

Law Offices  
of  
**DOUGLAS W. OTTO**

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May 18, 2017

Mayor Robert Garcia  
Lena Gonzalez - District 1  
Jeannine Pearce - District 2  
Suzie Price - District 3  
Daryl Supernaw - District 4  
Stacy Mungo - District 5  
Dee Andrews - District 6  
Roberto Uranga - District 7  
Al Austin - District 8  
Rex Richardson - District 9  
LONG BEACH CITY COUNCIL  
333 West Ocean Blvd. 14<sup>th</sup> Floor  
Long Beach, CA 90802

Long Beach City Attorney  
333 West Ocean Blvd.  
11<sup>th</sup> Floor  
Long Beach, CA 90802

**Re: Appeal to the Long Beach City Council from the March 30, 2017  
Decision of the Long Beach Planning Commission Granting a  
Conditional Use Permit to Stephen Albrecht for  
Stars Behavioral Health Group  
(Application No. CUP-1611-08)  
SP-1-CDR (Mid Town Specific Plan, Corridor District) and  
CCA (Community Automobile Oriented Zoning in Council District 7)**

Dear Mayor Garcia, Councilmembers, and City Attorney,

This Firm, along with the Law Firm of Donald E. Karpel, represents the interests of Dr. Khaled A. Tawansy concerning his appeal of the decision of the Long Beach Planning Commission to not continue the hearing on March 30, 2017, and to grant of a Conditional Use Permit to Stephen Albrecht for Stars Behavioral Health Group for property located 3200-3220 Long Beach Blvd. in Long Beach.

Dr. Tawansy is the owner of the property located at 3200-3220 Long Beach Blvd. There are now pending in the Long Beach Superior Court two actions dealing with the ownership of this property. Further, a Lis Pendens has been filed on the property, protecting Dr. Tawansy's

rights. Neither the record owner of the property, nor the applicant for the Conditional Use Permit (Stars Behavioral Health Group) have good title to the real estate. The proposed use of the property pursuant to the Conditional Use Permit would dramatically change the property from a medical building, which is what it is today.

The appeal should be granted, or the hearing on the appeal should be continued, until there is a ruling on the cases in court as to the ownership of the property. What follows is a recent history of the property and the reasons the City Council should grant Dr. Tawansy's appeal or continue this matter until the issue of ownership of the property is decided by the courts.

Dr. Tawansy purchased the property on May 23, 2012. A copy of the deed is attached as Exhibit A. The site is being used now as a medical office for Dr. Tawansy. Any changes to the use of the building would adversely affect Dr. Tawansy, and his intended use of the building, which will be as medical offices.

On June 17, 2014, Dr. Tawansy executed a Grant Deed to JK Per Angusta Ad Felicitas, LLC. See Exhibit B. The JK Per Angusta Ad Felicitas, LLC, was to legally own the property and the agreement was that Dr. Tawansy was to equitably own the real estate. Dr. Tawansy would continue to own the property equitably, in an LLC name, with Jennifer Sohol running the LLC for Dr. Tawansy.

As part of this transaction, the property was to be refinanced. The Loan Closing Documents, identify Dr. Tawansy as the borrower. See Exhibit C. The property was worth somewhere between \$1,800,000 to \$2,000,000 at the time of the transaction in 2014. Dr. Tawansy had to pay \$99,412.28 to close this transaction. See Exhibit D. Nothing was paid by Jennifer Sohol or by JK Per Angusta Ad Felicitas, LLC, to purchase the property; nor has anyone but Dr. Tawansy expended any moneys on the property since May 2012.

After the deeding of the property to JK Per Angusta Ad Felicitas, LLC, Dr. Tawansy continued to make the mortgage payments, pay for the ordinary operational costs of the building, pay the property taxes, and pay for substantial rehabilitation of the property. See a partial list of vendors paid for the rehabilitation of the building by Dr. Tawansy in Exhibits I and V.

Dr. Tawansy and Jennifer Sohol, who were engaged to be married, separated in early 2015. Dr. Tawansy continued to build out the property into medical offices and occupied one of the medical suites. Dr. Tawansy spoke with JK Per Angusta Ad Felicitas, LLC and Jennifer Sohol's attorney, Ed Gelfand, and informed Attorney Gelfand that title was held legally in the JK Per Angusta Ad Felicitas, LLC name, but that title was owned equitably by Dr. Tawansy. In fact, Dr. Tawansy also met personally with Attorney Gelfand and told him that Dr. Tawansy was the equitable owner of the property.

In April or May of 2016, JK Per Angusta Ad Felicitas, LLC and Jennifer Sohol listed the 3200 Long Beach property with Marcus and Millichap Real Estate Investment Services. Thereafter, a sales brochure was created by Marcus and Millichap that clearly shows Dr. Tawansy's medical equipment and furniture in the property. See Exhibit E.

On May 11, 2016, Lee and Associates by Shaun McCullough and Jeff Coburn presented an offer by 2H Property 3060, LLC to purchase the 3200-3220 Long Beach Blvd. property for \$2,300,000. On May 12, 2016, another offer was made with a price of \$2,500,000. On May 27, 2016, another offer was presented by Lee and Associates on behalf of 2H Property to buy the property for \$2,600,000. See Exhibit F.

On May 25, 2016, an offer was made to sell the property for \$2,850,000. This offer required a 30-day period for the buyer to make a full investigation of the property and provided that the seller would cooperate with such investigation. It also provided that the seller would permit the buyer to conduct a reasonable investigation of the property, and would provide buyer and its agents with access to the seller's records, papers, and documents, including copies of all profit and loss statements, architectural and engineering plans, proposed development plans, environmental assessments, and rental history related to the property (if available). However, an unusual condition was also contained in the contract. It required confidentiality by Seller, Buyer, and their agents of the parties, terms, and conditions and the negotiations that may follow, if any. In the end, an agreement was entered into on May 27, 2016, for a purchase price of \$2,650,000. This agreement has no Due Diligence provision and states "NO PHYSICAL CONTINGENCY." See Exhibit G.

A Title Report dated in March of 2016 lists Dr. Tawansy as having tax liens on the property. See Exhibit H. Thus, the purchasers, 2H Properties 3060 and Sean Hitchcock were on notice of these liens.

On September 9, 2016, an action was filed in the Long Beach Superior Court by JK Per Angusta Ad Felicitas, LLC against several people, including Dr. Tawansy. A copy of the Complaint is attached hereto as Exhibit I. The Complaint deals specifically with the 3200-3220 Long Beach Blvd. property and asks for: 1) Declaratory Action; 2) Cancellation of Instrument; 3) Breach of Warranty/Implied Covenant, and 4) Breach of Contract.

This lawsuit was known to exist by 2H Properties 3060, LLC as of September 9, 2016. See Depositions of Sean Hitchcock and Erick Burton, principals of 2H Properties 3060, LLC, attached as Exhibits J and K, respectively. Further, both 2H Properties, LLC, and Sean Hitchcock knew that Dr. Tawansy was using the property as a medical office.

2H Properties 3060, LLC agreed to purchase the property for \$2,650,000 from JK Per Angusta Ad Felicitas, LLC, but Jennifer Sohol and JK Per Angusta Ad Felicitas, LLC did not want the purchasers to obtain an Estoppel Certificate on the property from Dr. Tawansy. Indeed, Jennifer Sohol and JK Per Angusta Ad Felicitas forbid the potential purchaser (2H) from having any contact with Dr. Tawansy, the tenant, the former legal owner, the current equitable owner, the person whose tax liens were on the property at the time of the purchase, and the persons and entities named in the lawsuit. A reasonable buyer would have wanted to talk to Dr. Tawansy so they could claim that they were bona fide purchasers for value.

The Lee and Associates Brokers were so concerned about the need for an Estoppel Certificate, that they referred 2H Properties 3060, LLC to the law firm of Kreiger and Kreiger regarding the issue of the Estoppel Certificate. A copy of the deposition of the broker from Lee and Associates, Jeff Cobern, is attached hereto as Exhibit L. The deposition of the broker from Marcus and Millichap, who represented JK Per Angusta Ad Feliciates, LLC, Ryan Rothstein-Serling, is attached hereto as Exhibit M. In these depositions, the issue as to obtaining an Estoppel Certificate was discussed. Therein, it is disclosed that Jennifer Sohol and JK Per Angusta Ad Felicitas, LLC dissuaded the buyers from obtaining an Estoppel Certificate. The deposition of Jennifer Sohol is attached at Exhibit N.

There were numerous reasons under the laws of the State of California as to why a reasonable purchaser would insist on obtaining an Estoppel Certificate. At the time of escrow, there were tax liens on the property in the name of Dr. Tawansy. There also was the action filed in the Long Beach Superior Court set forth as Exhibit I. Also, Dr. Tawansy was occupying the property. In fact, the listing memorandum for the property shows that Dr. Tawansy was occupying the property. See Exhibit E which shows Dr. Tawansy's office equipment in the property.

Notwithstanding the clear information that Dr. Tawansy occupied the property, was the legal owner of the property in the past, was making substantial improvements to the property, had tax liens on the property, and was involved in the JK Per Angusta Ad Felicitas, LLC litigation (Exhibit I), 2H purchased the property, when a reasonable purchaser would have obtained an Estoppel certificate and done further due diligence as to Dr. Tawansy's claims. As a result, 2H is not a bona fide purchaser for value without notice of the claims as to Dr. Tawansy and, therefore, could not enter into an agreement with Stars Behavioral, and apparently authorized them to seek a Conditional Use Permit to open a mental health facility on the property.

Dr. Tawansy answered the lawsuit on October 14, 2016. (See Exhibit O.) Dr. Tawansy also filed a Cross-Complaint on October 14, 2016, which names Jennifer Sohol, JK Per Angusta Ad Felicitas, LLC, 2H Properties 3060, LLC, 2H Construction, Inc., and Sean R. Hitchcock and Erika Burton as Cross-Defendants. See Exhibit P. No portion of the Application for Conditional Use Permit discusses the issue of title; nor was Dr. Tawansy noticed of the Application for

Conditional Use Permit, notwithstanding that he had continuously occupied the property since shortly after he purchased it in May 2012.

On October 14, 2016, a Lis Pendens was filed on the property by Dr. Tawansy. See Exhibit Q. This fact was not disclosed to the Department of Development Services or, indeed, to anyone in the City of Long Beach.

While the purported sale to 2H may have taken place in early October, any lease with the applicant was made after the filing of the Lis Pendens. As a result, any lease (if there is a lease) may not be valid, as Dr. Tawansy, if he prevails, will then own the property, and 2H may have to sue JK Per Augusta Ad Felicitas, LLC or Jennifer Sohol for their money.

In mid October of 2016, 2H was going to do some demolition to one portion of the property. Don Karpel, the attorney for Dr. Tawansy, wrote to 2H and Sean Hitchcock stating that any demolition would violate the rights of Dr. Tawansy. See Exhibit P. The demolition did not occur at that time. Sometime in November of 2016, after notice of the Lis Pendens and the claims of Dr. Tawansy to the real estate, 2H totally demolished all of the improvements that Dr. Tawansy had built-out in the middle suite of the property. This destroyed that portion of the property, was not done with the consent of Dr. Tawansy, interfered with Dr. Tawansy's rights as to the property, and interfered with his Quiet Enjoyment of the property.

Then a Notice of Cancellation of the Tenancy was posted on the property, but not served on Dr. Tawansy. See Exhibit S. 2H knows Dr. Tawansy's address, but did not even attempt to serve him.

On December 22, 2016 an Unlawful Detainer Action was filed against Khaled A. Tawansy, MD, Children's Retina Institute, and Renaissance Surgical Holdings, LLC. See Exhibit T. An Answer was timely filed. See Exhibit S. Both cases have been deemed related and are pending trial in the Long Beach Superior Court.

Eventually, in January 2017, there was a Stipulation entered into in the 2H lawsuit against Dr. Tawansy. See Exhibit U. In Paragraph 4, it states that Dr. Tawansy shall be entitled to continue in possession of one-third of the property which he currently occupies as a medical office.

