

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

WOODBRIIDGE GROUP OF COMPANIES,
LLC, et al.,¹

Debtors.

Case No. 17-12560 (KJC)

(Jointly Administered)

Chapter 11

Ref. Docket Nos. 713, 714, 797, 798, 811, 814, 817,
818 & 819

ORDER (I) AUTHORIZING THE SALE OF 11541 BLUCHER AVENUE, GRANADA HILLS, CALIFORNIA PROPERTY OWNED BY THE DEBTORS FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS; (II) APPROVING RELATED PURCHASE AGREEMENT; AND (III) GRANTING RELATED RELIEF

Upon the motion (the "Motion")² filed by the above-captioned debtors and debtors in possession (collectively, the "Debtors") in these chapter 11 cases (the "Chapter 11 Cases") for entry of an order (i) authorizing the sale (the "Sale") of certain real property owned by the Debtor Pennhurst Investments, LLC (the "Seller") located at 11541 Blucher Avenue, Granada Hills, California (the "Land"), together with Seller's right, title, and interest in and to the buildings located thereon and any other improvements and fixtures located thereon (collectively, the "Improvements" and together with the Land, the "Real Property"), and any and all of the Seller's right, title, and interest in and to the tangible personal property and equipment remaining on the Real Property as of the date of the Closing (collectively, the "Personal Property" and, together with the Real Property, the "Property") on an "as is, where is" basis, free and clear of

¹ The last four digits of Woodbridge Group of Companies, LLC's federal tax identification number are 3603. The mailing address for Woodbridge Group of Companies, LLC is 14140 Ventura Blvd #302, Sherman Oaks, California 91423. Due to the large number of debtors in these cases, which are being jointly administered for procedural purposes only, a complete list of the Debtors, the last four digits of their federal tax identification numbers, and their addresses are not provided herein. A complete list of this information may be obtained on the website of the Debtors' noticing and claims agent at www.gardencitygroup.com/cases/WGC, or by contacting the undersigned counsel for the Debtors.

² Capitalized terms used but not defined herein have the meaning assigned to such terms in the Motion.

any and all liens, claims, encumbrances, and other interests to Nidal A. Barakat Family Trust (together with its assignee, if any, the "Purchaser") pursuant to the terms and conditions of that certain Purchase Agreement dated as of February 20, 2018 (as may be amended, supplemented, or otherwise modified from time to time, the "Purchase Agreement") by and between the Seller and the Purchaser, a copy of which is attached as Exhibit 1 hereto; (ii) authorizing and approving the terms of the Purchase Agreement, and (iii) granting certain related relief; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and the Court having found that good and sufficient cause exists for granting the Motion; and upon the record of these Chapter 11 Cases and a hearing (the "Hearing") having been held on March 28, 2018, to consider the Motion; and upon the record of the Hearing and all of the proceedings had before the Court; and it appearing that the relief requested in the Motion is appropriate in the context of these cases and in the best interests of the Debtors and their respective estates, their creditors, and all other parties-in-interest; and it appearing that notice of the Motion was adequate and proper under the circumstances of these cases, and that no other or further notice need be given; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.
2. The Purchase Agreement is authorized and approved in its entirety.
3. Pursuant to sections 105 and 363 of the Bankruptcy Code, the Debtors are authorized, in their discretion and in the exercise of their business judgment, to sell the Property pursuant to the Purchase Agreement free and clear of all liens, claims, interests, and encumbrances, to perform all obligations under the Purchase Agreement (including payment of

the Broker Fee and the Other Closing Costs out of the proceeds of the Sale), and to take any other reasonable actions that may be necessary in the Debtors' good faith business judgment to effectuate closing of the Sale, and that any actions taken by the Debtors necessary or desirable to consummate such transactions prior to the entry of this Order are hereby ratified.

4. The Debtors and any intermediary financial institution, title company, and closing attorney participating in the closings of the Sale are authorized to transfer title and deed property, and take any other actions as may be necessary to transfer ownership of the Property to the Purchaser.

5. All persons and entities holding liens, claims, interests or encumbrances with respect to the Property are hereby barred from asserting such Interests against the Purchaser, its successors or assigns, or the Property.

6. All proceeds of the Sale (net of the Broker Fee and Other Closing Costs) shall be paid to the Debtors into the general account of Debtor Woodbridge Group of Companies, LLC, and such net proceeds shall be disbursed and otherwise treated by the Debtors in accordance with the *Final Order on Debtors' Motion for Entry of Interim and Final Orders (I) Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, 507, and 552 Authorizing Debtors to (A) Obtain Postpetition Secured Financing, (B) Use Cash Collateral, (C) Grant Adequate Protection to Prepetition Secured Parties; (II) Modifying the Automatic Stay; (III) Scheduling a Final Hearing Pursuant to Bankruptcy Rules 4001(B) and 4001(C); and (IV) Granting Related Relief* (the "Final DIP Order"); provided, however, that the portion of net proceeds not required to be reserved by the Debtors pursuant to the Final DIP Order, i.e., 80% of the net proceeds of the Sale, shall be used by the Debtors to retire third-party secured debt on real property owned by a Debtor entity.

7. The Debtors are authorized and empowered to pay the Broker Fee to Marcus & Millichap.

8. The Purchase Agreement is undertaken by the Debtors and Purchaser in good faith and that, pursuant to Bankruptcy Code § 363(m), the reversal or modification on appeal of any sale consummated pursuant to the terms of this Order shall not affect the validity of such sale unless such sale was stayed pending appeal.

9. Filing of a copy of this Order in the county in which the Property is situated may be relied upon by all title insurers in order to issue title insurance policies on the Property.

