, action or cause of action arising from such information or documentation. Seller is not liable or bound in any manner by any oral or written statements, representations or information pertaining to the Property or the operation thereof furnished by any of the foregoing entities and individuals or any other individual or entity. Buyer further acknowledges and agrees that to the maximum extent permitted by law, the sale of the Property as provided for herein is made on an "AS-IS" condition and basis, with all faults, and that Seller has no obligations to make repairs, replacements or improvements.

7.3 NO LIABILITY TO RECEIVER. WITHOUT LIMITATION OF THE FOREGOING, AS AN ESSENTIAL INDUCEMENT TO RECEIVER TO ENTER INTO THIS AGREEMENT, AND AS PART OF THE DETERMINATION OF THE CONSIDERATION GIVEN HEREUNDER, BUYER ACKNOWLEDGES, UNDERSTANDS AND AGREES AS FOLLOWS:

(a) BUYER ACKNOWLEDGES AND AGREES THAT RECEIVER IS ENTERING INTO THIS AGREEMENT SOLELY IN CONNECTION WITH HIS OR HER DUTIES AS RECEIVER PURSUANT TO THE COURT ORDERS (INCLUDING THE SEC ACTION). IN NO EVENT SHALL RECEIVER, HIS AGENTS, SERVANTS, EMPLOYEES, CONSULTANTS, CONTRACTORS, DIRECTORS, OFFICERS, ATTORNEYS, ACCOUNTANTS, AFFILIATES, SHAREHOLDERS, MEMBERS, PARTNERS, REPRESENTATIVES, SUCCESSORS AND ASSIGNS (COLLECTIVELY, THE "**RECEIVER PARTIES**") BE LIABLE FOR ANY ERROR OF JUDGMENT OR ACT DONE BY THE RECEIVER PARTIES, OR BE OTHERWISE RESPONSIBLE OR ACCOUNTABLE UNDER ANY CIRCUMSTANCE WHATSOEVER, EXCEPT IF THE RESULT OF THE RECEIVERS PARTIES' GROSS NEGLIGENCE OR INTENTIONAL MISCONDUCT. THE RECEIVER PARTIES SHALL NOT HAVE ANY PERSONAL LIABILITY OR OBLIGATION ARISING OUT OF THIS AGREEMENT OR THE TRANSACTION CONTEMPLATED HEREBY AND BUYER HEREBY RELEASES, DISCHARGES AND AGREES TO HOLD HARMLESS THE RECEIVER PARTIES FOR, FROM, AND AGAINST ANY LIABILITY, DUTY OR OBLIGATION UNDER OR ARISING OUT OF THIS AGREEMENT AND THE TRANSACTION CONTEMPLATED HEREBY; AND THIS AGREEMENT AND ALL OF SELLER'S DUTIES AND OBLIGATIONS HEREUNDER OR ARISING THEREFROM SHALL BE AND ARE SUBJECT TO THE COURT ORDERS (INCLUDING THE SEC ACTION) AND ANY OTHER ORDER ISSUED IN CONNECTION WITH THIS RECEIVERSHIP. IF RECEIVER SHALL DETERMINE IN ITS REASONABLE DISCRETION THAT THIS AGREEMENT OR A PART OR PORTION THEREOF DOES NOT COMPLY WITH OR SATISFY ANY PROVISION OR TERM OF THE COURT ORDERS (INCLUDING THE SEC ACTION) OR ANY OTHER ORDER ISSUED IN

CONNECTION WITH THE RECEIVERSHIP, THEN RECEIVER SHALL BE ENTITLED TO TERMINATE THIS AGREEMENT UPON WRITTEN NOTICE TO BUYER.

(b) NO PROVISION OF THIS AGREEMENT SHALL OPERATE TO PLACE ANY OBLIGATION OR LIABILITY FOR THE CONTROL, CARE, MANAGEMENT OR REPAIR OF THE PROPERTY UPON ANY OF THE RECEIVER PARTIES NOR SHALL IT OPERATE TO MAKE ANY OF THE RECEIVER PARTIES RESPONSIBLE OR LIABLE FOR ANY WASTE COMMITTED ON THE PROPERTY BY ANY PERSON OR FOR ANY DANGEROUS OR DEFECTIVE CONDITION OF THE PROPERTY OR FOR ANY NEGLIGENCE IN MANAGEMENT, UPKEEP, REPAIR OR CONTROL OF THE PROPERTY RESULTING IN LOSS OR INJURY OR DEATH TO ANY PERSON.

7.4 **Survival.** The provisions of this Article 7 shall survive the Close of Escrow.