Paragraph 5 of the stipulation states that 2H shall remain in control of the remainder of the building, and shall be entitled to construct improvements of high quality, so long as such activities do not interfere with Dr. Tawansy's use of the property. The agreement is that such improvements shall be relinquished to Dr. Tawansy and the other Defendants free and clear of all liens for labor and materials, if Dr. Tawansy obtains a final judgment against 2H in the lawsuit.

Dr. Tawansy has no interest in operating the property as a mental health facility. He wants the property only as medical office space.

In Paragraph 6 of the Stipulation, it states that the agreement provides that 2H shall be entitled to improve the facades and other exteriors of the buildings, and to make general site improvements, so long as such activities do not unreasonably interfere with Dr. Tawansy's use of the property as a Medical Office. Granting the Conditional Use Permit issued would change the building and should not be approved while the ownership litigation is pending.

A First Amended Cross-Complaint was then filed by Dr. Tawansy naming the brokers and the attorneys as additional cross-defendants. See Exhibit V.

In reviewing the appeal of the application for a Conditional Use Permit, the following issues need to be addressed. This letter is in conformity of the rights that Dr. Tawansy has under Long Beach Municipal Code [hereinafter LBMC], Section 21.21.401(B).

1. The use of the property according to the Conditional Use Permit is not what Dr. Tawansy wants at this property. The people who will use the premises can be violent or out of control. The patients that see Dr. Tawansy have severe eye problems and could encounter these people, who may have severe mental or psychiatric conditions and who will occupy other portions of the building. The patients seeing Dr. Tawansy have issues with their eyes and cannot avoid undesired contact with these people.

2. The proposed improvements of the exterior of the property contains signs where Dr. Tawansy currently conducts his medical practice. These signs would interrupt and unreasonably interfere with Dr. Tawansy's use of the property as a medical office. Patients and their families would find it difficult to see Dr. Tawansy's practice, as it would appear that Dr. Tawansy is part of the Stars Behavioral Health Center. In the materials submitted by Stephen Albrecht, the sign for Stars Behavioral Health Center is directly on the medical suite used by Dr. Tawansy. This would violate LBMC Section 21.15.2770, as it would advertise that the premises where Dr. Tawansy has his medical practice is part of Stars Behavioral Health Center. LBMC Section 1 of 21.15.2770 requires that there be only one sign per building elevation per business. Yet, the area where Dr. Tawansy does his medical practice would have the sign for Stars Behavioral Health Center, and thus, Dr. Tawansy could not put up a sign for his own medical practice. This unreasonably interferes with Dr. Tawansy's use of the property.

3. Applicant is not the owner of the property, as is required by LBMC Section 21.15.1940. There is a Lis Pendens and pending lawsuits in court to determine the actual owner of this property. Approving this Conditional Use Permit under these circumstances would violate Dr. Tawansy's rights with respect to the property.

4. The person who is making this request is not the "owners's authorized agent" in violation of LBMC Section 21.15.1950. In order to be an owner's authorized agent, one must not only act for the owner, but must show proof via a Notarized Statement of Authorization, and submit proof of a Contract to Purchase the Property, or a Lease to the Property. None of this is present in the materials made available. The Application for a Conditional Use Permit is in violation of LBMC Section 21.25.203, as there is no proof that the owners of the property are making the application, and there is no provision showing that the application is made by any owner's authorized agent. Furthermore, if Dr. Tawansy is deemed to own the property, he has not authorized this Application.

5. The property is a medical office. LBMC Section 21.15.1740 provides that it is a "Commercial land use involved in the practice of medicine (not including Psychiatric Medicine or Psychology Services)," which is exactly the use that the Conditional Use Permit would allow. Furthermore, the premises are to be used with people spending up to 23 hours and 59 minutes on the property, and not allowing anyone to leave the premises at night. As a result, the Conditional Use Permit would violate LBMC 21.15.1740, as it would include a violation of the section which does not allow the overnight care of a patient.

6. The Conditional Use Permit would essentially create a modified Residential Care Facility, as it would house people for 23 hours and 59 minutes each day. The practice would provide medical services, but also deal with persons requiring assistance essential to the activities of daily living or for the protection of the individual. This would violate Dr. Tawansy's rights to the property and violate his use and be a violation of LBMC Section 21.15.2290.

7. Dr. Tawansy is in possession of the property. There is a lawsuit pending on this matter, and a Lis Pendens and a Stipulation. Yet, Dr. Tawansy was not given any notice of this hearing. This is a violation of LBMC Section 21.21.302(A)(B) and (D).

8. Dr. Tawansy was not provided with evidence of notice, as is required by LBMC Section 21.21.306(2)

9. The conditions in Exhibit E, Section 1, state that the "property is currently a vacant medical building." However, Dr. Tawansy currently operates his practice in the building.

10. The plans submitted show that the facility will be using Dr. Tawany's offices, and that there will be access to the Facility. Dr. Tawansy denies that he has agreed to allow the applicant to use his premises.

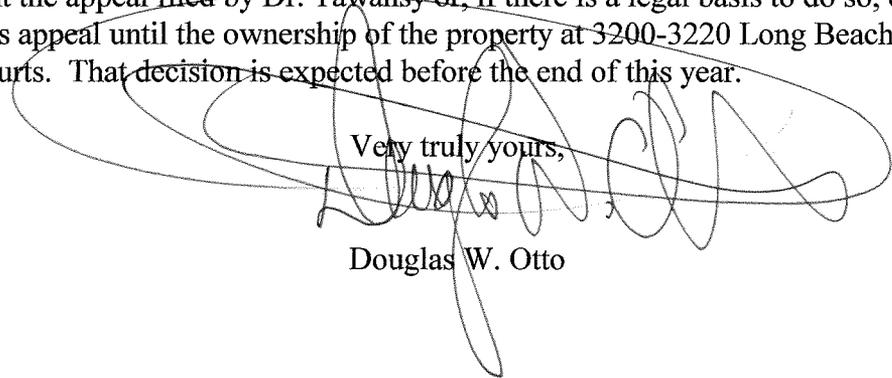
11. Page 8 of the Conditions of Approval at section 27 states that "In the event of the transfer of ownership of the property involved in this application, the new owner shall be fully informed of the permitted use and development of said property as set forth in this permit together with all conditions that are part thereof. These specific requirements must be recorded with all title conveyances documents at the time of closing." Dr. Tawansy does not consent to the use of his property as is being done with the Conditional Use Permit. Dr. Tawansy does not want the property used this way. The application should be denied until the issue as to the ownership of the property is determined by the courts. As a result, the conditions may violate Dr. Tawansy's rights and thus, are inappropriate in light of section 21.52.100.

12. To the extent that this Conditional Use Permit allows for the treatment of persons who have served a conviction for any offense described in subdivision (c) of Penal Code Section 667.5 or subdivision (c) of Penal Code Section 1192.7 (excluding the offense of Burglary), it shall not be permitted as a violation of LBMC Section 21.52.220(6).

### CONCLUSION

The granting of a Conditional Use Permit is a serious act by any government. It should be done only after careful consideration of the rights of the parties involved because such a permit continues with future owners of the property. My client believes that, if the City of Long Beach had simply inquired into the pending ownership issues with regard to this property, it would have concluded that it was premature to agendize this Application for a Conditional Use Permit. Based on the facts and arguments above, it is respectfully requested that the Long Beach City Council grant the appeal filed by Dr. Tawansy or, if there is a legal basis to do so, continue the hearing on this appeal until the ownership of the property at 3200-3220 Long Beach Blvd. is decided by the courts. That decision is expected before the end of this year.

Very truly yours,

  
Douglas W. Otto

DWO:map

Enclosures – Exhibits A through V

# EXHIBIT "A"

This page is part of your document - DO NOT DISCARD



20120849229



Recorded/Filed in Official Records  
Recorder's Office, Los Angeles County,  
California

06/07/12 AT 08:00AM

Pages:  
0009

FEES:	40.00
TAXES:	1,842.50
OTHER:	0.00
PAID:	1,882.50



LEADSHEET



201206070110006

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004050410

SEQ:  
13

DAR - Title Company (Hard Copy)



THIS FORM IS NOT TO BE DUPLICATED

T10

E21M71

NORTH AMERICAN TITLE COMPANY  
RECORDING REQUESTED BY  
CHICAGO TITLE COMPANY  
AND WHEN RECORDED MAIL TO

KHALED A TAWANSY, MD  
c/o 7447 N. FIGUEROA ST #200  
LOS ANGELES CA 90041



Escrow No. 116765628 - X04

Order No. ~~116765628~~ - 1141888

SPACE ABOVE THIS LINE FOR RECORDER'S USE

GRANT DEED

THIS PAGE ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION  
(Additional recording fee applies)

CPFR3 -11/13/98bk

130

NORTH AMERICAN TITLE COMPANY

RECORDING REQUESTED BY  
CHICAGO TITLE COMPANY  
AND WHEN RECORDED MAIL TO

KHALED A TAWANSY, MD  
C/O 7447 N. FIGUEROA ST.  
#200  
LOS ANGELES CA 90041

Escrow No. 116765628 - X04  
Order No. 119765628 -

SPACE ABOVE THIS LINE FOR RECORDER'S USE

1141888

GRANT DEED

Assessor's Parcel No.  
7207-001-030,033,034

THE UNDERSIGNED GRANTOR(S) DECLARE(S)  
DOCUMENTARY TRANSFER TAX IS \$1842.50

unincorporated area  City of LONG BEACH

computed on the full value of the interest or property conveyed, or is

computed on the full value less the value of liens or encumbrances remaining at time of sale, and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

MARGARET KUSKA, A MARRIED WOMAN, AS HER SOLE AND SEPARATE PROPERTY, WHO ACQUIRED  
TITLE AS AND IS FORMERLY KNOWN AS MARGARET WARNER HALLISEY; CAROLINE WARNER TUGEL, AN  
UNMARRIED WOMAN AND RICHARD S. WARNER AND TARA J. WARNER, TRUSTEES OF THE RICHARD S.  
WARNER AND TARA J. WARNER FAMILY TRUST 1993, AS THE SOLE AND SEPARATE PROPERTY OF  
RICHARD S. WARNER

hereby GRANT(S) to  
KHALED A TAWANSY, MD, A SINGLE MAN

"This document is executed in 3  
counterparts, each of which shall be deemed to be  
an original, but such counterparts shall together  
constitute but one and the same instrument."

the following described real property in the City of LONG BEACH  
County of LOS ANGELES, State of California;  
SEE EXHIBIT 'A' WHICH IS ATTACHED HERETO AND MADE A PART HEREOF

Dated May 23, 2012

SEE SIGNATURE EXHIBIT ATTACHED HERETO

STATE OF Oregon  
COUNTY OF Douglas ) SS.

on May 23, 2012 before me,

Patricia L. Gould

Notary Public, personally appeared

Caroline Warner Tugel

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.