10. Any title insurer, escrow agent, or other intermediary participating in a closing of the Sale of the Property is authorized to disburse all funds at the closing of the Sale pursuant to the applicable settlement statement or escrow instructions provided by the parties to such Sale.

11. The Debtors shall be authorized and empowered to take any necessary actions to implement and effectuate the terms of this Order.

12. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry notwithstanding any applicability of Bankruptcy Rule 6004(h).

13. The terms and provisions of this Order and any actions taken pursuant hereto shall (i) survive entry of any order converting the Debtors' cases to chapter 7 or dismissing the Debtors' cases (or any of them), and (ii) continue in this or any superseding case under the Bankruptcy Code of any of the Debtors.

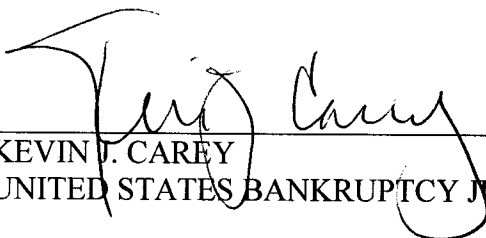
14. The provisions of this Order shall be binding upon the Debtors and their successors and assigns, including, without limitation, any trustee or other fiduciary hereafter appointed as legal representative of the Debtors or with respect to property of the estates of the

Debtors, whether under chapter 11 of the Bankruptcy Code, any confirmed plan, or any subsequent chapter 7 case.

15. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such motion and to have satisfied Bankruptcy Rule 6004(a).

16. This Court shall retain jurisdiction and power with respect to all matters arising from or related to the interpretation and implementation of this Order.

Dated: March 28, 2018
Wilmington, DE



KEVIN J. CAREY
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Purchase Agreement

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Marcus & Millichap

PURCHASE AGREEMENT

THIS DOCUMENT IS MORE THAN A RECEIPT FOR MONEY. IT IS INTENDED TO BE A LEGALLY BINDING AGREEMENT. READ IT CAREFULLY.

Nidal A. Barakat Family Trust and/or Assignee

shall be hereafter referred to as "Buyer".

Pennhurst investment, LLC

shall be hereafter referred to as "Seller".

Buyer shall deliver to Escrow Holder as defined in Paragraph 3 or to Marcus & Millichap Real Estate Investment Services ("Agent"), as agent for Seller, Buyer x Seller and Buyer the sum of Six Hundred Thousand dollars (\$ 600,000) in the form of check or wire. This sum is a deposit ("Deposit") to be applied to the purchase price of that certain real property (referred to as the "Property") located in the City of Granada Hills, County of Los Angeles, State of CA, and more particularly described as follows:

A multifamily building consisting of 52 residential dwelling units and a separate building currently consisting of a gym and leasing office. The total building area is approximately 85,000 sf built in 2010 and is situated on approximately 99,792 sf of land located at 11541 Blucher Ave., Granada Hills, CA

TERMS AND CONDITIONS

Seller agrees to sell the Property, and Buyer agrees to purchase the Property, on the following terms and conditions:

- 1) PURCHASE PRICE:** The purchase price for the Property is Twenty-one Million Five Hundred Thousand dollars (\$ 21,500,000). Buyer's Deposit, pending Seller's execution of this Purchase Agreement (the "Agreement"), shall be delivered directly to the Escrow Company indicated in Paragraph 3 of this Agreement, by check or wire, upon mutual execution of this Agreement. Agent shall deliver and deposit same in escrow as provided in Paragraph 3 below. The balance of the purchase price shall be payable at close of escrow pursuant to the terms stated below.
- 2) DOWN PAYMENT:** A) Buyer shall make a cash down payment of Twenty-One Million Five Hundred Thousand dollars (\$ 21,500,000).
- 3) ESCROW:** Within Three (3) calendar days after the Effective Date (as defined in a separate paragraph below) Seller shall open escrow with North American Title and Escrow (the "Escrow Holder") by the simultaneous deposit of a copy of this Agreement and Buyer's Deposit with the Escrow Holder. First American Title + A+ Escrow
 Seller and Buyer agree to prepare and execute such escrow instructions as may be necessary and appropriate to close the transaction. Close of escrow (or the "Closing Date", which shall mean the date on which the deed transferring title is recorded) shall occur within Sixty (60) calendar days of the Effective Date of this Agreement (as defined in paragraph 38 below). Escrow fee shall be paid by 50/50% Buyer and seller. County transfer taxes shall be paid by seller. City transfer taxes, if any, shall be paid by seller. All other closing costs shall be paid as follows as customary.
- 4) PRORATIONS:** Real property taxes, premiums on insurance acceptable to Buyer, interest on any debt being assumed or taken subject to by Buyer, and any other expenses of the Property shall be prorated as of the Closing Date. Security deposits, advance rentals, and the amount of any future lease credits shall be credited to Buyer. The amount of any bond or assessment which is a lien and not customarily paid with real property taxes shall be (select one "X") *** paid by seller or *** assumed by buyer. Delinquent or unpaid rents and C.A.M. reconciliations shall be handled outside of escrow and neither Agent nor escrow shall be responsible for same. Buyer agrees to assume any existing laundry lease, if applicable to the Property.