ARTICLE 8 RELEASE AND INDEMNITY

8.1 **Release.** To the maximum extent permitted by law, Buyer, on behalf of itself and its past, present and future agents, representatives, partners, shareholders, principals, attorneys, affiliates, parent corporations, subsidiaries, officers, directors, employees, predecessors, successors, heirs and executors and assigns (collectively, "**Buyer's Parties**"), hereby releases and forever discharges Seller and Owner, and each of their respective past, present and future agents (including Receiver, the Receiver Parties and Broker), representatives, partners, attorneys', shareholders, principals, affiliates, parent corporations, subsidiaries, officers, directors, employees, predecessors, successors, heirs, executors and assigns (collectively, "**Indemnitees**"), from and against all claims, rights, remedies, recourse or other basis for recovery, legal or administrative proceedings, losses, liabilities, damages, penalties, fines, liens, judgments, costs or expenses whatsoever (including, without limitation, attorneys' fees and costs) ("**Claims**"), whether direct or indirect, known or unknown, foreseen, whether before or after the Closing Date, including without limitation any loss, damage, injury, illness, death or other claim attributable to: (a) the use of the Property or any part thereof; (b) a defect in the design or construction of any improvements on or about the Property or the physical condition of the Property, including without limitation the grading of the Real Property or land adjacent to the Real Property, whether or not performed by an Indemnatee, and any surface and subsurface conditions; (c) the presence on the Real Property of any threatened or endangered species, or any archaeological sites, artifacts or other matters of archaeological significance, or any hazardous or toxic substances or industrial hygiene in violation of any and all applicable environmental laws including, without limitation, all claims in tort or contract and any claim for indemnification or contribution arising under the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. Section 9601, *et seq.*) or any similar federal, state or local statute, rule or ordinance relating to liability of property owners for environmental matters; (d) any act, omission or representation of Buyer or any of Buyer's Parties; (e) any accident or casualty on the Property caused by or attributable to the acts or omissions of any Indemnitees, Buyer or Buyer's Parties on or about the Property; (f) a violation or alleged violation by any Indemnatee, Buyer, or Buyer's Parties of any law now or hereinafter enacted, including, without limitation, any requirements of the City, CDFW and/or ACOE; (g) a slope failure or surface or subsurface

geologic or groundwater condition caused by or attributable to any Indemnitee, Buyer or Buyer's Parties; (h) the design, construction, engineering or other, work with respect to the Property provided or performed by or caused by or attributable to any Indemnitee, Buyer or Buyer's Parties, whether before or after the Closing Date; (i) any other cause whatsoever in connection with Buyer's use of the Property or Buyer's performance under the Agreement or any of the instruments executed and delivered at Closing in connection herewith; (j) any breach by Buyer in the performance of its obligations under this Agreement or the other instruments executed and delivered at Closing in connection herewith; or (k) the application of the principles of strict liability in connection with the Property (collectively, the "**Released Claims**"). Notwithstanding the foregoing, the Buyer shall not be required to or be deemed to have waived any Claims against any particular Indemnitee from an event which arises from a pre-existing relationship or claim between the Buyer and such Indemnitee.

With respect to this release and discharge, Buyer, on behalf of itself and all of Buyer's Parties, hereby acknowledges that the Released Claims may include Claims of which Buyer is presently unaware, or which Buyer does not presently suspect to exist, or which may not yet have accrued or become manifest, and which, if known by Buyer on the Effective Date or the Closing Date would materially affect Buyer's release and discharge of Seller and the other Indemnitees, and Buyer, on behalf of itself and all of Buyer's Parties, hereby waives application of the California Civil Code Section 1542 which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH CREDITOR DOES NOT KNOW OR SUSPECT EXISTS IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Buyer understands and acknowledges that the significance and consequence of this waiver of California Civil Code Section 1542 is that, even if Buyer or any of Buyer's Parties suffer future damages arising out of or resulting from any Released Claims, neither Buyer nor any of Buyer's Parties will be able to make any claim for those damages against Seller or any other Indemnitee. Furthermore, Buyer acknowledges that it intends these consequences for any such Claims which may exist as of the date of this release but which Buyer does not know exist, and which, if known, would materially affect Buyer's decision to execute this Agreement, regardless of whether Buyer's lack of knowledge is the result of ignorance, oversight, error, negligence or any other cause.

JL.
Buyer's initials

8.2 Survival. The provisions of this Article 8 shall survive the Close of Escrow.

ARTICLE 9 DISPUTE RESOLUTION

9.1 Court Trial. Each party to this Agreement hereby expressly waives any right to trial by jury with respect to any claim, demand, action or cause of action (a) arising under this Agreement, including, without limitation, any present or future modification thereof, or (b) in any way connected with or related or incidental to the dealings of the parties hereto or any of them with respect to this Agreement (as now or hereafter modified) or any other instrument, document or agreement executed or delivered in connection herewith, or the transactions related hereto or thereto, in each case whether such claim, demand, action or cause of action is now existing or hereafter arising, and whether sounding in contract or tort or otherwise; and each party hereby agrees and consents that any such claim, demand or cause of action shall be decided by court trial without a jury, and that any party to this Agreement may file an original counterpart or a copy of this section with any court as written evidence of the consent of the parties hereto to the waiver of any right they might otherwise have to trial by jury.

9.2 Venue. Any action shall be commenced and maintained in the Court. The parties irrevocably consent to jurisdiction and venue in such Court and agree not to seek transfer or removal of any action commenced in accordance with the terms of this article.

ARTICLE 10 NATURAL HAZARD DISCLOSURE STATEMENT

10.1 Buyer's Acknowledgment. Buyer acknowledges that: (a) it is a sophisticated and experienced purchaser of real property; (b) Buyer and Seller are parties of equal bargaining strength; (c) this Agreement is not a contract of adhesion but has been expressly negotiated between the parties; and (d) this Agreement concerns a transaction that is private in nature. Buyer further acknowledges that it has the opportunity to make, has made or will make its own independent investigations, as provided in this Agreement, and that the opportunity for investigation provided herein allows the Buyer to determine, among other issues, whether the Real Property is located in any natural hazard areas.

10.2 Waiver of Natural Hazard Disclosure Statement. Notwithstanding anything to the contrary in Section 10.3 below, Buyer hereby knowingly, voluntarily and intentionally waives its right to disclosure of natural hazards found in the Natural Hazard Disclosure Act, California Government Code Sections 8589.3, 8589.4, and 51183.5, California Public Resources Code Sections 2621.9, 2694, and 4136, and California Civil Code Section 1103, and any successor statutes or laws (the "Act"). This waiver is a material inducement to Seller's decision to enter into this Agreement and the calculation of the Purchase Price, and Buyer acknowledges that Seller would not have entered into this Agreement but for this waiver.