*Patricia L. Gould*  
Signature of Notary

May 11, 2013  
Date My Commission Expires

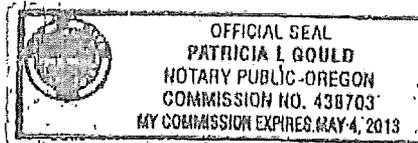
FOR NOTARY SEAL OR STAMP

MAIL TAX STATEMENTS TO PARTY SHOWN ON FOLLOWING LINE: IF NO PARTY SO SHOWN, MAIL AS DIRECTED ABOVE

Name

Street Address

City, State & Zip



7207-001-030, -034, -033

EXECUTED IN COUNTERPART

Page 1  
Escrow No. 116765628 -K04

SIGNATURE      EXHIBIT

\_\_\_\_\_  
MARGARET KUSKA

*Caroline Warner Tugel*  
\_\_\_\_\_  
CAROLINE WARNER TUGEL

RICHARD S. WARNER AND TARA J. WARNER FAMILY TRUST 1993

\_\_\_\_\_  
RICHARD S. WARNER, TRUSTEE

\_\_\_\_\_  
TARA J. WARNER, TRUSTEE

000000-00/m/000k

RECORDING REQUESTED BY  
CHICAGO TITLE COMPANY  
AND WHEN RECORDED MAIL TO

KHALED A TAWANSY, MD  
C/O 7447 N. FIGUEROA ST.  
#200  
LOS ANGELES CA 90041

Escrow No. 116765628 - 004  
Order No. 116765628 -

SPACE ABOVE THIS LINE FOR RECORDER'S USE

### GRANT DEED

ASSessor's Parcel No.  
7207-001-030,033,034

THE UNDERSIGNED GRANTOR(S) DECLAR(S)

DOCUMENTARY TRANSFER TAX IS \$ -

unincorporated area  City of LONG BEACH

computed on the full value of the interest or property conveyed, or is

computed on the full value less the value of liens or encumbrances remaining at time of sale, and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,  
MARGARET KUSKA, A MARRIED WOMAN, AS HER SOLE AND SEPARATE PROPERTY, WHO ACQUIRED  
TITLE AS AND IS FORMERLY KNOWN AS MARGARET WARNER HALLISEY; CAROLINE WARNER TUGEL, AN  
UNMARRIED WOMAN AND RICHARD S. WARNER AND TARA J. WARNER, TRUSTEES OF THE RICHARD S.  
WARNER AND TARA J. WARNER FAMILY TRUST 1993, AS THE SOLE AND SEPARATE PROPERTY OF  
RICHARD S. WARNER

hereby GRANT(S) to  
KHALED A TAWANSY, MD, A SINGLE MAN

the following described real property in the City of LONG BEACH  
County of LOS ANGELES, State of California:  
SEE EXHIBIT 'A' WHICH IS ATTACHED HERETO AND MADE A PART HEREOF

EXECUTED IN COUNTERPART

Dated May 23, 2012

STATE OF CALIFORNIA )  
COUNTY OF LOS ANGELES ) SS  
On 05-24-2012 before me,

SEE SIGNATURE EXHIBIT ATTACHED HERETO

JEONG KOO RHO  
Notary Public, personally appeared  
RICHARD S. WARNER & TARA  
S. WARNER

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/his/  
authorized capacity(ies), and that by his/her/his/their signature(s) on the  
instrument the person(s), or the entity upon behalf of which the person(s),  
acted, executed the instrument.



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

WITNESS my hand and official seal.

[Signature]  
Signature of Notary

09-09-2013  
Date My Commission Expires

FOR NOTARY SEAL OR STAMP

MAIL TAX STATEMENTS TO PARTY SHOWN ON FOLLOWING LINE IF NO PARTY SO SHOWN, MAIL AS DIRECTED ABOVE

Name Street Address City, State & Zip

Page 1  
Escrow No. 116765628 -X04

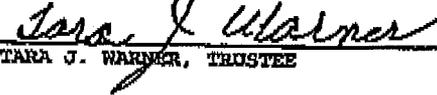
SIGNATURE      EXHIBIT

\_\_\_\_\_  
MARGARET KUSKA

\_\_\_\_\_  
CAROLINE WARNER TUGEL

RICHARD S. WARNER AND TARA J. WARNER FAMILY TRUST 1993

  
\_\_\_\_\_  
RICHARD S. WARNER, TRUSTEE

  
\_\_\_\_\_  
TARA J. WARNER, TRUSTEE

02/03/03-01/03/0404

RECORDING REQUESTED BY  
CHICAGO TITLE COMPANY  
AND WHEN RECORDED MAIL TO

KHALED A TAWANSY, MD  
C/O 7447 N. FIGUEROA ST.  
#200  
LOS ANGELES CA 90041

Escrow No. 116765628 - X04  
Order No. 116765628 -

SPACE ABOVE THIS LINE FOR RECORDERS USE

### GRANT DEED

Assessor's Parcel No.  
7207-001-030,033,034

THE UNDERSIGNED GRANTOR(S) DECLARE(S)

DOCUMENTARY TRANSFER TAX IS

unincorporated area  City of LONG BEACH

computed on the full value of the interest or property conveyed, or is

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County of LOS ANGELES, State of California:  
SEE EXHIBIT 'A' WHICH IS ATTACHED HERETO AND MADE A PART HEREOF

Dated May 23, 2012

STATE OF Montana  
COUNTY OF Flathead } SS.  
On May 23, 2012 before me,  
Kristy Oster  
Notary Public, personally appeared  
Margaret Kuska

SEE SIGNATURE EXHIBIT ATTACHED HERETO

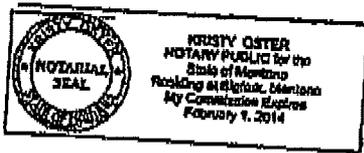
who proved to me on the basis of satisfactory evidence to be the person(s)  
whose name(s) is/are subscribed to the within instrument and  
acknowledged to me that he/she/they executed the same in his/her/their  
authorized capacity(ies), and that by his/her/their signature(s) on the  
instrument the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

Kristy Oster  
Signature of Notary

Feb 1, 2014  
Date My Commission Expires



FOR NOTARY SEAL OR STAMP

MAIL TAX STATEMENTS TO PARTY SHOWN ON FOLLOWING LINE: IF NO PARTY SO SHOWN, MAIL AS DIRECTED ABOVE

Name Street Address City, State & Zip

EXECUTED IN COUNTERPART

Page 1

Escrow No. 116765628 -X04

SIGNATURE      EXHIBIT

*Margaret Kuska*  
MARGARET KUSKA

\_\_\_\_\_  
CAROLINE WARNER TUGEL

RICHARD S. WARNER AND TARA J. WARNER FAMILY TRUST 1993

\_\_\_\_\_  
RICHARD S. WARNER, TRUSTEE

\_\_\_\_\_  
TARA J. WARNER, TRUSTEE

000000-00/00/00-00

# EXHIBIT A

## LEGAL DESCRIPTION

Real property in the City of Long Beach, County of Los Angeles, State of California, described as follows:

### PARCEL 1:

LOTS 17, 18 AND 19 IN BLOCK "A" OF TRACT NO. 2901, IN THE CITY OF LONG BEACH, AS PER MAP RECORDED IN BOOK 36 PAGE 63 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY, TOGETHER WITH THAT PORTION OF THE WESTERLY HALF OF THAT CERTAIN ALLEY, 20 FEET WIDE, AS SHOWN AND DEDICATED UPON THE MAP OF SAID TRACT NO. 2901, WHICH ADJOINS SAID LOTS ON THE EAST, VACATED BY RESOLUTION NO. C-22311 OF THE CITY COUNCIL OF SAID CITY, A COPY OF WHICH WAS RECORDED AUGUST 1, 1977 AS INSTRUMENT NO. 77-833919, BOUNDED NORTHERLY BY THE EASTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID LOT 17, AND BOUNDED SOUTHERLY BY THE EASTERLY PROLONGATION OF THE SOUTHERLY LINE OF SAID LOT 19.

EXCEPT THEREFROM ALL OIL, MINERALS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, WITHOUT, HOWEVER, THE RIGHT TO USE ANY PART OF THE SURFACE THEREOF.

### PARCEL 2:

LOTS 36, 37 AND 38 IN BLOCK "A" OF TRACT NO. 2901, IN THE CITY OF LONG BEACH, AS PER MAP RECORDED IN BOOK 36 PAGE 63 OF MAPS, IN THE OFFICE OF THE LOS ANGELES COUNTY RECORDER'S OFFICE, TOGETHER WITH THAT PORTION OF THE EASTERLY HALF OF THAT CERTAIN ALLEY, 20 FEET WIDE, AS SHOWN AND DEDICATED UPON THE MAP OF SAID TRACT NO. 2901 WHICH ADJOINS SAID LOTS ON THE WEST, VACATED BY RESOLUTION NO. C-2231 OF THE CITY COUNCIL OF SAID CITY, A COPY OF WHICH RECORDED AUGUST 1, 1977 AS INSTRUMENT NO. 77-833919, BOUNDED NORTHERLY BY THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID LOT 36, AND BOUNDED SOUTHERLY BY THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF SAID LOT 38.

APN: 7207-001-030 and 7207-001-033 and 7207-001-034

Order No.: 92002-1141888-12

# EXHIBIT "B"

2

RECORDING REQUESTED BY:  
Pacific Coast Title Company

WHEN RECORDED MAIL TO:  
Jennifer Sohal, As Managing  
Member  
3200 North Long Beach Blvd  
Long BEACH Ca 90807



TITLE ORDER NO. 98811679

ASSESSOR'S PARCEL NO. 7207-001-030

ESCROW NO.: 14-4656

~~7207-001-033~~  
~~7207-001-034~~

### GRANT DEED

43

The undersigned Grantor(s) declare(s):

Documentary transfer tax is \$ 1,595.00  
CITY TAX IS \$0.00  
(X) computed on full value of property conveyed, OR  
( ) computed on the full value less liens of encumbrances remaining at the time of sale

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged:  
Khaled A. Tawansy, M. D, a single man

hereby GRANT(S) to JK PER ANGUSTA AD FELICITAS LLC, *A California Limited Liability Company*

The following real property in the City of Long Beach Ca 90807, County of Los Angeles, State of California.

described as: See Attached, Exhibit 'A', made a part hereof

More commonly known as: 3200 North Long Beach Blvd, Long Beach Ca 90807

Date: January 2 2014

*Khaled A. Tawansy*  
Khaled A. Tawansy, M.D

STATE OF CALIFORNIA )  
COUNTY OF Los Angeles )

On June 17, 2014 before me,  
Luiz Maria Padilla a notary public, Personally  
appeared Khaled A. Tawansy

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/hor/their authorized capacity(ies), and that by his/hor/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 *Luiz Maria Padilla*

(This area for official notarial seal)

2A

# EXHIBIT "C"

Site	Paid Date	Serial	Routing	Account	PC	Amount	Sequence #
VIEWPOINTE	20140818	6962544	12104288	8351498236	000079	99,412.28	2229680805

**Customer Account Charge Notice - DEBIT**

**WELLS FARGO**

Date: 8/18/14 ~ 614

Original: *[Signature]*

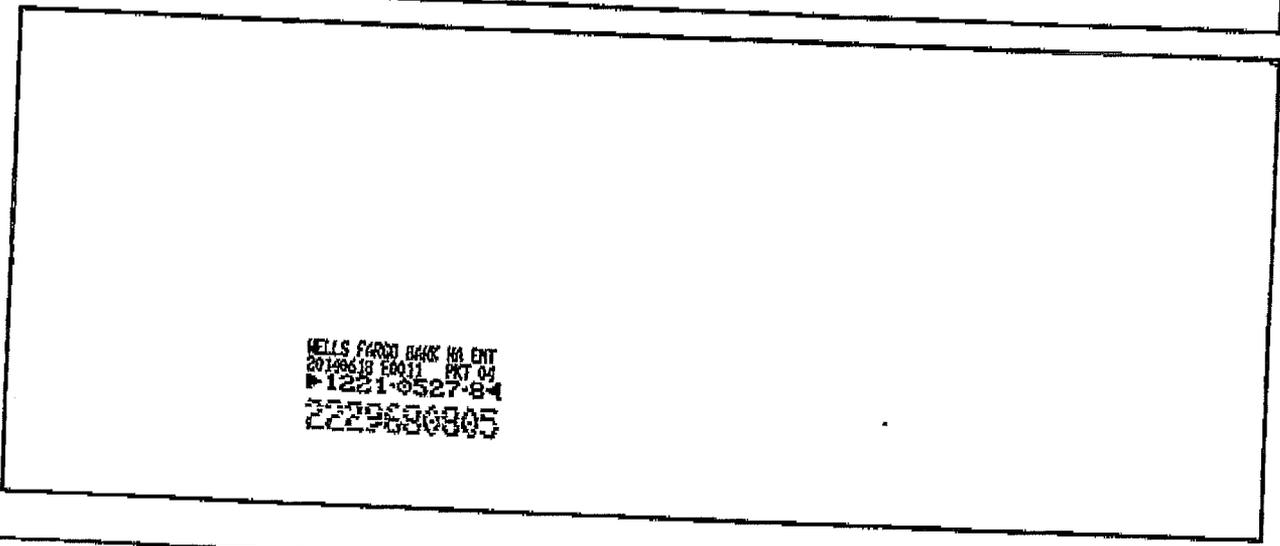
CUSTOMER ACCOUNT #  
8351498236

Customer Name Address  
Khalid Tamansy MD INC

DEBIT  
\$ 99,412.28

Handwritten notes: Cashiers check. Payable to only Escrow Ret 3200 PLONG Beach Blvd

⑈0006962544⑈ ⑆500090798⑆



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Closing costs  
Escrow Cashier  
check paid  
by Khalid  
TAMANSY

<https://oibservices.wellsfargo.com/OIB/ControllerServlet>

P 27/31

Date: 03/28/17 Time: 8:52 AM Page: 27

To: 15624915701 From: 13233415877

Khalid Tamansy

2017-03-27 20:57



Del Toro Loan Servicing, Inc  
2434 Southport Way, Suite F  
National City, CA 91950  
(619) 474-5400

06/09/2014

Only Escrow Inc.  
22156 Shermans Way, Ste. D1  
Canoga Park, CA 91303  
Escrow No. 14-4656

Borrower: Khaled A. Tawansy  
7447 N. Figueroa St., #200  
Los Angeles, CA 90041

Loan Number: 12-3355 Subject Property: 3200 Long Beach Blvd., Long Beach CA 90807

**BENEFICIARY'S DEMAND FOR PAYOFF**

You are authorized to use the following amounts to payoff the above-mentioned loan. All necessary legal documents will be forwarded to the trustee for Full Reconveyance upon receipt of payment in full.