LEASED PROPERTY PRORATIONS: Rents actually collected (prior to closing) will be prorated as of the Closing Date and rent collected thereafter applied first to rental payments then owed the Buyer and their remainder paid to the Seller. All free rent due any tenant at the close of escrow for rental periods after the closing shall be a credit against the Purchase Price. Other income and expenses shall be prorated as follows: as customary

5) **TITLE:** Within three (3) calendar days after the Effective Date of this Agreement, Seller shall procure and cause to be delivered to Buyer a preliminary title report with copies of all exceptions issued by NAT (the "Title Company") on the Property. Within five (5) calendar days following the Effective Date, Buyer shall either approve in writing the exceptions contained in said title report or specify in writing any exceptions to which Buyer reasonably objects. If Buyer objects to any exceptions, Seller shall, within seven (7) calendar days following the Effective Date, deliver to Buyer written notice that either (i) Seller will, at Seller's expense, remove the exception(s) to which Buyer has objected before the Closing Date or (ii) Seller is unwilling or unable to eliminate said exception(s). If Seller fails to so notify Buyer or is unwilling or unable to remove any such exception by the Closing Date, Buyer shall elect in writing, within fourteen (14) calendar days from the Effective Date to either terminate this Agreement and receive back the entire Deposit (in which event Buyer and Seller shall have no further obligations under this Agreement); or to purchase the Property subject to such exception(s).

Seller shall convey by grant deed to Buyer (or to such other person or entity as Buyer may specify) marketable fee title subject only to the exceptions approved by Buyer in accordance with this Agreement. Title shall be insured by a standard California Land Title Association owner's policy of title insurance issued by the Title Company in the amount of the purchase price with premium paid by seller.

6) **FINANCING CONTINGENCIES:**

6.1) **NO FINANCING CONTINGENCY — ALL CASH:** Seller agrees to pay any prepayment penalties due on the existing loan(s). ***

7) **PEST CONTROL CONTINGENCIES:**

7.1) **NO PEST CONTROL CONTINGENCY - "AS IS":** Buyer has conducted Buyer's own investigation with regard to possible infestation and/or infection by wood-destroying pests or organisms and agrees to purchase the Property in its present condition. Buyer acknowledges that Buyer is not relying upon any representations or warranties made by Seller or Agent regarding the presence or absence of such infestation or infection.

8) **INSPECTION CONTINGENCIES:**

8.1) **BOOKS AND RECORDS:** Seller agrees to provide Buyer with items a-j listed below within *** (***) calendar days following the Effective Date:

- a. All rental agreements, leases, service contracts, insurance policies, latest tax bill(s) and other written agreements, written code violations or other notices which affect the Property.
- b. The operating statements of the Property for the twenty-four (24) calendar months immediately preceding the Effective Date hereof.
- c. For commercial properties, copies of whatever documents the Seller may have regarding the financial condition, business prospects or prospective continued occupancy of any tenant (including but not limited to financial statements, credit reports, etc.).
- d. All notes and security instruments affecting the Property.
- e. A complete and current rent roll, including a schedule of all tenant deposits and fees.
- f. A written inventory of all items of Personal Property to be conveyed to Buyer and included as part of the purchase price at close of escrow.
- g. A report paid for by Seller by NRD, a professional provider, containing the Natural Hazard Disclosures (as defined below) concerning the Property. "Natural Hazard Disclosures" shall mean whether the Property is located within: (1) Special Flood Hazard Area; (2) Dam Failure Inundation Area; (3) Earthquake Fault Zone; (4) Seismic Hazard Zone; (5) High Fire Severity Area; and/or (6) Wildland Fire Area. Seller represents and warrants that, unless otherwise noted by Seller to Buyer in writing, Seller is unaware of any inaccuracies in the Natural Hazard Disclosures.
- h. Any and all documents, of any type or nature, that in any way reference the existence of mold or mold-related problems with the Property or any toxic substance on or about the Property.
- i. Any and all documents, of any type or nature, that in any way reference the existence of lead-based paint or lead-based paint problems with the Property.
- j. Any and all documents, of any type or nature, that in any way reference the existence of litigation affecting the property.

Buyer shall acknowledge receipt of these items in writing. Buyer shall have fourteen (14) calendar days following the effective date to review and approve in writing each of these items. If Buyer fails to approve these items within the specified time, this Agreement shall be rendered null and void, Buyer's entire deposit shall be returned, and Buyer and Seller shall have no further obligations hereunder.

8.2) **PHYSICAL INSPECTION:** Buyer shall have fourteen (14) calendar days following the Effective Date to inspect the physical condition of the Property, including, but not limited to the soil conditions and the presence or absence of lead-based paint, mold and other hazardous materials on or about the Property, and to notify the Seller in writing that Buyer approves same. If Buyer fails to approve the physical condition of the Property within the specified time, this Agreement shall be null and void and Escrow Holder is hereby authorized to return Buyer's entire deposit. Buyer and Seller shall have no further obligations hereunder.

8.3) **STATE AND LOCAL LAWS:** Buyer shall have fourteen (14) calendar days following the Effective Date to investigate State and local laws to determine whether the Property must be brought into compliance with minimum energy conservation or safety standards or similar retrofit requirements as a condition of sale or transfer and the cost thereof, and to notify Seller that Buyer approves same. If approved by Buyer, Buyer shall comply with and pay for these requirements. If Buyer fails to approve these requirements, if any, within the specified time, this Agreement shall be rendered null and void, Buyer's entire Deposit shall be returned, and Buyer and Seller shall have no further obligations hereunder.

9) **ESTOPPEL CERTIFICATE CONTINGENCY (Leased Properties):**

10) **INDEPENDENT CONSIDERATION:** Notwithstanding anything to the contrary in this Agreement, Buyer and seller agree that One Hundred Dollars (\$100.00) of the Deposit will be non-refundable and will be distributed to Seller upon any termination of this Agreement as full payment and independent consideration for Seller's performance under this Agreement ("Independent Consideration"). If this Agreement is properly terminated by the Buyer, subject to paragraphs 5.8a, 5b, 8c above, the Deposit less the non-refundable portion will be promptly returned to Buyer and the parties will have no further rights or obligations under this Agreement except for any that expressly survive the termination of this Agreement.