10.3 Natural Hazard Disclosure Statement. Prior to the Contingency Date, Buyer will have received the Natural Hazard Disclosure Statement ("**Disclosure Statement**"). Buyer acknowledges that the Disclosure Statement is being delivered pursuant to the Act. Buyer acknowledges and agrees that nothing contained in the Disclosure Statement shall release Buyer from its obligation to fully investigate the condition of the Property, including without limitation whether the Property is located, in any natural hazard areas, and that Buyer has the expertise to

perform such investigations. Buyer further acknowledges and agrees that the matters set forth in the Disclosure Statement may change on or prior to the Close of Escrow and that Seller has no obligation to update, modify or supplement the Disclosure Statement. Buyer shall be solely responsible for preparing and delivering its own Natural Hazard Disclosure Statement to any subsequent prospective purchasers of the Property.

ARTICLE 11 CONDEMNATION AND DESTRUCTION

11.1 Eminent Domain or Taking. If proceedings under a power of eminent domain relating to the Real Property or any part thereof are commenced prior to Close of Escrow, Seller shall promptly notify Buyer in writing and the following terms shall apply:

(a) If such proceedings involve the taking of title to all or a Material (defined below) portion of the Real Property, Buyer may elect to terminate this Agreement by written notice given within ten days of Seller's written notice to Buyer advising of such proceedings, in which case neither party shall have any further rights or obligations hereunder, except for those which are expressly stated to survive termination of this Agreement.

(b) If the proceedings do not involve the taking of title to all or a Material portion of the Real Property, or if Buyer does not elect to terminate this Agreement, this transaction shall be consummated as described herein and any award or settlement payable with respect to such proceeding shall be paid or assigned to Buyer upon Close of Escrow.

(c) If the purchase and sale of the Property is not consummated for any reason, any condemnation award or settlement shall belong solely to Seller.

11.2 Damage or Destruction. Except as provided in this Section 11.2, prior to the Close of Escrow, the entire risk of loss of damage by earthquake, landslide, fire or other casualty shall be borne and assumed solely by Seller. If, prior to the Close of Escrow any part of the Real Property or improvements thereon is damaged or destroyed by earthquake, landslide, fire or other casualty, Seller shall promptly inform Buyer of such fact in writing and advise Buyer as to the extent of the damage and whether it is, in Seller's reasonable opinion, "Material" or "not Material." The following terms shall apply:

(a) If such damage or destruction is "Material", Buyer shall have the option to terminate this Agreement upon written notice to Seller given not later than ten days after receipt of Seller's written notice to Buyer advising of such damage or destruction.

(b) If Buyer does not elect to terminate this Agreement, or if the damage or destruction is not "Material," Seller shall reduce the Purchase Price by the value reasonably estimated by Seller to repair or restore the damaged portion of such Real Property or improvements, less any sums expended by Seller to make emergency repairs to such Real Property or improvements or to otherwise protect the physical condition of such Real Property or improvements, and this transaction shall close pursuant to the terms of this Agreement.

(c) If the damage is not "Material," Seller's notice to Buyer of the damage or destruction shall also set forth Seller's reduced Purchase Price and Seller's allocation of value to

the damaged portion of such improvements. If Buyer does not accept Seller's reduced Purchase Price, Seller may elect to repair or restore the damaged portion of such improvements. If Seller elects to repair or restore the damage, then Buyer shall proceed to Closing. If Seller does not elect to repair or restore the damage, and Buyer does not accept Seller's reduced Purchase Price Buyer's sole remedy shall be to terminate this Agreement.

(d) Whether or not the sale of the Property is consummated hereunder, all rights to insurance claims or proceeds with respect to any damage to or destruction of any improvements occurring prior to the Close of Escrow shall belong to Seller.

11.3 Definition of Material. As used in this Article 11, "Material" shall mean any taking, condemnation, damage or destruction to or of the Real Property, as applicable, which causes the temporary closing of the Property for a period of thirty (30) days or more and costs more than Two Hundred Fifty Thousand and No/100 Dollars (\$250,000.00) to repair.