Payoff Date	06/10/2014
Maturity Date	03/31/2014
Next Payment Due	10/01/2013
Interest Rate	6.500%
Interest Paid-To Date	09/01/2013
Principal Balance	\$1,200,000.00
Accrued Principal Payments Oct 2013 thru June 2014	\$36,090.00
Accrued Interest From 09/01/2013 Thru 08/10/2014	\$60,476.71
Unpaid Late Charges	\$2,800.00
Accrued Late Charges	\$5,760.00
Unpaid Charges *For additional details see Itemization attached	\$190.00
Prepayment Penalty	\$0.00
Other Fees *For additional details see Itemization attached	\$205.00
Trust Balance	\$0.00
<b>Payoff Amount</b>	<b>\$1,305,521.71</b>

Please add \$213.70 for each additional day past 06/10/2014 and add a late fee of \$720.00 if loan is paid off after 06/11/2014.

We reserve the right to amend this demand should any changes occur that would increase the total amount for payoff. Please note that this demand expires on 06/30/2014, at which time you are instructed to contact this office for additional instructions (DEMAND FORWARDING FEES ARE DUE EVEN UPON CANCELLATION OF YOUR ESCROW).

Please wire funds to Del Toro Loan Servicing, Inc (Wiring Instructions are attached.)

Del Toro Loan Servicing  
619-474-5400  
877-826-7834

Approved by:  
DocuSigned by:  
Richard S. Warner  
Richard S. Warner, Trustee

DocuSigned by:  
Tara J. Warner  
Tara J. Warner, Trustee

Approved by:  
DocuSigned by:  
Caroline Warner Tugel  
Caroline Warner Tugel

Approved by:  
DocuSigned by:  
Margaret Kuska  
Margaret Kuska

ITEMIZATION OF UNPAID CHARGES

Date	Description	Interest Rate	Unpaid Balance	Accrued Interest	Total Due
02/26/2014	Demand Fee	0.000%	\$30.00	\$0.00	\$30.00
02/26/2014	Account Update Fee	0.000%	\$25.00	\$0.00	\$25.00
04/10/2014	Demand Rush Fee	0.000%	\$75.00	\$0.00	\$75.00
04/10/2014	Demand Fee	0.000%	\$30.00	\$0.00	\$30.00
05/21/2014	Updated Demand Fee	0.000%	\$30.00	\$0.00	\$30.00
				<b>Total</b>	<b>\$190.00</b>

ITEMIZATION OF OTHER FEES

Description	Amount
Demand Fee	\$30.00
Reconveyance Fee	\$45.00
Forwarding / Processing Fee	\$100.00
Wiring Fee	\$30.00
<b>Total</b>	<b>\$205.00</b>



**ESTIMATED**  
**A. Settlement Statement (HUD-1)**

<b>II. TYPE OF LOAN</b>		<b>6. FILE NUMBER</b>	<b>7. LOAN NUMBER(S)</b>	<b>8. MORTGAGE INSURANCE CASE NO.</b>
1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> FHLBA	14-4686		
3. <input checked="" type="checkbox"/> CONV UNDE/UNEXP	4. <input type="checkbox"/> VA			
5. <input type="checkbox"/> CONV. INK.				

**C. NOTE:** This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked (n.o.s.) were paid outside of escrow; they are shown here for informational purposes and are not included in the totals.

<b>D. NAME OF BORROWER:</b> JK PIRA ANGUSTA AD FELICITAS LLC	<b>E. NAME OF SELLER:</b> Khaled A. Tamansy, M.D.	<b>F. NAME OF LENDER:</b>
3200 North Long Beach Blvd, Long, BEACH CA 90807	3200 North Long Beach Blvd, Long, BEACH CA 90807	

<b>G. PROPERTY LOCATION:</b> 3200 North Long Beach Blvd  Long Beach Ca 90807	<b>H. SETTLEMENT AGENT</b> Only Escrow 22156 Sherman Way, Suite D1 Canoga Park, CA 91303 <b>PLACE OF SETTLEMENT</b> 22156 Sherman Way, Suite D1 Canoga Park, CA 91303	<b>I. SETTLEMENT DATE:</b> 6/20/14
---	---	---------------------------------------

<b>J. SUMMARY OF BUYER/BORROWER'S TRANSACTION</b>	<b>K. SUMMARY OF SELLER'S TRANSACTION</b>
<b>100. GROSS AMOUNT DUE FROM BORROWER:</b>	<b>400. GROSS AMOUNT DUE TO SELLER:</b>
101. Contract sales price	401. Contract sales price 1,450,000.00
102.	402. 0.00
103. Settlement charges to borrower (Line 1400)	403.
104.	404.
105.	405.
Adjustments for items paid by seller in advance	Adjustments for items paid by seller in advance
106. City/town/taxes	406. City/town taxes
107. County taxes 7,837.58 Per/Half from 6/20/2014 To 7/1/2014	407. County taxes 7,837.58 Per/Half from 6/20/2014 To 7/1/2014 478.96
108. Assessments	408. Assessments
109.	409.
110.	410.
111.	411.
112.	412.
<b>120. GROSS AMOUNT DUE FROM BORROWER</b>	<b>420. GROSS AMOUNT DUE TO SELLER</b> 51,450,478.96
<b>200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER:</b>	<b>500. REDUCTIONS IN AMOUNT DUE TO SELLER:</b>
201. Initial Buyer Deposit	501. Excess deposit (see instructions)
202. First Loan	502. Settlement charges to seller (Line 1400) \$269,412.38
203. Second Loan:	503. Existing loans taken subject to
204. Third Loan:	504. Del Toro Real Estate Service Payoff First 1,305,521.71
205.	505. Item 12 Dept Of Planning Building 1,222.66
206.	506. Item 14 City Of Long Beach Dept Of Dev Ser 503.00
207.	507. Payoff 191.24
208.	508.
209.	509.
Adjustment for items unpaid by seller	Adjustment for items unpaid by seller
210. City/town taxes	510. City/town taxes
211. County taxes	511. County taxes
212. Assessments	512. Assessments
213.	513.
214.	514.
215.	515.
216.	516.
217.	517.
218.	518.
219.	519.
<b>220. TOTAL PAID BY/FOR BORROWER</b>	<b>520. TOTAL REDUCTION AMOUNT DUE SELLER</b> 51,576,850.99
<b>300. CASH AT SETTLEMENT FROM/TO BORROWER:</b>	<b>600. CASH AT SETTLEMENT TO/FROM SELLER:</b>
301. Gross amount due from borrower (Line 120)	601. Gross amount due to seller (Line 420) 1,450,478.96
302. Less amount paid by/for borrower (Line 220)	602. Less reduction in amount due seller (line 520) 1,576,850.99
303. CASH ( X)FROM ( ) TO) BORROWER	603. CASH ( )TO ( X)FROM) SELLER 5126,372.03

The Public Reporting Burden for this collection of information is estimated to average 35 minutes per response for collecting, reviewing and reporting the data. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. No Confidentiality is assured; the disclosure is mandatory. This is designed to provide the parties to a RESPA covered transaction with information during the settlement process.

**THIS IS TO CERTIFY THIS IS A TRUE AND CORRECT COPY OF THE ORIGINAL DOCUMENT BY:**  
*Only Escrow*

L. SETTLEMENT CHARGES				PAID FROM	Page 2
Tot. TOTAL BAL. PAYABLE/BORROWER'S COMMISSION (based on price 1,450,000.00 @ \$0.0000 % = 0.00)				BORROWER'S	MILLERS
Division of Comptroller (line 700) as follows:				FUNDRA AT	FUNDRA AT
701.				SETTLEMENT	SETTLEMENT
702.					
703.	Commission paid at settlement				
704.	Other Commission To				
<b>800: ITEMS PAYABLE IN CONNECTION WITH LOAN</b>					
801.	Orig. Origination Charge (This Charge is for getting you this Loan)			(from GFE #1)	
802.	Your Credit or Charge (points) for the specific interest rate chosen			(from GFE #2)	
803.	Your Adjusted Origination Charge			(from GFE #A)	
804.	Appraisal Fee To			(from GFE #3)	
805.	Credit Report Fee To			(from GFE #3)	
806.	Application Fee TO 2nd T.D. SBA Loan			(from GFE #3)	
807.	Legal Fee TO 2nd T.D. SBA Loan			(from GFE #3)	
808.	SBA Authorization Fee TO 2nd T.D. SBA Loan			(from GFE #3)	
<b>900: ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE</b>					
901.	Interest from 6/1/2014 TO 7/1/2014 @ 125.1370 Per Day			(from GFE #10)	
902.	Mortgage Insurance Premium			(from GFE #3)	
903.	Hazard Insurance Premium 1 Year Estimate			(from GFE #11)	
<b>1000: RESERVES DEPOSITED WITH LENDER</b>					
1001.	Initial Deposit for your Escrow Account			(from GFE #9)	
1002.	Hazard Insurance Impound	0 Months @ 0.00	per month	\$	
1003.	Mortgage Insurance Impou	0 Months @ 0.00	per month	\$	
1004.	City Property Taxes Impo	0 Months @ 0.00	per month	\$	
1005.	County Property Taxes Int	0 Months @ 0.00	per month	\$	
1006.	Annual Assessments Impound			\$	
<b>1100: ESCROW/TITLE CHARGES</b>					
1101.	Title Services and Lenders Title Insurance Plus Escrow Fees (Buyers Total-See Below this section for detail)			(from GFE #4)	
1102.	Settlement Or Closing Fee - See Additional Page Only Escrow				4,750.00
1103.	Cita - Owners Title Insurance To: Pacific Coast Title Company			(from GFE #5)	2,962.00
1104.	Aia - Lenders Title Insurance				0.00
1105.	Lender's Title Policy Limit - \$725,000.00 To: Pacific Coast Title Company				
1106.	Owner's Title Policy Limit - \$1,450,000.00 To: Pacific Coast Title Company				
1107.	Agents portion of the total title insurance premium \$ 0.00 - Pacific Coast Title Company				
1108.	Underwriters portion of the total title insurance premium \$ 0.00 - Pacific Coast Title Company				
1111.	Subescrow Fee Pacific Coast Title Company				100.00
1113.	Courier/Wire Pacific Coast Title Company				25.00
<b>1200: GOVERNMENT RECORDING AND TRANSFER CHARGE</b>					
1201.	Government Recording Charges			(from GFE #7)	
1202.	Recording Fees: Deed = 50.00 Mortgage = 300.00 Release = 0.00				
1203.	Transfer Taxes			(from GFE #8)	1,595.00
1204.	City/County/Tax Stamps Deed > 1,595.00 Mortgage > 0.00 City Tr. Taxes > 0.00				
1205.	State Tax Stamps Deed > 0.00 Mortgage > 0.00				
1206.	1st And 2nd Inf Taxos 2013-2014 + Penalties Los Angeles County Tax Collector				17,243.92
1207.	1st And 2nd Taxos 2012/2013/ 1/2 2014 Los Angeles County Tax Collector				9,158.96
<b>1300: ADDITIONAL SETTLEMENT CHARGES</b>					
1301.	Required services that you can shop for			(from GFE #6)	
1302.	Natural Hazard Disclosure America West Real Estate Services				120.00
1303.	Pest Inspection				
1304.	Demand CWPB				30,500.00
1305.	Repairs Redesign Group Inc.				202,957.50
1315.	Other Additional Charges (not incl. Additl. Charges to Borrower Title), See Attached Page.				0.00
<b>1400. TOTAL SETTLEMENT CHARGES (enter on Lines 103, Section J and 502, Section K)</b>					<b>\$269,412.38</b>