11) **SERVICE AND TENANT CONTRACTS/OTHER MATERIAL CHANGES:** After Buyer has removed all contingencies, Seller shall not, without the prior written consent of Buyer which cannot be unreasonably withheld, enter into any new service or tenant contracts that cannot be canceled with 30 days notice and without penalty. Seller shall not make any material changes to the Property, do any act, or enter into any agreements of any kind that materially changes the value of the Property or the rights of the buyer as they relate to the Property.

12) **PERSONAL PROPERTY:** Title to any personal property to be conveyed to Buyer in connection with the sale of the Property shall be conveyed to Buyer by Bill of Sale on the Closing Date free and clear of all encumbrances (except those approved by Buyer as provided above). The price of these items shall be included in the Purchase Price for the Property, and Buyer agrees to accept all such personal property in "as is" condition.

- 13) **CONDITION OF PROPERTY:** It is understood and agreed that the Property is being sold "as is"; that Buyer has, or will have prior to the Closing Date, inspected the Property; and that neither Seller nor Agent makes any representation or warranty as to the physical condition or value of the Property or its suitability for Buyer's intended use. "Property Condition" means each and every matter of concern or relevance to Buyer relating to the Property, including without limitation the financial, legal, title, physical, geological and environmental condition and sufficiency of the Property and all improvements and equipment thereon; applicable governmental laws, regulations, and zoning; building codes, and the extent to which the Property complies therewith; the fitness of the Property for Buyer's contemplated use; the presence of hazardous materials; title matters; and contracts to be assumed by Buyer.

Upon Buyer's satisfaction or waiver of the contingencies in Paragraph ***, Buyer agrees, and represents and warrants that upon Closing Buyer will purchase the Property "as is" and solely on reliance on its own investigation of the Property. Seller had no obligation to repair, correct or compensate Buyer for any Property Condition, and upon closing, Buyer shall be deemed to have waived any and all objections to the Property Condition, whether or not known to Buyer. Upon Closing, Buyer hereby waives, releases, acquits, and forever discharges Seller, and Seller's agents, directors, officers, and employees to the maximum extent permitted by law from any and all claims, actions, causes of action, demands, rights, liabilities, damages, losses, costs expenses, or compensation whatsoever, direct or indirect, known or unknown, foreseen or unforeseen, that it now has or which may arise in the future on account of or in any way growing out of or connected with Property Condition. **BUYER EXPRESSLY WAIVES ANY OF ITS RIGHTS GRANTED UNDER CALIFORNIA CIVIL CODE SECTION 1542, WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST 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'S INITIALS /

SELLER'S INITIALS /

- 14) **RISK OF LOSS:** Risk of loss to the Property shall be borne by Seller until title has been conveyed to Buyer. In the event that the improvements on the Property are destroyed or materially damaged between the Effective Date of this Agreement and the date title is conveyed to Buyer, Buyer shall have the option of demanding and receiving back the entire Deposit and being released from all obligations hereunder, or alternatively, taking such improvements as Seller can deliver. Upon Buyer's physical inspection and approval of the Property, Seller shall maintain the Property through close of escrow in the same condition and repair as approved, reasonable wear and tear excepted.

- 15) **POSSESSION:** Possession of the Property shall be delivered to Buyer on Closing Date.

- 16) **LIQUIDATED DAMAGES:** By placing their initials immediately below, Buyer and Seller agree that it would be impracticable or extremely difficult to fix actual damages in the event of a default by Buyer, that the amount of Buyer's Deposit hereunder (as same may be increased by the terms hereof) is the parties' reasonable estimate of Seller's damages in the event of Buyer's default, and that upon Buyer's default in its purchase obligations under this Agreement, not caused by any breach by Seller, Seller shall be released from its obligations to sell the Property and shall retain Buyer's Deposit (as same may be increased by the terms hereof) as liquidated damages, which shall be Seller's sole and exclusive remedy in law or at equity for Buyer's default.

BUYER'S INITIALS /

SELLER'S INITIALS /

- 17) **SELLER EXCHANGE:** Buyer agrees to cooperate should Seller elect to sell the Property as part of a like-kind exchange under IRC Section 1031. Seller's contemplated exchange shall not impose upon Buyer any additional liability or financial obligation, and Seller agrees to hold Buyer harmless from any liability that might arise from such exchange. This Agreement is not subject to or contingent upon Seller's ability to acquire a suitable exchange property or effectuate an exchange. In the event any exchange contemplated by Seller should fail to occur, for whatever reason, the sale of the Property shall nonetheless be consummated as provided herein.

- 18) **BUYER EXCHANGE:** Seller agrees to cooperate should Buyer elect to purchase the Property as part of a like-kind exchange under IRC Section 1031. Buyer's contemplated exchange shall not impose upon Seller any additional liability or financial obligation, and Buyer agrees to hold Seller harmless from any liability that might arise from such exchange. This Agreement is not subject to or contingent upon Buyer's ability to dispose of its exchange property or effectuate an exchange. In the event any exchange contemplated by Buyer should fail to occur, for whatever reason, the sale of the Property shall nonetheless be consummated as provided herein.

- 19) **DISCLOSURE OF REAL ESTATE LICENSURE:**

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- 21) **AUTHORIZATION:** Buyer and Seller authorize Agent to disseminate sales information regarding this transaction, including the purchase price of the Property.