ARTICLE 12 DEFAULT BY BUYER

12.1 DEFAULT BY BUYER. UPON DEFAULT BY BUYER, SELLER SHALL BE ENTITLED TO TERMINATE THIS AGREEMENT UPON WRITTEN NOTICE TO BUYER AND THE ESCROW HOLDER. IN SUCH EVENT, ESCROW HOLDER SHALL RELEASE THE DEPOSIT TO SELLER, AND SELLER SHALL BE ENTITLED TO RECEIVE AND RETAIN THE DEPOSIT AS LIQUIDATED DAMAGES AND, EXCEPT FOR BUYER'S INDEMNITY AND OTHER SPECIFIC OBLIGATIONS REFERRED TO HEREIN WHICH MAY BE ENFORCED BY SELLER, NEITHER PARTY SHALL HAVE ANY FURTHER RIGHTS OR OBLIGATIONS HEREUNDER. IN THE EVENT THE CLOSING DOES NOT OCCUR BECAUSE OF BUYER'S DEFAULT, BUYER AND SELLER AGREE THAT IT WOULD BE IMPRACTICABLE AND EXTREMELY DIFFICULT TO ESTIMATE THE DAMAGES SUFFERED BY SELLER AS A RESULT OF BUYER'S FAILURE TO COMPLETE THE PURCHASE OF THE PROPERTY PURSUANT TO THIS AGREEMENT, AND THAT UNDER THE CIRCUMSTANCES EXISTING AS OF THE EFFECTIVE DATE, THE LIQUIDATED DAMAGES PROVIDED FOR IN THIS SECTION REPRESENT A REASONABLE ESTIMATE OF THE DAMAGES WHICH SELLER WILL INCUR AS A RESULT OF SUCH DEFAULT; PROVIDED, HOWEVER, THAT THIS PROVISION SHALL NOT: (A) LIMIT SELLER'S RIGHT TO RECEIVE REIMBURSEMENT FOR ATTORNEYS' FEES; (B) WAIVE OR AFFECT BUYER'S INDEMNITY OBLIGATIONS AND SELLER'S RIGHTS TO SUCH INDEMNITY; OR (C) WAIVE OR AFFECT BUYER'S OBLIGATIONS TO RETURN OR PROVIDE TO SELLER DOCUMENTS, REPORTS OR OTHER INFORMATION PROVIDED TO OR PREPARED BY OR FOR BUYER PURSUANT TO APPLICABLE PROVISIONS OF THIS AGREEMENT. THEREFORE, BUYER AND SELLER DO HEREBY AGREE THAT AS OF THE EFFECTIVE DATE, A REASONABLE ESTIMATE OF THE TOTAL NET DETRIMENT THAT SELLER WOULD SUFFER IN THE EVENT THAT BUYER DEFAULTS AND FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY IS AN AMOUNT EQUAL TO THE DEPOSIT (WHICH INCLUDES ANY ACCRUED INTEREST THEREON). SAID AMOUNT SHALL BE THE FULL, AGREED AND LIQUIDATED DAMAGES FOR

THE BREACH OF THIS AGREEMENT BY BUYER. THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. SELLER HEREBY WAIVES THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 3389.

 JL.
Buyer's initials

Seller's initials

12.2 Default by Seller; Unsuccessful Bidder. If (i) Buyer is the High Bidder at the Auction and the sale of the Property is not consummated because of a material default by Seller under this Agreement, or (ii) Buyer is not the High Bidder at the Auction, Buyer's sole remedy shall be to terminate this Agreement and recover the Earnest Money Deposit and interest accrued thereon. Except as specifically set forth in this Section 12.2, Buyer does hereby specifically waive any right to pursue any other remedy at law or equity for such default of Seller, including, without limitation, any right to seek or pursue specific performance and/or to seek, claim or obtain damages, punitive damages or consequential damages.

ARTICLE 13 MISCELLANEOUS PROVISIONS

13.1 Brokerage Commissions. Buyer and Seller represent and warrant to the other that it has not engaged any broker or finder in connection with the transaction contemplated by this Agreement, other than Lee & Associates – Investment Services Group, representing Seller ("**Seller's Broker**"), whose commission (if the Closing occurs) shall be paid pursuant to a separate agreement entered into by Seller and Seller's Broker, and Bestway Realty ("**Buyer's Broker**"), representing Buyer, whose commission (if the Closing occurs) shall be paid pursuant to a separate agreement entered into by Buyer and Buyer's Broker. Each of the parties hereto shall indemnify, defend and hold the other harmless from and against any liability, cost or expense arising out of or connected with any claim for any commission or compensation made by any person or entity claiming to have been retained or contacted by the indemnifying party in connection with, this transaction. This indemnity provision shall survive the Closing or any earlier termination of this Agreement. Neither Seller's Broker nor Buyer's Broker shall be deemed a party or third party beneficiary of this Agreement. As a condition to Buyer and Seller's obligation to pay the commissions pursuant to this Section 13.1, both Seller's Broker and Buyer's Broker shall execute the signature page for Buyer and Seller's Broker attached hereto solely for purposes of confirming the matters set forth therein; provided, however, that (a) the signatures for either Seller's Broker or Buyer's Broker hereon shall not be a prerequisite to the binding nature of this Agreement on Buyer and Seller, and the same shall become fully effective upon execution by Buyer and Seller, and (b) the signature of either Seller's Broker or Buyer's Broker will not be necessary to amend any provision of this Agreement.

13.2 Notices. All notices, demands, requests and other communications required or permitted hereunder shall be in writing, and shall be (a) personally delivered with a written receipt of delivery; (b) sent by a nationally-recognized overnight delivery service requiring a written acknowledgement of receipt or providing a certification of delivery or attempted delivery; (c) sent by certified or registered mail, return receipt requested; or (d) sent by confirmed facsimile transmission with an original copy thereof transmitted to the recipient by one of the means described in subsections (a) through (c) not later than two (2) business days thereafter. All notices shall be deemed effective when actually delivered as documented in a delivery receipt; provided, however, that if the notice was sent by overnight courier or mail as aforesaid and is affirmatively refused or cannot be delivered during customary business hours by reason of the absence of a signatory to acknowledge receipt, or by reason of a change of address with respect to which the addressor did not have either knowledge or written notice delivered in accordance with this paragraph, then the first attempted delivery shall be deemed to constitute delivery. Each party shall be entitled to change its address for notices from time to time by delivering to the other party notice thereof in the manner herein provided for the delivery of notices. All notices shall be sent to the addressee at its address set forth following its name below:

To Seller/Receiver:

FedReceiver, Inc.
12121 Wilshire Blvd., Suite 1120
Los Angeles, California 90025
Attention: Stephen J. Donell, Receiver
E-mail: steve.donell@fedreceiver.com
Facsimile: (310) 806-4178

with a copy to:

Allen Matkins Leck Gamble Mallory & Natsis LLP
865 South Figueroa Street, Suite 2800
Los Angeles, California 90017-2543
Attention: Timothy B. McGinity, Esq.
E-mail: tmcginity@allenmatkins.com
Facsimile: (213) 620-8816

To Buyer:

INI INVESTMENT, CORP.
(Street Address) 3317 E 50TH ST
Vernon CA 90058
Attention: Jung A. Lee
E-mail: YKim@Irisbasic.com
Facsimile: 714-509-1257

To Escrow Holder:

Fidelity National Title
3237 East Guasti Road, Suite 105
Ontario, California 91761
Attention: Janette DeLap, Escrow Officer
E-mail: Janette.DeLap@fnf.com
Facsimile: (909) 569-0225

To Title Company:

Fidelity National Title Company
5000 Van Nuys Boulevard, Suite 500
Sherman Oaks, California 91403
Attention: Shauna Skarin
E-mail: Shauna.Skarin@fnf.com
Facsimile: (818) 475-5185

13.3 Confidentiality. Unless otherwise agreed to in writing by Seller and Buyer, each party shall keep confidential all documents, contracts, prices, plans specifications, strategies, marketing programs, financial statements, reports or other information provided to, or generated by the other party relating to the Property and shall not disclose any such information to any person other than: (a) employees, agents and attorneys of Seller or Buyer; (b) those who are actively and directly participating in the evaluation of the Property, or the appraisal, investigation or financing of the purchase or construction of the Property; and (c) governmental, administrative, regulatory or judicial authorities in the investigation of the compliance of the Property with applicable legal requirements. Buyer agrees to provide this confidentiality provision to any consultant, contractor or employee to whom confidential information may be disclosed and shall require any such consultant, contractor or employee to be bound by this confidentiality provision. Buyer expressly covenants and agrees that it shall not disclose any code compliance, environmental or other regulatory matters to governmental or other authorities without the express prior written approval by Seller unless required by law, in which case Buyer shall immediately notify Seller thereof. Upon any termination of this Agreement for any reason, Buyer shall promptly return to Seller copies of all documents or other information pertaining to the Property provided to Buyer by Seller. Notwithstanding anything to the contrary contained herein, Buyer hereby acknowledges that a copy of this Agreement shall be provided to Prospective Bidders (as defined in Section 14.4 below) in connection with the Auction, in accordance with and subject to the terms and conditions of Article 14, below, and that in no event shall any such provision of this Agreement to Prospective Bidders be considered a violation of the confidentiality requirements set forth herein. The provisions of this Section 13.3 shall survive the Closing or earlier termination of this Agreement.

13.4 Assignment. Buyer shall not assign this Agreement without obtaining Seller's prior written consent, which consent may be withheld by Seller in its sole and absolute discretion for any reason whatsoever.

13.5 Bankruptcy. Buyer agrees that in the event that: (a) all or substantially all of Buyer's assets are placed in the hands of a receiver or trustee, and such receivership or trusteeship continues for a period of thirty (30) days; (b) Buyer makes an assignment for the benefit of creditors; (c) Buyer is adjudicated a bankruptcy; (d) Buyer institutes any proceeding under any law relating to bankruptcy wherein Buyer seeks to be adjudicated a bankrupt, or to be discharged of its debts, or to effect a plan of liquidation, composition or reorganization; (e) an involuntary proceeding is filed against Buyer under any bankruptcy laws and Buyer consents thereto or acquiesces therein by pleading or default or such involuntary proceeding is not dismissed within ninety (90) days; or (f) substantially all of Buyer's assets are attached or seized by judicial order where such seizure is not discharged within thirty (30) days then: (i) Buyer shall be deemed to be in default hereunder, (ii) this Agreement, including without limitation the rights granted herein, shall not become an asset in any of such proceedings; (iii) in addition to all other available remedies it shall be lawful for Seller to declare this Agreement terminated; and (iv) Buyer shall have no further claim on the Property hereunder or otherwise, and no right to the return of its Deposit or other payments or expenses incurred pursuant to this Agreement.

13.6 Not an Offer; Last Date for Submission. Seller's delivery of unsigned copies of this Agreement is solely for the purpose of review by the party to whom delivered, and neither the delivery nor any prior communications between the parties, whether oral or written, shall in any way be construed as an offer by Seller, nor in any way imply that Seller is under any obligation to enter the transaction which is the subject of this Agreement. The signing of this Agreement by Buyer constitutes an offer which shall not be deemed accepted by Seller unless and until Seller has signed this Agreement and delivered a duplicate original to Buyer.

13.7 Modification. This Agreement may not be modified or amended except by a written agreement executed by Seller and Buyer, and only to the extent set forth therein.

13.8 Attorneys' Fees. In the event any legal or equitable action is commenced in connection with this Agreement or the Property, whether in contract or in tort, the prevailing party (as determined by the court) shall be entitled to recover from the losing party all reasonable costs and expenses incurred, including but not limited to reasonable attorneys' fees, in addition to all other relief and remedies to which the prevailing party may be entitled.

13.9 Successors and Assigns. Subject to the limitations on Buyer's right to assign, this Agreement shall be binding on, and shall inure to the benefit of, the successors and assigns of the parties.

13.10 Duplicate Counterparts. This Agreement may be executed in duplicate counterparts, all of which together shall constitute a single instrument, and each of which shall be deemed an original of this Agreement for all purposes, notwithstanding that less than all signatures appear on any one counterpart.

13.11 Section Headings. The various section headings in this Agreement are inserted for convenience of reference only, and shall not affect the meaning or interpretation of this Agreement or any provision hereof.