The items indicated by "POC" have been included at the direction of the lender for disclosure purposes only. The escrow holder/agent herein has no knowledge of these expenditures, except as provided by the lender. They have not been and cannot be verified as to the amount, the payee, nor actual payment and no liability is assumed by the closing agent as to the validity and/or the sufficiency thereof. -Party Paying POC Legend-(B\*)Buyer/Borrower(S\*)Seller(L\*)Lender(LB\*)Loan Broker(O\*)Other

**THIS IS TO CERTIFY THAT THIS IS A TRUE AND CORRECT COPY OF THE ORIGINAL DOCUMENT**  
Only Escrow

EXHIBIT "D"

**SUMMONS  
(CITACION JUDICIAL)**

SUM-100

**NOTICE TO DEFENDANT:** MARGARET KUSKA, an individual;  
**(AVISO AL DEMANDADO):** CAROLINE WARNER TUGEL, an individual;  
RICHARD S. WARNER AND TARA J. WARNER, Trustees of the RICHARD  
S. WARNER AND TARA J. WARNER FAMILY TRUST 1993; KHALED A.  
TAWANSY, an individual; and DOES 1-20, inclusive,

FOR COURT USE ONLY  
(SOLO PARA USO DE LA CORTE)

CONFORMED COPY  
ORIGINAL FILED  
Superior Court Of California  
County Of Los Angeles

SEP 09 2016

Sherri R. Carter, Executive Officer/Clerk  
By: M. Pettis, Deputy  
M. Pettis

**YOU ARE BEING SUED BY PLAINTIFF:**

**(LO ESTÁ DEMANDANDO EL DEMANDANTE):**

JK PER ANGUSTA AD FELICITAS LLC, a California limited liability  
company

**NOTICE!** You have been sued. The court may decide against you without your being heard unless you respond within 30 days. Read the information below.

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center ([www.courtinfo.ca.gov/selfhelp](http://www.courtinfo.ca.gov/selfhelp)), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site ([www.lawhelpcalifornia.org](http://www.lawhelpcalifornia.org)), the California Courts Online Self-Help Center ([www.courtinfo.ca.gov/selfhelp](http://www.courtinfo.ca.gov/selfhelp)), or by contacting your local court or county bar association. **NOTE:** The court has a statutory lien for waived fees and costs on any settlement or arbitration award of \$10,000 or more in a civil case. The court's lien must be paid before the court will dismiss the case. **AVISO!** Lo han demandado. Si no responde dentro de 30 días, la corte puede decidir en su contra sin escuchar su versión. Lea la información a continuación.

Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California ([www.sucorte.ca.gov](http://www.sucorte.ca.gov)), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services, ([www.lawhelpcalifornia.org](http://www.lawhelpcalifornia.org)), en el Centro de Ayuda de las Cortes de California, ([www.sucorte.ca.gov](http://www.sucorte.ca.gov)) o poniéndose en contacto con la corte o el colegio de abogados locales. **AVISO:** Por ley, la corte tiene derecho a reclamar las cuotas y los costos exentos por imponer un gravamen sobre cualquier recuperación de \$10,000 ó más de valor recibida mediante un acuerdo o una concesión de arbitraje en un caso de derecho civil. Tiene que pagar el gravamen de la corte antes de que la corte pueda desechar el caso.

The name and address of the court is:  
(El nombre y dirección de la corte es):

LOS ANGELES SUPERIOR COURT  
Long Beach Courthouse  
275 Magnolia Avenue  
Long Beach, CA 90802

CASE NUMBER:  
(Número del Caso) NC060799

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is:

(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):  
ALIA S. HADDAD (SBN 217068) (213)438-7218 (213)438-4417

FIDELTY NATIONAL LAW GROUP  
915 Wilshire Boulevard  
Los Angeles, CA 90017

DATE: Sherri R. Carter SEP 09 2016  
(Fecha)

Clerk, by M. Pettis, Deputy  
(Secretario) (Adjunto)

(For proof of service of this summons, use Proof of Service of Summons (form POS-010).)

(Para prueba de entrega de esta citación use el formulario Proof of Service of Summons, (POS-010)).

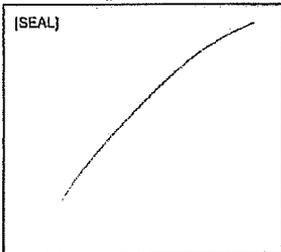
**NOTICE TO THE PERSON SERVED:** You are served

1.  as an individual defendant.  
2.  as the person sued under the fictitious name of (specify):

3.  on behalf of (specify):

- under:  CCP 416.10 (corporation)  CCP 416.60 (minor)  
 CCP 416.20 (defunct corporation)  CCP 416.70 (conservatee)  
 CCP 416.40 (association or partnership)  CCP 416.90 (authorized person)  
 other (specify):

4.  by personal delivery on (date):



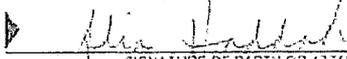
ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address) <b>ALIA S. HADDAD (SBN 217068)</b> <b>FIDELTY NATIONAL LAW GROUP</b> 915 Wilshire Boulevard Suite 2100 Los Angeles, CA 90017 TELEPHONE NO (213)438-7218 FAX NO (213)438-4417 ATTORNEY FOR (Name): <b>JK PER ANGIUSTA AD FELICITAS LLC</b>		FOR COURT USE ONLY  <b>CONFORMED COPY ORIGINAL FILED</b> Superior Court Of California County Of Los Angeles  <b>SEP 09 2016</b>  Sherri R. Carter, Executive Officer/Clerk By <u>M. Pettis</u> , Deputy M. Pettis
SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES STREET ADDRESS 275 Magnolia Avenue MAILING ADDRESS CITY AND ZIP CODE Long Beach, CA 90802 BRANCH NAME SOUTH DISTRICT		CASE NUMBER <b>NC060799</b> JUDGE DEPT
CASE NAME <b>JK PER ANGIUSTA AD FELICITAS LLC v. KUSKA, et al.</b>		
<b>CIVIL CASE COVER SHEET</b> <input checked="" type="checkbox"/> Unlimited (Amount demanded exceeds \$25,000) <input type="checkbox"/> Limited (Amount demanded is \$25,000 or less)	<b>Complex Case Designation</b> <input type="checkbox"/> Counter <input type="checkbox"/> Joinder Filed with first appearance by defendant (Cal. Rules of Court, rule 3.402)	

Items 1-6 below must be completed (see instructions on page 2).

1. Check one box below for the case type that best describes this case:

<input type="checkbox"/> Auto Tort <input type="checkbox"/> Auto (23) <input type="checkbox"/> Uninsured motorist (46) <input type="checkbox"/> Other PIP/D/W/D (Personal Injury/Property Damage/Wrongful Death) Tort <input type="checkbox"/> Asbestos (04) <input type="checkbox"/> Product liability (24) <input type="checkbox"/> Medical malpractice (45) <input type="checkbox"/> Other PIP/D/W/D (23) <input type="checkbox"/> Non-PIP/D/W/D (Other) Tort <input type="checkbox"/> Business tort/unfair business practice (07) <input type="checkbox"/> Civil rights (08) <input type="checkbox"/> Defamation (13) <input type="checkbox"/> Fraud (16) <input type="checkbox"/> Intellectual property (19) <input type="checkbox"/> Professional negligence (25) <input type="checkbox"/> Other non-PIP/D/W/D tort (35) <input type="checkbox"/> Employment <input type="checkbox"/> Wrongful termination (36) <input type="checkbox"/> Other employment (15)	<input type="checkbox"/> Contract <input type="checkbox"/> Breach of contract/warranty (05) <input type="checkbox"/> Rule 3.740 collections (09) <input type="checkbox"/> Other collections (09) <input type="checkbox"/> Insurance coverage (18) <input type="checkbox"/> Other contract (37) <input type="checkbox"/> Real Property <input type="checkbox"/> Eminent domain/Inverse condemnation (14) <input type="checkbox"/> Wrongful eviction (33) <input checked="" type="checkbox"/> Other real property (25)	<input type="checkbox"/> Provisionally Complex Civil Litigation (Cal. Rules of Court, rules 3.400-3.403) <input type="checkbox"/> Antitrust/Trade regulation (03) <input type="checkbox"/> Construction defect (10) <input type="checkbox"/> Mass tort (40) <input type="checkbox"/> Securities litigation (28) <input type="checkbox"/> Environmental/Toxic tort (30) <input type="checkbox"/> Insurance coverage claims arising from the above listed provisionally complex case types (41)
	<input type="checkbox"/> Unlawful Detainer <input type="checkbox"/> Commercial (31) <input type="checkbox"/> Residential (32) <input type="checkbox"/> Drugs (36)	<input type="checkbox"/> Enforcement of Judgment <input type="checkbox"/> Enforcement of judgment (20) <input type="checkbox"/> Miscellaneous Civil Complaint <input type="checkbox"/> RICO (27) <input type="checkbox"/> Other complaint (not specified above) (42)
	<input type="checkbox"/> Judicial Review <input type="checkbox"/> Asset forfeiture (05) <input type="checkbox"/> Petition re. arbitration award (11) <input type="checkbox"/> Writ of mandate (02) <input type="checkbox"/> Other judicial review (39)	<input type="checkbox"/> Miscellaneous Civil Petition <input type="checkbox"/> Partnership and corporate governance (21) <input type="checkbox"/> Other petition (not specified above) (43)

2. This case is  is not complex under rule 3.400 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:
- |  |  |
|--|--|
| a. <input type="checkbox"/> Large number of separately represented parties   | d. <input type="checkbox"/> Large number of witnesses  |
| b. <input type="checkbox"/> Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve | e. <input type="checkbox"/> Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court |
| c. <input type="checkbox"/> Substantial amount of documentary evidence   | f. <input type="checkbox"/> Substantial postjudgment judicial supervision  |
3. Remedies sought (check all that apply): a.  monetary b.  nonmonetary; declaratory or injunctive relief c.  punitive
4. Number of causes of action (specify): Declaratory Action, Cancellation of Instrument, Breach of Warranty/Implied Covenant, Breach of Contract
5. This case is  is not a class action suit.
6. If there are any known related cases, file and serve a notice of related case. (You may use form CM-015.)

Date: September 9<sup>th</sup>, 2016  
 ALIA S. HADDAD (SBN 217068)   
TYPE OR PRINT NAME SIGNATURE OF PARTY OR ATTORNEY FOR PARTY

**NOTICE**

- Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 3.220.) Failure to file may result in sanctions.
- File this cover sheet in addition to any cover sheet required by local court rule.
- If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
- Unless this is a collections case under rule 3.740 or a complex case, this cover sheet will be used for statistical purposes only.

Page 1 of 2

COPY

SHORT TITLE: JK PER ANGUSTA AD FELICITAS LLC v. KUSKA, et al.

CASE NUMBER

NC060799

**CIVIL CASE COVER SHEET ADDENDUM AND  
STATEMENT OF LOCATION  
(CERTIFICATE OF GROUNDS FOR ASSIGNMENT TO COURTHOUSE LOCATION)**

This form is required pursuant to Local Rule 2.3 in all new civil case filings in the Los Angeles Superior Court.

**Step 1:** After completing the Civil Case Cover Sheet (Judicial Council form CM-010), find the exact case type in Column A that corresponds to the case type indicated in the Civil Case Cover Sheet.