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22.1) **EXCLUSIVE LISTING:** Marcus & Millichap Real Estate Investment Services is the exclusive listing broker of the property that is the subject of this transaction. Under California law, Marcus & Millichap represents the Seller as the Seller's agent. Marcus & Millichap also has procured the Buyer in this transaction. Marcus & Millichap is not the agent of the Buyer; however, Marcus & Millichap does have the following affirmative legal obligations to the Buyer:

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

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23) **OTHER BROKERS:** Buyer and Seller agree that, in the event any broker other than Agent or a broker affiliated with Agent is involved in the disposition of the Property, Agent shall have no liability to Buyer or Seller for the acts or omissions of such other broker, who shall not be deemed to be a subagent of Agent.

24) **LIMITATION OF LIABILITY:** Except for Agent's gross negligence or willful misconduct, Agent's liability for any breach or negligence in its performance of this Agreement shall be limited to the greater of \$50,000 or the amount of compensation actually received by Agent in any transaction hereunder.

25) **SCOPE OF AGENT'S AUTHORITY AND RESPONSIBILITY:** Agent shall have no authority to bind either Buyer or Seller to any modification or amendment of this Agreement. Agent shall not be responsible for performing any due diligence or other investigation of the Property on behalf of either Buyer or Seller, or for providing either party with professional advice with respect to any legal, tax, engineering, construction or hazardous materials issues. Except for maintaining the confidentiality of any information regarding Buyer or Seller's financial condition and any future negotiations regarding the terms of this Purchase Agreement or as otherwise required by law, Buyer and Seller agree that their relationship with Agent is at arm's length and is neither confidential nor fiduciary in nature.

26) **BROKER DISCLAIMER:** Buyer and Seller acknowledge that, except as otherwise expressly stated herein, Agent has not made any investigation, determination, warranty or representation with respect to any of the following: (a) the financial condition or business prospects of any tenant, or such tenant's intent to continue or renew its tenancy in the Property; (b) the legality of the present or any possible future use of the Property under any federal, state or local law; (c) pending or possible future action by any governmental entity or agency which may affect the Property; (d) the physical condition of the Property, including but not limited to, soil conditions, the structural integrity of the improvements, and the presence or absence of fungi, mold or wood-destroying organisms; (e) the accuracy or completeness of income and expense information and projections, of square footage figures, and of the texts of leases, options, and other agreements affecting the Property; (f) the possibility that lease, options or other documents exist which affect or encumber the Property and which have not been provided or disclosed by Seller; or (g) the presence or location of any hazardous materials on or about the Property, including, but not limited to, asbestos, PCB's, or toxic, hazardous or contaminated substances, lead-based paint and underground storage tanks.

Buyer agrees that investigation and analysis of the foregoing matters is Buyer's sole responsibility and that Buyer shall not hold Agent responsible therefore. Buyer further agrees to reaffirm its acknowledgment of this disclaimer at close of escrow and to confirm that it has relied upon no representations of Agent in connection with its acquisition of the Property.

BUYER'S INITIALS SELLER'S INITIALS

27) **LEAD-BASED PAINT HAZARDS:** Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase. **SELLER TO INITIAL ONE BELOW):**

- Seller warrants that the Property was constructed after 1978. SELLER'S INITIALS
- Seller is not sure when the Property was constructed and/or has reason to believe that lead-based paint hazards may be present. SELLER'S INITIALS

- 28) **MOLD/ALLERGEN ADVISORY AND DISCLOSURE:** Buyer is advised of the possible presence within properties of toxic (or otherwise illness-causing) molds, fungi, spores, pollens and/or other botanical substances and/or allergens (e.g. dust, pet dander, insect material, etc.). These substances may be either visible or invisible, may adhere to walls and other accessible and inaccessible surfaces, may be embedded in carpets or other fabrics, may become airborne, and may be mistaken for other household substances and conditions. Exposure carries the potential of possible health consequences. Agent strongly recommends that Buyer contact the State Department of Health Services for further information on this topic.

Buyer is advised to consider engaging the services of an environmental or industrial hygienist (or similar, qualified professional) to inspect and test for the presence of harmful mold, fungi, and botanical allergens and substances as part of Buyer's physical condition inspection of the Property, and Buyer is further advised to obtain from such qualified professionals information regarding the level of health-related risk involved, if any, and the advisability and feasibility of eradication and abatement, if any.

Buyer is expressly cautioned that Agent has no expertise in this area and is, therefore, incapable of conducting any level of inspection of the Property for the possible presence of mold and botanical allergens. Buyer acknowledges that Agent has not made any investigation, determination, warranty or representation with respect to the possible presence of mold or other botanical allergens, and Buyer agrees that the investigation and analysis of the foregoing matters is Buyer's sole responsibility and that Buyer shall not hold Agent responsible therefore.

- 29) **WATER HEATER DISCLOSURE:** Seller certifies that it has complied with the water heater earthquake protection requirements set forth in California Health and Safety Code section 19211.

Buyer is advised that Agent has no expertise in this area and is, therefore, incapable of conducting any level of inspection of the Property for the possible non-standard and/or unsafe water heater bracing, anchoring, or strapping to resist movement due to earthquakes. Buyer understands that Agent has not made any investigation, determination, warranty or representation with respect to the possible unfit water heater bracing, anchoring, or strapping or other standards, and Buyer agrees that the investigation and analysis of the foregoing matters is Buyer's sole responsibility and that Buyer shall not hold Agent responsible therefore.

- 30) **MANDATORY TITLE 24 LIGHTING REQUIREMENTS:** California's new Building Energy Efficiency Standards (Title 24, part 6), which took effect on July 1, 2014, established higher standards for improving energy efficiency in both residential and non-residential California real estate. Buyer acknowledges and agrees that it is aware of and familiar with the standards, as well as the potential cost of retrofitting and compliance, and has considered and incorporated such cost in its decision to enter into this Agreement. For more information, see <http://www.energy.ca.gov/title24/2013standards/>

- 31) **SUCCESSORS & ASSIGNS:** This Agreement and any addenda hereto shall be binding upon and inure to the benefit of the heirs, successors, agents, representatives and assigns of the parties hereto.