13.12 Survival of Covenants, etc. Except as otherwise expressly provided herein, all agreements, conditions, acknowledgments, representations, and other obligations set forth in this Agreement shall merge with the receiver's deed and shall not survive the Close of Escrow.

13.13 Days/Holidays. All references to days herein shall refer to calendar days unless otherwise noted. When performance of an obligation or satisfaction of a condition set forth in this Agreement is required on or by a date that is a Saturday, Sunday or legal holiday, such performance or satisfaction shall instead be required on or by the next business day following that Saturday, Sunday or holiday, notwithstanding any other provisions of this Agreement.

13.14 No Recorded Memorandum. Prior to Close of Escrow, neither this Agreement nor any memorandum hereof or reference hereto shall be filed in any place of public record. Failure of Buyer to comply with this Section shall be a material default by Buyer under this Agreement and, at the election of Seller, shall automatically and immediately terminate all of Buyer's rights under this Agreement, and thereafter Buyer shall not have any right, title, or interest in or to the Property whatsoever.

13.15 Exhibits. All Exhibits attached to, and to which reference is made in, this Agreement are incorporated into, and shall be deemed a part of, this Agreement.

13.16 Entire Agreement. This Agreement is the entire agreement of Seller and Buyer with respect to the Property, containing all of the terms and conditions to which Seller and Buyer have agreed. This Agreement supersedes and replaces entirely all previous oral and written understandings, offers, counter offers, acceptances, if any, of Seller and Buyer respecting the Property.

13.17 Time. Time is of the essence in this Agreement and each and every provision of this Agreement.

13.18 Governing Law and Forum. This Agreement shall be governed, construed and enforced in accordance with the laws of the State of California. The exclusive forum for resolving disputes arising from or related to this Agreement, the Auction (defined below) or closing of the sale shall be the Court in the Case.

13.19 Severability. If any term, provision, covenant or condition of this Agreement is found by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the Agreement shall continue in full force and effect and shall in no way be affected, impaired, or invalidated.

13.20 Intentionally Omitted.

13.21 Joint Venture. It is not intended by this Agreement to, and nothing contained in this Agreement shall, create any partnership, joint venture or other agreement between Buyer and Seller. No term or provision of this Agreement is intended to be, or shall be, for the benefit of any person, firm, organization or corporation not a party hereto, and no such other person, firm, organization or corporation shall have any right or cause of action hereunder.

13.22 Intentionally Omitted.

13.23 Signer's Warranty. Each individual executing and delivering this Agreement on behalf of a party hereby warrants and represents to the other party that he or she has been duly authorized and empowered to do so.

13.24 Multiple Buyers. As used in this Agreement, the term "Buyer" means all entities acquiring any interest in the Property at the Closing, including, without limitation, any successor(s) and/or assignee(s) of the original Buyer, if permitted. In the event that "Buyer" has any obligations or makes any covenants, representations or warranties under this Agreement, the same shall be made jointly and severally by all entities being a Buyer hereunder. In the event that Seller receives notice from any entity being a Buyer hereunder, the same shall be deemed to constitute notice from all entities being a Buyer hereunder. In the event that any entity being a Buyer hereunder takes any action, breaches any obligation or otherwise acts pursuant to the terms of this Agreement, the same shall be deemed to be the action of the other entity(ies) being a Buyer hereunder and the action of "Buyer" under this Agreement. In the event that Seller is required to give notice or take action with respect to Buyer under this Agreement, notice to any entity being a Buyer hereunder or action with respect to any entity being a Buyer hereunder shall be a notice or action to all entities being a Buyer hereunder. In the event that any entity being a Buyer hereunder desires to bring an action or arbitration against Seller, such action must be joined by all entities being a Buyer hereunder in order to be effective. In the event that there is any agreement by Seller to pay any amount pursuant to this Agreement to Buyer under any circumstance, that amount shall be deemed maximum aggregate amount to be paid to all parties being a Buyer hereunder and not an amount that can be paid to each party being a Buyer hereunder. In the event that Seller is required to return the Deposit or other amount to Buyer, Seller shall return the same to any entity being a Buyer hereunder and, upon such return, shall have no further liability to any other entity being a Buyer hereunder for such amount. The foregoing provisions also shall apply to any documents to be executed pursuant to the provisions of this Agreement.

ARTICLE 14 SALE PROCEDURES FOR AUCTION

14.1 Court Approval of Sale. Because Receiver is a Court appointed receiver, Receiver can only sell the Property to Buyer while the receivership created in the SEC Action is in existence. If for any reason, prior to the Close of Escrow, such receivership is discharged and/or terminated by the Court, then Buyer acknowledges and agrees that, notwithstanding any provisions in this Agreement to the contrary, this Agreement will terminate upon notice thereof from Receiver to Buyer, and Buyer will receive a refund of the Earnest Money Deposit unless Buyer is otherwise in default hereunder or Receiver is otherwise instructed by the Court; and further, Buyer will have no further right to purchase the Property, and Receiver shall have no further obligations to Buyer under this Agreement. Receiver shall make all reasonable efforts to notify Buyer if such action is scheduled by the Court, as and when Receiver receives notice from the Court.

14.2 The Auction. The parties acknowledge it is a condition precedent to the Closing that Receiver obtain the Court approval and the Receiver shall seek such approval from the Court. In the event of Buyer's approval, or failure to disapprove the Title Documents, on or prior to the Title Contingency Date, as set forth in Section 3.1 above, Receiver shall promptly file a

motion seeking Court approval and set the motion for hearing on the Court's first available hearing date after the minimum notice required for a noticed motion (the "**Hearing Date**"). Receiver will propose to the Court that the sale of the Property be subject to an auction (the "**Auction**") conducted under the Court's supervision.