**Step 2:** In Column B, check the box for the type of action that best describes the nature of the case.

**Step 3:** In Column C, circle the number which explains the reason for the court filing location you have chosen.

**Applicable Reasons for Choosing Court Filing Location (Column C)**

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>1. Class actions must be filed in the Stanley Mosk Courthouse, Central District.</li> <li>2. Permissive filing in central district.</li> <li>3. Location where cause of action arose.</li> <li>4. Mandatory personal injury filing in North District.</li> <li>5. Location where performance required or defendant resides.</li> <li>6. Location of property or permanently garaged vehicle.</li> </ul> | <ul style="list-style-type: none"> <li>7. Location where petitioner resides.</li> <li>8. Location wherein defendant/respondent functions wholly.</li> <li>9. Location where one or more of the parties reside.</li> <li>10. Location of Labor Commissioner Office.</li> <li>11. Mandatory filing location (Hub Cases – unlawful detainer, limited non-collection, limited collection, or personal injury).</li> </ul> |
|--|---|

Auto Tort  
  
Other Personal Injury/Property Damage/Wrongful Death Tort

A Civil Case Cover Sheet Category No.	B Type of Action: (Check only one)	C Applicable Reasons: (See Step 3 Above)
Auto Tort	<input type="checkbox"/> A7100 Motor Vehicle - Personal Injury/Property Damage/Wrongful Death	1, 4, 11
	<input type="checkbox"/> A7110 Personal Injury/Property Damage/Wrongful Death – Uninsured Motorist	1, 4, 11
Other Personal Injury/Property Damage/Wrongful Death Tort	<input type="checkbox"/> A6070 Asbestos Property Damage	1, 11
	<input type="checkbox"/> A7221 Asbestos - Personal Injury/Wrongful Death	1, 11
	<input type="checkbox"/> A7260 Product Liability (not asbestos or toxic/environmental)	1, 4, 11
	<input type="checkbox"/> A7210 Medical Malpractice - Physicians & Surgeons	1, 4, 11
	<input type="checkbox"/> A7240 Other Professional Health Care Malpractice	1, 4, 11
Other Personal Injury Property Damage Wrongful Death (23)	<input type="checkbox"/> A7250 Premises Liability (e.g., slip and fall)	1, 4, 11
	<input type="checkbox"/> A7230 Intentional Bodily Injury/Property Damage/Wrongful Death (e.g., assault, vandalism, etc.)	1, 4, 11
	<input type="checkbox"/> A7270 Intentional Infliction of Emotional Distress	1, 4, 11
	<input type="checkbox"/> A7220 Other Personal Injury/Property Damage/Wrongful Death	1, 4, 11

SHORT TITLE: JK PER ANGUSTA AD FELICITAS LLC v. KUSKA, et al.

CASE NUMBER

Non-Personal Injury/ Property  
Damage/ Wrongful Death Tort

A Civil Case Cover Sheet Category No.	B Type of Action (Check only one)	C/ Applicable Reasons - See Step 3 Above	
Business Tort (07)	<input type="checkbox"/> A6029 Other Commercial/Business Tort (not fraud/breach of contract)	1, 2, 3	
Civil Rights (08)	<input type="checkbox"/> A6005 Civil Rights/Discrimination	1, 2, 3	
Defamation (13)	<input type="checkbox"/> A6010 Defamation (slander/libel)	1, 2, 3	
Fraud (16)	<input type="checkbox"/> A6013 Fraud (no contract)	1, 2, 3	
Professional Negligence (25)	<input type="checkbox"/> A6017 Legal Malpractice	1, 2, 3	
	<input type="checkbox"/> A6050 Other Professional Malpractice (not medical or legal)	1, 2, 3	
Other (35)	<input type="checkbox"/> A6025 Other Non-Personal Injury/Property Damage tort	1, 2, 3	
Employment	Wrongful Termination (36)	<input type="checkbox"/> A6037 Wrongful Termination	1, 2, 3
	Other Employment (15)	<input type="checkbox"/> A6024 Other Employment Complaint Case	1, 2, 3
<input type="checkbox"/> A6109 Labor Commissioner Appeals		10	
Contract	Breach of Contract/ Warranty (06) (not insurance)	<input type="checkbox"/> A6004 Breach of Rental/Lease Contract (not unlawful detainer or wrongful eviction)	2, 5
		<input type="checkbox"/> A6008 Contract/Warranty Breach -Seller Plaintiff (no fraud/negligence)	2, 5
		<input type="checkbox"/> A6019 Negligent Breach of Contract/Warranty (no fraud)	1, 2, 5
		<input type="checkbox"/> A6028 Other Breach of Contract/Warranty (not fraud or negligence)	1, 2, 5
	Collections (09)	<input type="checkbox"/> A6002 Collections Case-Seller Plaintiff	5, 6, 11
<input type="checkbox"/> A6012 Other Promissory Note/Collections Case		5, 11	
<input type="checkbox"/> A6034 Collections Case-Purchased Debt (Charged Off Consumer Debt Purchased on or after January 1, 2014)		5, 6, 11	
Insurance Coverage (18)	<input type="checkbox"/> A6015 Insurance Coverage (not complex)	1, 2, 5, 8	
Other Contract (37)	<input type="checkbox"/> A6009 Contractual Fraud	1, 2, 3, 5	
	<input type="checkbox"/> A6031 Tortious Interference	1, 2, 3, 5	
	<input type="checkbox"/> A6027 Other Contract Dispute(not breach/insurance/fraud/negligence)	1, 2, 3, 8, 9	
Real Property	Eminent Domain/Inverse Condemnation (14)	<input type="checkbox"/> A7300 Eminent Domain/Condemnation      Number of parcels _____	2, 6
	Wrongful Eviction (33)	<input type="checkbox"/> A6023 Wrongful Eviction Case	2, 6
	Other Real Property (26)	<input type="checkbox"/> A6018 Mortgage Foreclosure	2, 6
<input checked="" type="checkbox"/> A6032 Quiet Title		2, 6	
<input type="checkbox"/> A6060 Other Real Property (not eminent domain, landlord/tenant, foreclosure)		2, 6	
Unlawful Detainer	Unlawful Detainer-Commercial (31)	<input type="checkbox"/> A6021 Unlawful Detainer-Commercial (not drugs or wrongful eviction)	6, 11
	Unlawful Detainer-Residential (32)	<input type="checkbox"/> A6020 Unlawful Detainer-Residential (not drugs or wrongful eviction)	6, 11
	Unlawful Detainer-Post-Foreclosure (34)	<input type="checkbox"/> A6020F Unlawful Detainer-Post-Foreclosure	2, 6, 11
	Unlawful Detainer-Drugs (38)	<input type="checkbox"/> A6022 Unlawful Detainer-Drugs	2, 6, 11

SHORT TITLE: JK PER ANGUSTA AD FELICITAS LLC v. KUSKA, et al.

CASE NUMBER

	<b>A</b> Civil Case Cover Sheet Category No.	<b>B</b> Type of Action (Check only one)	<b>C</b> Applicable Reasons - See Step 3 Above
<b>Judicial Review</b>	Asset Forfeiture (05)	<input type="checkbox"/> A6108 Asset Forfeiture Case	2, 3, 6
	Petition re Arbitration (11)	<input type="checkbox"/> A6115 Petition to Compel/Confirm/Vacate Arbitration	2, 5
	Writ of Mandate (02)	<input type="checkbox"/> A6151 Writ - Administrative Mandamus <input type="checkbox"/> A6152 Writ - Mandamus on Limited Court Case Matter <input type="checkbox"/> A6153 Writ - Other Limited Court Case Review	2, 8 2 2
	Other Judicial Review (39)	<input type="checkbox"/> A6150 Other Writ /Judicial Review	2, 8
<b>Provisionally Complex Litigation</b>	Antitrust/Trade Regulation (03)	<input type="checkbox"/> A6003 Antitrust/Trade Regulation	1, 2, 8
	Construction Defect (10)	<input type="checkbox"/> A6007 Construction Defect	1, 2, 3
	Claims Involving Mass Tort (40)	<input type="checkbox"/> A6006 Claims Involving Mass Tort	1, 2, 8
	Securities Litigation (28)	<input type="checkbox"/> A6035 Securities Litigation Case	1, 2, 8
	Toxic Tort Environmental (30)	<input type="checkbox"/> A6036 Toxic Tort/Environmental	1, 2, 3, 8
	Insurance Coverage Claims from Complex Case (41)	<input type="checkbox"/> A6014 Insurance Coverage/Subrogation (complex case only)	1, 2, 5, 8
<b>Enforcement of Judgment</b>	Enforcement of Judgment (20)	<input type="checkbox"/> A6141 Sister State Judgment	2, 5, 11
		<input type="checkbox"/> A6160 Abstract of Judgment	2, 6
		<input type="checkbox"/> A6107 Confession of Judgment (non-domestic relations)	2, 9
		<input type="checkbox"/> A6140 Administrative Agency Award (not unpaid taxes)	2, 8
		<input type="checkbox"/> A6114 Petition/Certificate for Entry of Judgment on Unpaid Tax	2, 8
		<input type="checkbox"/> A6112 Other Enforcement of Judgment Case	2, 8, 9
<b>Miscellaneous Civil Complaints</b>	RICO (27)	<input type="checkbox"/> A6033 Racketeering (RICO) Case	1, 2, 8
	Other Complaints (Not Specified Above) (42)	<input type="checkbox"/> A6030 Declaratory Relief Only	1, 2, 8
		<input type="checkbox"/> A6040 Injunctive Relief Only (not domestic/harassment)	2, 8
		<input type="checkbox"/> A6011 Other Commercial Complaint Case (non-tort/non-complex)	1, 2, 8
<input type="checkbox"/> A6000 Other Civil Complaint (non-tort/non-complex)		1, 2, 8	
<b>Miscellaneous Civil Petitions</b>	Partnership Corporation Governance (21)	<input type="checkbox"/> A6113 Partnership and Corporate Governance Case	2, 8
	Other Petitions (Not Specified Above) (43)	<input type="checkbox"/> A6121 Civil Harassment	2, 3, 9
		<input type="checkbox"/> A6123 Workplace Harassment	2, 3, 9
		<input type="checkbox"/> A6124 Elder/Dependent Adult Abuse Case	2, 3, 9
		<input type="checkbox"/> A6190 Election Contest	2
		<input type="checkbox"/> A6110 Petition for Change of Name/Change of Gender	2, 7
		<input type="checkbox"/> A6170 Petition for Relief from Late Claim Law	2, 3, 8
		<input type="checkbox"/> A6100 Other Civil Petition	2, 9

SHORT TITLE JK PER ANGUSTA AD FELICITAS LLC v. KUSKA, et al.

CASE NUMBER

**Step 4: Statement of Reason and Address:** Check the appropriate boxes for the numbers shown under Column C for the type of action that you have selected. Enter the address which is the basis for the filing location, including zip code. (No address required for class action cases).

REASON: <input type="checkbox"/> 1. <input type="checkbox"/> 2. <input type="checkbox"/> 3. <input type="checkbox"/> 4. <input type="checkbox"/> 5. <input checked="" type="checkbox"/> 6. <input type="checkbox"/> 7. <input type="checkbox"/> 8. <input type="checkbox"/> 9. <input type="checkbox"/> 10. <input type="checkbox"/> 11.			ADDRESS 3200 Long Beach Boulevard Long Beach, CA 90807-5062
CITY Long Beach	STATE CA	ZIP CODE 90807	

**Step 5: Certification of Assignment:** I certify that this case is properly filed in the SOUTH District of the Superior Court of California, County of Los Angeles [Code Civ. Proc., §392 et seq., and Local Rule 2.3(a)(1)(E)].

Dated: September 9<sup>th</sup>, 2016

  
(SIGNATURE OF ATTORNEY/FILING PARTY)  
ALIA S. HADDAD

PLEASE HAVE THE FOLLOWING ITEMS COMPLETED AND READY TO BE FILED IN ORDER TO PROPERLY COMMENCE YOUR NEW COURT CASE:

1. Original Complaint or Petition.
2. If filing a Complaint, a completed Summons form for issuance by the Clerk.
3. Civil Case Cover Sheet, Judicial Council form CM-010.
4. Civil Case Cover Sheet Addendum and Statement of Location form, LACIV 109, LASC Approved 03-04 (Rev. 02/16).
5. Payment in full of the filing fee, unless there is court order for waiver, partial or scheduled payments.
6. A signed order appointing the Guardian ad Litem, Judicial Council form CIV-010, if the plaintiff or petitioner is a minor under 18 years of age will be required by Court in order to issue a summons.
7. Additional copies of documents to be conformed by the Clerk. Copies of the cover sheet and this addendum must be served along with the summons and complaint, or other initiating pleading in the case.