- 32) **TIME:** Time is of the essence of this Agreement.

- 33) **NOTICES:** All notices required or permitted hereunder shall be given to the parties in writing (with a copy to Agent) at their respective addresses as set forth below. Should the date upon which any act required to be performed by this Agreement fall on a Saturday, Sunday or holiday, the time for performance shall be extended to the next business day.

- 34) **FOREIGN INVESTOR DISCLOSURE:** Seller and Buyer agree to execute and deliver any instrument, affidavit or statement, and to perform any act reasonably necessary to carry out the provisions of this Foreign Investment in Real Property Tax Act and regulations promulgated thereunder. Seller represents that Seller is not a foreign person as defined in Section 1445 of the Internal Revenue Code and withholding of any portion of the purchase price is not required under Sections 18662 or 18668 of the California Revenue and Taxation Code.

- 35) **ADDENDA:** Any addendum attached hereto and either signed or initialed by the parties shall be deemed a part hereof. This Agreement, including addenda, if any, expresses the entire agreement of the parties and supersedes any and all previous agreements between the parties with regard to the Property. There are no other understandings, oral or written, which in any way alter or enlarge its terms, and there are no warranties or representations of any nature whatsoever, either express or implied, except as set forth herein. Any future modification of this Agreement will be effective only if it is in writing and signed by the party to be charged.

36) **ACCEPTANCE AND EFFECTIVE DATE:** Buyer's signature hereon constitutes an offer to Seller to purchase the Property on the terms and conditions set forth herein. Unless acceptance hereof is made by Seller's execution of this Agreement and delivery of a fully executed copy to Buyer, either in person or at the address shown below, or by facsimile or e-mail with a legitimate confirmation of receipt, on or before February 8, 2018, this offer shall be null and void, the Deposit shall be returned to Buyer, and neither Seller nor Buyer shall have any further rights or obligations hereunder. Delivery shall be effective upon personal delivery to Buyer or Buyer's agent or, if by mail, on the next business day following the date of postmark. The "Effective Date" of this Agreement shall be the later of (a) the date on which Seller executes this Agreement, or (b) the date of or written acceptance (by either Buyer or Seller) of the final counter-offer submitted by the other party. Buyer and Seller both acknowledge and agree that a facsimile copy of this Agreement with a party's signature is as legally valid and binding as the original Agreement with an original signature. If Buyer is not an individual but a legal entity, Buyer's representative represents that he/she is authorized on behalf of the legal entity to sign this Agreement.

37) **OTHER BUYERS:** Buyer understands that Agent represents other buyers who may have an interest in similar, or the same property that Buyer is considering purchasing. Buyer understands, consents and agrees that Agent, at all times before, during and after his representation of Buyer, may also represent other prospective buyers in the purchase of any property offered for sale. Buyer understands, consents and agrees that, regardless of the particular agency relationship between Buyer and Agent, Agent's representation of other buyers does not constitute a breach of any duty to Buyer.

38) **GOVERNING LAW:** This Agreement shall be governed by and construed in accordance with the laws of the State of California.

39) **OTHER TERMS AND CONDITIONS:**

While there is no loan contingency to this offer, Buyer does intend to secure bank financing to close the transaction herein contemplated.

THE PARTIES UNDERSTAND AND ACKNOWLEDGE THAT BROKER IS NOT QUALIFIED TO PROVIDE, AND HAS NOT BEEN CONTRACTED TO PROVIDE, LEGAL, FINANCIAL OR TAX ADVICE, AND THAT ANY SUCH ADVICE MUST BE OBTAINED FROM THE RESPECTIVE PARTY'S ATTORNEY, ACCOUNTANT OR TAX PROFESSIONAL. THE PARTIES AGREE THAT THIS AGREEMENT CAN BE SIGNED IN COUNTERPART WITH THE SAME LEGAL FORCE AND EFFECT AS IF NOT SIGNED IN COUNTERPART.

The undersigned Buyer hereby offers and agrees to purchase the above-described Property for the price and upon the terms and conditions herein stated.

This offer is made by Buyer to Seller on this 5th day of February, 2018. The undersigned Buyer hereby acknowledges receipt of an executed copy of this Agreement, including the Agency Disclosure contained in Paragraph 23, above.

All individuals signing below on behalf of a legal entity hereby represent that they are authorized by, and on behalf of, said entity to enter into this Agreement.

BUYER'S SIGNATURE (PRIMARY): [Signature] ADDRESS: 7440 N. SEPULVEDA BLVD. #331
Nidal A. Barakat VAN NUYS, CALIF. 91405
DATE: Feb. 6th. 2018 TELEPHONE: 818-787-0285 EXT. 11

BUYER'S SIGNATURE (SECONDARY): [Signature] ADDRESS: 7440 N. SEPULVEDA Blvd. #331
Adil A. Barakat VAN NUYS, CALIF. 91405
DATE: Feb. 6th. 2018 TELEPHONE: 818-787-0285

SELLER'S ACCEPTANCE AND AGREEMENT TO PAY COMMISSION

The undersigned Seller accepts the foregoing offer and agrees to sell the Property to Buyer for the price and on the terms and conditions stated herein. Seller acknowledges receipt of an executed copy of this Agreement and authorizes Agent to deliver an executed copy to Buyer.