14.3 Overbids and Bid Increments. The minimum overbid for any Qualified Bidder (as defined below) shall be no less than one hundred and one percent (101%) of the highest bid submitted by another party as of the date upon which such Qualified Bidder submits its overbid. Only Qualified Bidders may make bids at the Auction. All bids are subject to overbids in increments of Ten Thousand and No/100 Dollars (\$10,000.00). The Court may reject any and all bids following conclusion of the Auction.

14.4 Due Diligence Information. All prospective bidders ("**Prospective Bidders**") shall have had the opportunity to inspect the Property and any documentation relating thereto prior to the Auction. Prospective Bidders may also request access to information about the Property ("**Due Diligence Information**") and obtain a form purchase and sale agreement.

14.5 No Representations and Warranties for Due Diligence Information. Any Due Diligence Information provided to Prospective Bidders is for informational purposes only and provided without any warranty, guaranty or representation by Receiver, or Receiver's Broker. All Prospective Bidders shall conduct their own independent investigation and analysis regarding the condition of the Property and its suitability for Prospective Bidders' intended use. Neither the Receiver, nor the Receiver's Broker has made any representations, express or implied, regarding the completeness or accuracy of the Due Diligence Information.

14.6 Qualified Bidder. To be determined a qualified bidder (the "**Qualified Bidder**"), one must: (i) provide a fully executed purchase and sale agreement for the Property in form substantially similar to this Agreement ("**Qualified Bid PSA**"), acceptable to the Receiver, (ii) provide an earnest money deposit (the "**Bid Deposit**") by wire transfer or cashier's check in an amount equal to ten percent (10%) of the purchase price under such Qualified Bid PSA, which amount shall be payable to the Receiver and shall be *non-refundable* to the Qualified Bidder with the highest bid at the Auction (the "**High Bidder**") if for any reason (a) the High Bidder fails to finally close the sale such that title transfers by no later than the Closing Date or (b) the High Bidder fails to provide the balance of the purchase price to the Receiver one (1) day prior to the Closing Date. Each Qualified Bidder must provide the Qualified Bid PSA and Bid Deposit to the Receiver not later than seven (7) business days prior to the Hearing Date. The Qualified Bidders shall appear at the Auction in person, or through a duly authorized representative. The High Bidder's Bid Deposit shall be applied to the purchase price, if the sale is approved by the Court.

14.7 Consent to Court Jurisdiction and Waiver of Jury Trial. All Qualified Bidders appearing at the Auction shall have deemed to have consented to the Court's jurisdiction and waived any right to jury trial in connection with any disputes related to the Auction, or the closing of the sale. The Court shall be the exclusive forum for any such disputes.

14.8 Receiver's Right to Determine Conduct of Auction. The Receiver reserves the right to deny any person admittance to the Auction, to postpone or cancel the Auction, to

withdraw the Property from the Auction, and to change any terms or procedures of the Auction or the particular conditions of sale, as necessary, upon notice to Buyer, and any Qualified Bidders, prior to or at the Auction, without further Court order.

14.9 No Contingencies for Qualified Bidder. The sale to any Qualified Bidder of the Property shall *not* be contingent upon the validity, effectiveness, and or binding nature of the Qualified Bidder's offer, including without limitation, contingencies for financing, due diligence or inspection.

14.10 No Conditions Precedent for Qualified Bidder. The sale to any Qualified Bidder of the Property shall not be subject to any conditions precedent to the Qualified Bidder's obligation to timely consummate the sale transaction, and to pay the remainder of the purchase price.

14.11 Sale Order. The only authorized condition subsequent to the Auction for the Qualified Bidder is entry of a Court order confirming the sale to the Qualified Bidder (the "Sale Order").

14.12 Conditions to Consummation of Sale Transaction Prior to and Following Auction. The closing of any sale to a Qualified Bidder shall be subject to the following conditions: (i) Receiver's review and acceptance of the highest bid received from a Qualified Bidder, (ii) entry of the Sale Order, (iii) receipt of full payment on or before the Closing Date such that the Property transfer can occur on or before such date, and (iv) prior to Auction, waiver and release of all claims against the Receiver. If any of these foregoing conditions are not satisfied, (a) the sale to the Qualified Bidder shall not be consummated, and (b) any obligations of the Receiver shall also be terminated, including any obligations under the Qualified Bid PSA.

14.13 Transfer of Title to Property Following Auction. Following the Auction, title to the Property shall be transferred by Receiver's Deed, "AS-IS", *WITHOUT REPRESENTATIONS AND WARRANTIES*, to the High Bidder.

[Remainder of Page Intentionally Left Blank; Signature Pages to Follow]

IN WITNESS WHEREOF, this Purchase and Sale Agreement and Joint Escrow Instructions is executed and delivered by the parties as of the Effective Date.

SELLER:

STEPHEN J. DONELL, solely in his
capacity as the Court-appointed receiver for
Suncor Lynwood, LLC

BUYER:

INI INVESTMENT, CORP.,
a California corporation

By: _____
Name: Jung A Lee
Its: President

ESCROW HOLDER SIGNATURE PAGE

The undersigned Escrow Holder hereby agrees to: (i) accept the foregoing Agreement; (ii) be Escrow Holder under said Agreement; and (iii) be bound by said Agreement in the performance of its duties as Escrow Holder, and hereby establishes _____, 2017 as the date of opening of escrow and designates _____ as the escrow number assigned to this escrow.