COPY

1 FIDELITY NATIONAL LAW GROUP  
2 ALIA S. HADDAD (SBN 217068)  
3 915 Wilshire Boulevard, Suite 2100  
4 Los Angeles, California 90017-3450  
5 Telephone: (213) 438-7218  
6 Facsimile: (213) 438-4417  
7 Email: [alia.haddad@fnf.com](mailto:alia.haddad@fnf.com)

CONFIRMED COPY  
ORIGINAL FILED  
Superior Court of California  
County of Los Angeles

SEP 09 2016

Sherri R. Carter, Executive Officer/Clerk  
By M. Pettis, Deputy  
M. Pettis

8 Attorneys for Plaintiff,  
9 JK PER ANGUSTA AD FELICITAS LLC

CASE MANAGEMENT REVIEW

91

FEB 8 6 2017

SUPERIOR COURT FOR THE STATE OF CALIFORNIA

IN DEPARTMENT

27

COUNTY OF LOS ANGELES - SOUTH DISTRICT

11 JK PER ANGUSTA AD FELICITAS LLC, a  
12 California limited liability company

Case No.: NC060799

13 Plaintiff,

COMPLAINT FOR:

14 vs.

- 1. DECLARATORY ACTION;
- 2. CANCELLATION OF INSTRUMENT
- 3. BREACH OF WARRANTY/IMPLIED COVENANT; AND
- 4. BREACH OF CONTRACT

15 MARGARET KUSKA, an individual;  
16 CAROLINE WARNER TUGEL, an individual;  
17 RICHARD S. WARNER AND TARA J. WARNER, Trustees of the RICHARD S.  
18 WARNER AND TARA J. WARNER FAMILY TRUST 1993; KHALED A. TAWANSY, an individual; and DOES 1-20, inclusive,

19 Defendants.

21 Plaintiff JK PER ANGUSTA AD FELICITAS LLC hereby alleges as follows:

22 JURISDICTION

23 1. This action pertains to real property commonly known as 3200 Long Beach  
24 Boulevard, Long Beach, California 90807-5062 and legally described as:

25 PARCEL 1:

26 LOTS 17, 18 AND 19 IN BLOCK "A" OF TRACT 2901, IN THE CITY OF  
27 LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS  
28 PER MAP RECORDED IN BOOK 36 PAGE(S) 63 OF MAPS IN THE OFFICE  
OF THE COUNTY RECORDER OF SAID COUNTY, TOGETHER WITH  
THAT PORTION OF THE WESTERLY HALF OF THAT CERTAIN ALLEY,  
20 FEET WIDE, AS SHOWN AND DEDICATED UPON THE MAP OF SAID

1 TRACT NO. 2901, WHICH ADJOINS SAID LOTS ON THE EAST, VACATED  
2 BY RESOLUTION NO. C-22311 OF THE CITY COUNCIL OF SAID CITY, A  
3 COPY OF WHICH WAS RECORDED AUGUST 1, 1977 AS INSTRUMENT  
4 NO. 77-833919, BOUNDED NORTHERLY BY THE EASTERLY  
5 PROLONGATION OF THE NORTHERLY LINE OF SAID LOT 17, AND  
6 BOUNDED SOUTHERLY BY THE EASTERLY PROLONGATION OF THE  
7 SOUTHERLY LINE OF SAID LOT 19.

8 EXCEPT THEREFROM ALL OIL MINERALS, AND OTHER  
9 HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND LYING  
10 BELOW A DEPTH OF 500 FEET FROM THE SURFACE, WITHOUT  
11 HOWEVER, THE RIGHT TO USE ANY PART OF THE SURFACE THEREOF,  
12 AS EXCEPTED AND RESERVED IN VARIOUS DEEDS RECORDED JULY  
13 17, 1964.

14 PARCEL 2:

15 LOTS 36, 37 AND 38 IN BLOCK "A" OF TRACT 2901, AS PER MAP  
16 RECORDED IN BOOK 36, PAGE 63 OF MAPS, IN THE OFFICE OF THE  
17 COUNTY RECORDER OF SAID COUNTY, TOGETHER WITH THAT  
18 PORTION OF THE EASTERLY HALF OF THAT CERTAIN ALLEY, 20 FEET  
19 WIDE, AS SHOWN AND DEDICATED UPON THE MAP OF SAID TRACT  
20 2901, WHICH ADJOINS SAID LOTS ON THE WEST, VACATED BY  
21 RESOLUTION NO. C-2231 OF THE CITY COUNCIL OF SAID CITY, A  
22 COPY OF WHICH RECORDED AUGUST 1, 1977 AS INSTRUMENT NO. 77-  
23 833919, BOUNDED NORTHERLY BY THE WESTERLY PROLONGATION  
24 OF THE NORTHERLY LINE OF SAID LOT 36, AND BOUNDED  
25 SOUTHERLY BY THE WESTERLY PROLONGATION OF THE  
26 SOUTHERLY LINE OF SAID LOT 38.

27 Assessor's Parcel No. 7207-001-030; 7207-001-033; 7207-001-034

28 (The "Property").

### PARTIES

1. Plaintiff JK PER ANGUSTA AD FELICITAS LLC (hereafter "Plaintiff") is and at all times relevant hereto was a California limited liability company authorized to do business in the State of California.

2. Plaintiff is informed and believes and thereon alleges that Defendant MARGARET KUSKA, is and at all times relevant hereto was an individual residing within the State of Montana.

3. Plaintiff is informed and believes and thereon alleges that Defendant CAROLINE WARNER TUGEL, is and at all times relevant hereto was an individual residing within the State of Oregon.

4. Plaintiff is informed and believes and thereon alleges that Defendants RICHARD S. WARNER AND TARA J. WARNER, Trustees of the RICHARD S. WARNER AND TARA

1 J. WARNER FAMILY TRUST 1993 ("Warner Trustees"), are and at all times relevant hereto  
2 were individuals residing within the State of California.

3 7. Plaintiff is informed and believes and thereon alleges that Defendant KHALED A.  
4 TAWANSY, is and at all times relevant hereto was an individual residing within the State of  
5 California.

6 8. Defendants named herein as DOES 1 through 20, inclusive are sued under  
7 fictitious names. Such names and capacities are unknown to Plaintiff. When their true names are  
8 ascertained, Plaintiff will amend this Complaint by inserting their true names and capacities.  
9 Plaintiff is informed and believes, and thereon alleges, that each defendant named as a Doe is also  
10 responsible for each and every obligation hereinafter set forth, proximately caused the damages  
11 suffered by Plaintiff as hereinafter as set forth, or claims some right, title or interest in the  
12 property, which right, title or interest, if any, is junior and inferior to Plaintiff's interests.

13 9. Plaintiff is informed and believes and based thereon alleges that Defendants, and  
14 each of them, were acting as agents, servants, employees, and joint ventures of the other  
15 Defendants, and each of them, and at all times mentioned herein, were acting within the course  
16 and scope of said agency, service, employment, and furtherance of said joint venture.

17 **COMMON ALLEGATIONS**

18 10. On or about June 7, 2012, Defendants Kuska, Tugel and the Warner Trustees  
19 (collectively, the "Warner Defendants") sold the Property to Defendant Dr. Tawansy. A grant  
20 deed was recorded on June 7, 2012 in the Los Angeles County Recorder's Office as Instrument  
21 No. 20120849229. (**Exhibit A.**)

22 11. On information and belief, the Warner Defendants offered Dr. Tawansy a carry-  
23 back loan in the amount of \$1,475,000 as part of the consideration for purchase of the Property.  
24 This carry-back loan was secured by a deed of trust recorded on June 7, 2012 in the Los Angeles  
25 County Recorder's Office as Instrument No. 20120849230 ("Warner DOT"). (**Exhibit B.**)

26 12. On or about December 27, 2013, Dr. Tawansy entered into a Purchase and Sale  
27 Agreement with Plaintiff JK Per Angusta Ad Felicitas, LLC. (**Exhibit C.**) Plaintiff agreed to  
28 purchase the Property for \$ 1,450,000.00. Only Escrow, Inc. served as the escrow officer. In the

1 course of escrow, the Warner Defendants provided a Beneficiary's Demand of Pay-Off of the  
2 Warner DOT. On or about June 23, 2014, the Warner Defendants provided Only Escrow with a  
3 Beneficiary's Demand for Payoff in the amount of \$1,275,021.71 that would expire on June 23,  
4 2014. (Exhibit D.)

5 13. The next morning, on June 24, 2014, Richard Warner, on behalf of the Warner  
6 Defendants, confirmed via e-mail that they would accept \$1,275,021.71 as payment in full as  
7 contained in the Demand. Based upon this written confirmation from Richard Warner, the full  
8 amount was wired to Del Toro Loan Servicing, Inc. in accordance with their instruction.

9 14. The Warner Defendants also required the delivery of a promissory note signed by  
10 Defendant Dr. Tawansy in the amount of \$30,500, payable within one year. On information and  
11 belief, the signed promissory note was delivered. Also, on information and belief, all conditions  
12 of the Demand were met and escrow closed.

13 15. Escrow closed on June 24, 2014. Dr. Tawansy conveyed his interest in the  
14 Property to Plaintiff on or about June 17, 2014 ("Vesting Grant Deed"). A Vesting Grant Deed  
15 was recorded on June 24, 2014 in the Los Angeles County Recorder's Office as Instrument No.  
16 20140650481. (Exhibit E.)

17 16. Sometime in mid-2016, Plaintiff discovered that the Warner DOT was never  
18 reconveyed as it should have been. Plaintiff's counsel reached out to the Warner Defendants  
19 regarding the oversight. Rather than reconveying the Warner DOT, the Warner Defendants have  
20 refused to reconvey the Warner DOT despite the fact that conditions of the Demand, on  
21 information and belief, had been met.

22 17. The Warner Defendants allege that Defendant Dr. Tawansy has failed to meet his  
23 obligation under the promissory note, and on that basis, mistakenly refuse to reconvey the Warner  
24 DOT. They claim that Dr. Tawansy's breach of the promissory note nullified Demand of Pay-  
25 Off. However, if true, this claim is completely misplaced - the Warner Defendants' remedy is to  
26 pursue Dr. Tawansy for breach of the promissory note - not refuse to reconvey the Warner DOT.

27 ///

28 ///

1 **FIRST CAUSE OF ACTION**

2 **(For Declaratory Action Against Margaret Kuska, Caroline Warner Tugel, Warner Trust**  
3 **Trustees and DOES 1 through 10)**

4 18. Plaintiff re-alleges and incorporates by reference each and every allegation  
5 contained in paragraphs 1 through 17, inclusive, as though fully set forth herein.

6 19. An actual controversy has arisen and now exists between Plaintiff and Defendants,  
7 in that Plaintiff contends that the carry-back loan has been paid pursuant to the Demand of Pay-  
8 off and that Warner DOT should have been reconveyed. Defendants have no basis to assert that  
9 the Warner DOT encumbers the Property.

10 20. Defendants, on the other hand, contend that Dr. Tawansy's alleged non-payment  
11 of the promissory note somehow releases them from acceptance of the Demand on the morning of  
12 June 24, 2014 and of their obligation to reconvey the Warner DOT. Plaintiff disputes these  
13 contentions.

14 21. A judicial determination is necessary and appropriate at this time in order that  
15 Plaintiff may ascertain their rights and duties with respect to the Property.

16 **SECOND CAUSE OF ACTION**

17 **(For Cancellation of Instrument Against Margaret Kuska, Caroline Warner Tugel, Warner**  
18 **Trustee and DOES 1 through 10)**

19 22. Plaintiff re-alleges and incorporates by reference each and every allegation  
20 contained in paragraphs 1 through 21, inclusive, as though fully set forth herein.

21 23. As discussed above, the Warner DOT should have been reconveyed because the  
22 conditions of the Demand for Pay-Off were met.