Where Seller has agreed to pay a commission, Seller acknowledges and agrees that payment of said commission is not contingent upon the closing of the transaction contemplated by this Agreement, and that, in the event completion of the sale is prevented by default of Seller, then Seller shall immediately be obligated to pay to Agent the entire commission. Seller agrees that in the event completion of the sale is prevented by default of Buyer, then Seller shall be obligated to pay to Agent an amount equal to one half of any damages or other monetary compensation (including liquidated damages) collected from Buyer by suit or otherwise as a consequence of Buyer's default, if and when such damages or other monetary compensation are collected; provided, however, that the total amount paid to Agent by Seller shall not in any case exceed the brokerage commission hereinabove set forth. Seller acknowledges and agrees that the existence of any direct claim which Agent may have against Buyer in the event of Buyer's default shall not alter or in any way limit the obligations of Seller to Agent as set forth herein. The provisions of this paragraph may not be amended or modified without the written consent of Agent.

SUBJECT TO ATTACHED COUNTER-OFFER

SELLER'S SIGNATURE (PRIMARY): ADDRESS: On-file

Penhurst Investments, LLC
authorized signatory

DATE: 2-17-18 TELEPHONE: _____

SELLER'S SIGNATURE (SECONDARY): _____ ADDRESS: _____

DATE: _____ TELEPHONE: _____

Agent accepts and agrees to the foregoing. Agent represents and warrants that Agent is unaware of any incorrect or incomplete information contained in any Natural Hazard Disclosures.

AGENT: MARCUS & MILLICHAP REAL ESTATE INVESTMENT SERVICES, INC.

AGENT'S SIGNATURE: Catherine O'Brien ADDRESS: 16830 Ventura Blvd. Suite 100 Encino, CA 91436

AGENT LICENSE NO: 01203805 TELEPHONE: 818-212-2758

DATE: February 5, 2018

Escrow Holder acknowledges receipt of a copy of this Agreement (if checked *** a deposit amount of *** dollars (\$ ***)), Counter Offer numbers *** and *** and agrees to act as Escrow Holder subject to Paragraph 3 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.

The date of communication of Acceptance of the Agreement between Buyer and Seller is ***, 20 ***.

ESCROW HOLDER: _____ ESCROW #: _____

BY: _____ DATE: _____

ADDRESS: _____ EMAIL: _____

PHONE: _____ FAX: _____

ESCROW HOLDER IS LICENSED BY: _____ LICENSE #: _____

PARTIES UNDERSTAND AND ACKNOWLEDGE THAT BROKER IS NOT QUALIFIED TO PROVIDE, AND HAS NOT BEEN CONTRACTED TO PROVIDE, LEGAL, FINANCIAL OR TAX ADVICE, AND THAT ANY SUCH ADVICE MUST BE OBTAINED FROM PARTIES' ATTORNEY, ACCOUNTANT OR TAX PROFESSIONAL

DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIPS
(As required by the Civil Code)

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

SELLER'S AGENT

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

To the Seller:

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

To the Buyer and the Seller:

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

BUYER'S AGENT

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

To the Buyer:

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

To the Buyer and the Seller:

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

AGENT REPRESENTING BOTH SELLER AND BUYER

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer. In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

- (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
 - (b) Other duties to the Seller and the Buyer as stated above in their respective sections. In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered. The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional. Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction.
- This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on the reverse hereof. Read it carefully.

SIGNED:

AGENT'S SIGNATURE _____ (date)

[Signature] 2/16/18
BUYER/SELLER (PRIMARY) _____ (date)

ASSOCIATE LICENSEE/BROKER _____ (date)

[Signature] 2-17-18
BUYER/SELLER (SECONDARY) _____ (date)

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BUYER'S INITIALS _____

SELLER'S INITIALS _____

Civil Code Sections 2079.13 through 2079.24

Section 2079.13. As used in Sections 2079.14 to 2079.24, inclusive, the following terms have the following meanings: (a) "Agent" means a person acting under provisions of Title 9 (commencing with Section 2095) as a real property transferee, and includes a person who is deemed to be a real estate broker under Chapter 3 (commencing with Section 10131) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained. (b) "Associate licensee" means a person who is deemed to be a real estate broker or salesperson under Chapter 3 (commencing with Section 10131) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker's agent in connection with real estate license and to function under the broker's supervision in the capacity of an associate licensee. The agent in the real property transaction bears responsibility for his or her associate licensee who performs as agents of the agent. When an associate licensee owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the associate licensee functions as an agent. (c) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who accepts the services of an agent in more than a casual, temporary, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendor or lessee. (d) "Dual agent" means an agent acting, either directly or through an associate licensee, as agent for both the seller and the buyer in a real property transaction. (e) "Listing agreement" means a contract between an owner of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer. (f) "Listing agent" means a person who has obtained a listing of real property to act as an agent for compensation. (g) "Listing order" is the approval expressed in writing for which the buyer is willing to buy the real property. (h) "Offer to purchase" means a written contract executed by a buyer acting through a selling agent which becomes the contract for the sale of the real property upon acceptance by the seller. (i) "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property which constitutes or is improved with one to four dwelling units, any franchise in this type of property exceeding one year's duration, and mobile homes, when affected by rules or rules through an agent pursuant to the authority contained in Section 10131.4 of the Business and Professions Code. (k) "Real property transaction" means a transaction for the sale of real property in which an agent is employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase. (l) "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer, and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2083, and transactions for the creation of a leasehold exceeding one year's duration. (m) "Seller" means the transferor in a real property transaction, and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent or broker or another. "Seller" includes both a vendor and a lessor. (n) "Selling agent" means a listing agent who acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a buyer for the real property, or an agent who locates property for a buyer or who finds a buyer for a property for which no listing exists, and presents an offer to purchase to the seller. (o) "Subagent" means a person to whom an agent delegates agency powers as provided in Article 5 (commencing with Section 2249) of Chapter 1 of Title 9, however, "subagent" does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.