Dated:

FIDELITY NATIONAL TITLE COMPANY

By _____
Authorized Representative

SELLER'S BROKER SIGNATURE PAGE

The undersigned Seller's Broker hereby executes this Seller's Broker Signature Page solely to confirm the following: (i) Seller's Broker represents only the Seller in the transaction described in the Agreement to which this signature page is attached, (ii) Seller's Broker acknowledges that the only compensation due to Seller's Broker in connection with the Closing of the transaction described in the Agreement to which this signature page is attached is as set forth in a separate agreement between Seller and Seller's Broker, and (iii) Seller's Broker represents and warrants to Seller that Seller's Broker and its affiliates has not and will not receive any compensation (cash or otherwise) from or on behalf of Buyer or any affiliate thereof in connection with the transaction, and does not, and will not at the Closing, have any direct or indirect legal, beneficial, economic or voting interest in Buyer (or in an assignee of Buyer, which pursuant to Section 13.4 of the Agreement, acquires the Property at the Closing) nor has Buyer granted (as of the Effective Date or the Closing Date) the Seller's Broker or any of its affiliates any right or option to acquire any direct or indirect legal, beneficial, economic or voting interest in Buyer.

SELLER'S BROKER:

LEE & ASSOCIATES – INVESTMENT
SERVICES GROUP

By: _____
Name: _____
Title: _____

BUYER'S BROKER SIGNATURE PAGE

The undersigned Buyer's Broker hereby executes this Buyer's Broker Signature Page solely to confirm the following: (i) Buyer's Broker represents only the Buyer in the transaction described in the Agreement to which this signature page is attached, (ii) Buyer's Broker acknowledges that the only compensation due to Buyer's Broker in connection with the Closing of the transaction described in the Agreement to which this signature page is attached is as set forth in a separate agreement between Buyer and Buyer's Broker, and (iii) Buyer's Broker represents and warrants to Buyer that Buyer's Broker and its affiliates has not and will not receive any compensation (cash or otherwise) from or on behalf of Seller or any affiliate thereof in connection with the transaction, and does not, and will not at the Closing, have any direct or indirect legal, beneficial, economic or voting interest in Buyer (or in an assignee of Buyer, which pursuant to Section 13.4 of the Agreement, acquires the Property at the Closing) nor has Buyer granted (as of the Effective Date or the Closing Date) the Buyer's Broker or any of its affiliates any right or option to acquire any direct or indirect legal, beneficial, economic or voting interest in Buyer.

BUYER'S BROKER:

BESTWAY REALTY

By: Jay Kang
Name: Jay Kang
Title: Agent

Exhibit List

Exhibit "A" Legal Description of the Real Property
Exhibit "B" Receiver's Deed

Exhibit A

Legal Description

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF LYNWOOD, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOT 69 OF TRACT NO. 20680, IN THE CITY OF LYNWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 552 PAGES 4 TO 6 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 6191-016-021

Exhibit B

Form of Receiver's Deed

Recording Requested by,
When Recorded Return to and
Mail Tax Statements to:

(Above Space for Recorder's Use Only)

RECEIVER'S DEED

THE DOCUMENTARY TRANSFER TAX IS NOT FOR PUBLIC RECORD.

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, SUNCOR LYNWOOD, LLC, a limited liability company ("**Grantor**"), by and through STEPHEN J. DONELL, solely in his capacity as Receiver, appointed by the United States District Court for the Central District of California, hereby grants to INI INVESTMENT, CORP., a California corporation , that certain real property located in the County of Los Angeles, State of California, more particularly described in Exhibit "A" attached hereto (the "**Land**"), together with all right, title and interest in and to all buildings and improvements now located or hereafter constructed on the Land, subject to the following:

1. Non-delinquent taxes and assessments.
2. All other covenants, conditions, restrictions, reservations, rights, rights of way, easements, encumbrances, liens and title matters of record or visible from an inspection of the Property and all matters which an accurate survey of the Property would disclose as of the date this document is recorded.

[Signatures on following page]

IN WITNESS WHEREOF, Grantor has executed this Receiver's Deed as of _____
_____, 2017.

GRANTOR:

Stephen J. Donell, solely in his
capacity as the Court-appointed receiver for
Suncor Lynwood, LLC

ACKNOWLEDGMENT

State of California)
County of _____)

On _____, 20____, before me, _____,
(insert name of notary)

Notary Public, personally appeared Stephen J. Donell, 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 _____

(Seal)

Exhibit A

Legal Description

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF LYNWOOD, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOT 69 OF TRACT NO. 20680, IN THE CITY OF LYNWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 552 PAGES 4 TO 6 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 6191-016-021

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 865 S. Figueroa Street, Suite 2800, Los Angeles, California 90017-2543.

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 ORDER APPROVING: (1) SALE OF LYNWOOD PROJECT; (2) OVERBID PROCEDURES; AND (3) REAL ESTATE BROKER'S COMMISSION

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 **August 7, 2017**, 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**
mth@msk.com,kjue@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 **August 7, 2017**, 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. Or, I deposited in a box or other facility regularly maintained by FedEx, or delivered to a courier or driver authorized by said express service carrier to receive documents, a true copy of the foregoing document(s) in sealed envelopes or packages designated by the express service carrier, addressed as indicated above on the above-mentioned date, with fees for overnight delivery paid or provided for.

Franchise Tax Board (FTB) **Via U.S. Mail**
P.O. Box 2952
Sacramento, CA 95812-2952

Internal Revenue Service **Via U.S. Mail**
880 Front Street
San Diego, CA 92101-8869

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 **August 7, 2017** at Los Angeles, California.

/s/ Martha Diaz
Martha Diaz