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

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

Section 2079.16. This disclosure appears on Page 1.

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

DISCLOSURE OF LISTING AGENT: _____ is the agent of (check one) the seller exclusively, or both the buyer and seller.
 IS THE AGENT OF (check one) the buyer exclusively, or the seller exclusively, or both the buyer and seller.

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

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

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

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

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

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

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

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

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BUYER'S INITIALS

SELLER'S INITIALS

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Marcus & Millichap

COUNTER OFFER (Seller)

THIS IS INTENDED TO BE A LEGALLY BINDING AGREEMENT. READ IT CAREFULLY.

The undersigned Seller, Pennhurst Investments, LLC, makes the following Counter Offer to the offer contained in the Purchase Agreement executed by Nidal Barakat Family Trust and/or Assignee as buyer on February 6th, 2018, relating to that certain real property (the "Property") located at 11541 Blücher Ave., Granada Hills, CA.

TERMS AND CONDITIONS

Seller agrees to sell the Property to Buyer on the terms and conditions set forth in the aforementioned Purchase Agreement (including addenda, if any) with the following exceptions, additions and modifications:

Page 2, Paragraph 8.1 shall read:

Seller agrees to provide Buyer with items a-j within Seller's reasonable possession, within four (4) calendar days following the Effective Date.

Page 7, Paragraph 39 The following language is hereby added:

Buyer is generally aware that the terms of this Purchase Agreement are subject to final Bankruptcy Court approval and seller is to obtain such approval no later than March 8, 2018.

Marcus & Millichap

COUNTER OFFER (Seller)

THIS IS INTENDED TO BE A LEGALLY BINDING AGREEMENT. READ IT CAREFULLY.

The undersigned Seller, Pennhurst Investments, LLC, makes the following Counter Offer to the offer contained in the Purchase Agreement executed by Mital Barakat Family Trust and/or Assignee as buyer on Feb 6th, 2018 along with executed Seller counter offer of Feb. 17, 2018, relating to that certain real property (the "Property") located at 11541 Blucher Ave., Granada Hills, CA.

TERMS AND CONDITIONS

Seller agrees to sell the Property to Buyer on the terms and conditions set forth in the aforementioned Purchase Agreement (including addenda, if any) with the following exceptions, additions and modifications:

The "effective date" of the agreement shall be February 20th, 2018, the day of escrow opening.

Paragraphs 8.1, 8.2 and 8.3 Due Diligence

Buyer shall have 7 days to complete its due diligence and remove all contingencies

~~Paragraph 3, escrow to be changed from A&A Escrow to First American Escrow and Title Company.~~

Language to be added to paragraph #39, "other terms", shall be as follows:

In the event, at no fault of buyer, the lender requests additional time, Seller shall grant a one-time extension of 21 days (from the "actual" 60 days from the effective date) to the closing of escrow.

Purchase Agreement. All other terms and conditions of said Purchase Agreement (including all terms and conditions related to Agent's commission) shall remain in full force and effect. The Purchase Agreement (including any previous Counter Offers or Amendments) and this Counter Offer, taken together, shall constitute the entire agreement of the parties.

* Single Offer

If this Counter Offer is not accepted in writing by Buyer and an executed copy delivered to Catherine Obrien, Seller's authorized agent, on or before Feb 20, 20 18, this Counter Offer shall be null and void, Buyer's entire deposit shall be returned, and neither Seller nor Buyer shall have any further rights or obligations hereunder. The date on which Buyer accepts this Counter Offer in writing shall be the "effective date" of the Purchase Agreement between Seller and Buyer. Seller hereby acknowledges receipt of an executed copy of this Counter Offer.

*** Multiple Offers

If this Counter Offer is not accepted in writing by Buyer and an executed copy delivered to Catherine Obrien, Seller's authorized agent, on or before February 20, 20 18, this Counter Offer shall be null and void, Buyer's entire deposit shall be returned, and neither Seller nor Buyer shall have any further rights or obligations hereunder. Buyer is aware that Seller is making counter offers to other prospective buyers on terms that may or may not be the same as in this counter offer. Acceptance of this counter offer by Buyer shall not be binding unless and until it is subsequently re-signed by Seller and Seller's acceptance is made by delivery of signed copy to Buyer. Prior to the completion of these events, Buyer and Seller shall have no duties or obligations for the purchase or sale of the property. The date on which Seller re-signs this Counter Offer in writing shall be the "effective date" of the Purchase Agreement between Seller and Buyer. Seller hereby acknowledges receipt of an executed copy of this Counter Offer.

SELLER: [Signature] UKC ADDRESS: On file
Pennhurst Investments, Cn file
 LLC

DATE: 21
February 20, 2018

SELLER: [Signature] CH ADDRESS: On file
 (RE-SIGNED SIGNATURE) Pennhurst Investments, On file
 LLC

DATE: 2-21-18

Buyer accepts and agrees to the terms and conditions set forth in this Counter Offer and agrees to purchase the Property on the terms and conditions in the aforementioned Purchase Agreement as modified by the provisions of this Counter Offer. Buyer hereby acknowledges receipt of an executed copy of this Counter Offer.

BUYER: [Signature] ADDRESS: On file
Nidal Barakat Family On file
Trust and/or assignee

DATE: February 20, 2018

BUYER: [Signature]
For Adil A. Barakat
Adil Barakat Family
Trust and/or assignee

DATE: February 20, 2018

AGENT: MARCUS & MILLICHAP REAL ESTATE INVESTMENT SERVICES

BY: Catherine Obrien ADDRESS: 16830 Ventura Bl.
100, Encino 91