23 24. Unless the Warner DOT is cancelled, it will cause serious injury to Plaintiff, in  
24 that it improperly encumbers the Property and impairs the marketability of Plaintiff's Property.  
25 Furthermore, Plaintiff remains susceptible to wrongful foreclosure proceedings pursuant to the  
26 Warner DOT.

27 25. By reason of the foregoing, cancellation of the Warner DOT is necessary and  
28 proper.



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WHEREFORE, Plaintiff prays that:

On the First Cause of Action for Declaratory Action

1. For a judgment declaring that the Warner DOT was reconveyed as of June 24, 2014;

On the Second Cause of Action for Cancellation of Instrument

2. For a judgment declaring and establishing that the Warner DOT is cancelled;

On the Third and Fourth Causes of Action for Breach of Warranty and Breach of Contract

3. Or in the alternative, for money judgment in the amount of approximately \$240,000 to satisfy the outstanding balance of the loan necessary to reconvey the Warner Deed of Trust, in the event the Court determines that the Warner Defendants are entitled to the additional monies;

4. For attorney's fees and for costs of suit as permitted by law;

5. Post-judgment interest; and

For such other and further relief as the Court deems just and proper.

Date: September 9<sup>th</sup>, 2016

FIDELITY NATIONAL LAW GROUP



ALIA S. HADDAD, Esq.  
Attorney for Plaintiff  
JK PER ANGUSTA AD FELICITAS LLC

# EXHIBIT A

# EXHIBIT A

Page 1

Escrow No. 116765628 -X04

SIGNATURE      EXHIBIT

\_\_\_\_\_  
MARGARET KUSKA

*Caroline Warner Tugel*  
\_\_\_\_\_  
CAROLINE WARNER TUGEL

RICHARD S. WARNER AND TARA J. WARNER FAMILY TRUST 1993

\_\_\_\_\_  
RICHARD S. WARNER, TRUSTEE

\_\_\_\_\_  
TARA J. WARNER, TRUSTEE

DEED650-00/09/94bk

RECORDING REQUESTED BY  
CHICAGO TITLE COMPANY  
AND WHEN RECORDED MAIL TO

KHALED A TAWANSY, MD  
C/O 7447 N. FIGUEROA ST.  
#200  
LOS ANGELES CA 90041

Escrow No. 116765628 - X04  
Order No. 116765628 -

SPACE ABOVE THIS LINE FOR RECORDERS USE

Assessor's Parcel No.  
7207-001-030,033,034

### GRANT DEED

THE UNDERSIGNED GRANTOR(S) DECLARE(S)  
DOCUMENTARY TRANSFER TAX IS \$ --  
 unincorporated area  City of LONG BEACH  
 computed on the full value of the interest or property conveyed, or is  
 computed on the full value less the value of liens or encumbrances remaining at time of sale, and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,  
MARGARET KUSKA, A MARRIED WOMAN, AS HER SOLE AND SEPARATE PROPERTY, WHO ACQUIRED  
TITLE AS AND IS FORMERLY KNOWN AS MARGARET WARNER HALLISEY; CAROLINE WARNER TUGEL, AN  
UNMARRIED WOMAN AND RICHARD S. WARNER AND TARA J. WARNER, TRUSTEES OF THE RICHARD S.  
WARNER AND TARA J. WARNER FAMILY TRUST 1993, AS THE SOLE AND SEPARATE PROPERTY OF  
RICHARD S. WARNER

hereby GRANT(S) to  
KHALED A TAWANSY, MD, A SINGLE MAN

the following described real property in the City of LONG BEACH  
County of LOS ANGELES, State of California:  
SEE EXHIBIT 'A' WHICH IS ATTACHED HERETO AND MADE A PART HEREOF

EXECUTED IN COUNTERPART

Dated May 23, 2012

SEE SIGNATURE EXHIBIT ATTACHED HERETO

STATE OF CALIFORNIA )  
COUNTY OF LOS ANGELES ) SS.  
On 05-24-2012 before me,

JEONG KOO RHO  
Notary Public, personally appeared  
RICHARD S. WARNER & TARA  
S. WARNER

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



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

WITNESS my hand and official seal.  
[Signature]  
Signature of Notary

09-09-2013  
Date My Commission Expires

FOR NOTARY SEAL OR STAMP

MAIL TAX STATEMENTS TO PARTY SHOWN ON FOLLOWING LINE: IF NO PARTY SO SHOWN, MAIL AS DIRECTED ABOVE

Name Street Address City, State & Zip

Page 1

Escrow No. 116765628 -X04

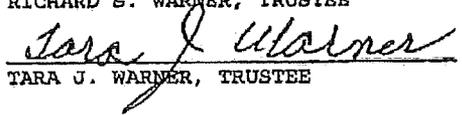
SIGNATURE      EXHIBIT

\_\_\_\_\_  
MARGARET KUSKA

\_\_\_\_\_  
CAROLINE WARNER TUGEL

RICHARD S. WARNER AND TARA J. WARNER FAMILY TRUST 1993

  
\_\_\_\_\_  
RICHARD S. WARNER, TRUSTEE

  
\_\_\_\_\_  
TARA J. WARNER, TRUSTEE

DEEDS169-03/09/14/14

RECORDING REQUESTED BY  
CHICAGO TITLE COMPANY  
AND WHEN RECORDED MAIL TO

KHALED A TAWANSY, MD  
C/O 7447 N. FIGUEROA ST.  
#200  
LOS ANGELES CA 90041

Escrow No. 116765628 - K04  
Order No. 116765628 -

SPACE ABOVE THIS LINE FOR RECORDERS USE

Assessor's Parcel No.  
7207-001-030,033,034

### GRANT DEED

THE UNDERSIGNED GRANTOR(S) DECLARE(S)  
DOCUMENTARY TRANSFER TAX IS

unincorporated area  City of LONG BEACH

computed on the full value of the interest or property conveyed, or is

computed on the full value less the value of liens or encumbrances remaining at time of sale, and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

MARGARET KUSKA, A MARRIED WOMAN, AS HER SOLE AND SEPARATE PROPERTY, WHO ACQUIRED TITLE AS AND IS FORMERLY KNOWN AS MARGARET WARNER HALLISEY; CAROLINE WARNER TUGEL, AN UNMARRIED WOMAN AND RICHARD S. WARNER AND TARA J. WARNER, TRUSTEES OF THE RICHARD S. WARNER AND TARA J. WARNER FAMILY TRUST 1993, AS THE SOLE AND SEPARATE PROPERTY OF RICHARD S. WARNER

hereby GRANT(S) to  
KHALED A TAWANSY, MD, A SINGLE MAN

the following described real property in the City of LONG BEACH  
County of LOS ANGELES, State of California:  
SEE EXHIBIT 'A' WHICH IS ATTACHED HERETO AND MADE A PART HEREOF

EXECUTED IN COUNTERPART

Dated May 23, 2012

SEE SIGNATURE EXHIBIT ATTACHED HERETO

STATE OF Montana  
COUNTY OF Flathead ) SS.

On May 23, 2012 before me,

Kristy Oster

Notary Public, personally appeared

Margaret Kuska

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.

Kristy Oster  
Signature of Notary

Feb 1, 2014  
Date My Commission Expires

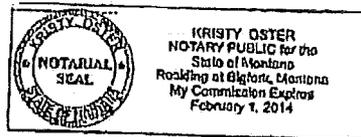
FOR NOTARY SEAL OR STAMP

MAIL TAX STATEMENTS TO PARTY SHOWN ON FOLLOWING LINE: IF NO PARTY SO SHOWN, MAIL AS DIRECTED ABOVE

Name

Street Address

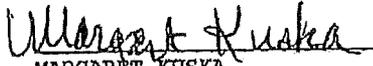
City, State & Zip



Page 1

Escrow No. 11676562B -X04

SIGNATURE      EXHIBIT

  
MARGARET KUSKA

\_\_\_\_\_  
CAROLINE WARNER TUGEL

RICHARD S. WARNER AND TARA J. WARNER FAMILY TRUST 1993

\_\_\_\_\_  
RICHARD S. WARNER, TRUSTEE

\_\_\_\_\_  
TARA J. WARNER, TRUSTEE

DEEDRIGB-00/09/04-k

# EXHIBIT A

## LEGAL DESCRIPTION

Real property in the City of Long Beach, County of Los Angeles, State of California, described as follows:

### PARCEL 1:

LOTS 17, 18 AND 19 IN BLOCK "A" OF TRACT NO. 2901, IN THE CITY OF LONG BEACH, AS PER MAP RECORDED IN BOOK 36 PAGE 63 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY, TOGETHER WITH THAT PORTION OF THE WESTERLY HALF OF THAT CERTAIN ALLEY, 20 FEET WIDE, AS SHOWN AND DEDICATED UPON THE MAP OF SAID TRACT NO. 2901, WHICH ADJOINS SAID LOTS ON THE EAST, VACATED BY RESOLUTION NO. C-22311 OF THE CITY COUNCIL OF SAID CITY, A COPY OF WHICH WAS RECORDED AUGUST 1, 1977 AS INSTRUMENT NO. 77-833919, BOUNDED NORTHERLY BY THE EASTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID LOT 17, AND BOUNDED SOUTHERLY BY THE EASTERLY PROLONGATION OF THE SOUTHERLY LINE OF SAID LOT 19.

EXCEPT THEREFROM ALL OIL, MINERALS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, WITHOUT, HOWEVER, THE RIGHT TO USE ANY PART OF THE SURFACE THEREOF.

### PARCEL 2:

LOTS 36, 37 AND 38 IN BLOCK "A" OF TRACT NO. 2901, IN THE CITY OF LONG BEACH, AS PER MAP RECORDED IN BOOK 36 PAGE 63 OF MAPS, IN THE OFFICE OF THE LOS ANGELES COUNTY RECORDER'S OFFICE, TOGETHER WITH THAT PORTION OF THE EASTERLY HALF OF THAT CERTAIN ALLEY, 20 FEET WIDE, AS SHOWN AND DEDICATED UPON THE MAP OF SAID TRACT NO. 2901 WHICH ADJOINS SAID LOTS ON THE WEST, VACATED BY RESOLUTION NO. C-2231 OF THE CITY COUNCIL OF SAID CITY, A COPY OF WHICH RECORDED AUGUST 1, 1977 AS INSTRUMENT NO. 77-833919, BOUNDED NORTHERLY BY THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID LOT 36, AND BOUNDED SOUTHERLY BY THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF SAID LOT 38.

APN: 7207-001-030 and 7207-001-033 and 7207-001-034

Order No.: 92002-1141888-12

# EXHIBIT B

# EXHIBIT B

This page is part of your document - DO NOT DISCARD



20120849230



Pages:  
0007

Recorded/Filed in Official Records  
Recorder's Office, Los Angeles County,  
California

06/07/12 AT 08:00AM

FEEES:	55.00
TAXES:	0.00
OTHER:	0.00
PAID:	55.00



LEADSHEET



201206070110006

00005930799



004050410

SEQ:  
14

DAR - Title Company (Hard Copy)



THIS FORM IS NOT TO BE DUPLICATED

T10

674071

RECORDING REQUESTED BY  
CHICAGO TITLE COMPANY  
AND WHEN RECORDED MAIL TO

RICHARD S. WARNER, ET AL  
C/O 13428 PALM DR.  
CERRITOS, CA 90703



Escrow No. 116765628 -X04  
Order No. 116765628 -

SPACE ABOVE THIS LINE FOR RECORDER'S USE  
Assessor's Parcel No:  
7207-001-030,033,034

**DEED OF TRUST WITH ASSIGNMENT OF RENTS AS ADDITIONAL SECURITY**

This DEED OF TRUST, made this 1ST day of June, 2012, between  
KHALED A TAWANSY, MD, A SINGLE MAN

herein called TRUSTOR, whose address is C/O 7447 N. FIGUEROA ST #200, LOS ANGELES, CALIFORNIA 90041

CHICAGO TITLE COMPANY, a California Corporation herein called TRUSTEE, and  
RICHARD S. WARNER AND TARA J. WARNER, TRUSTEES OF THE RICHARD J. WARNER AND TARA J.  
WARNER FAMILY TRUST 1993, AS THE SOLE AND SEPARATE PROPERTY OF RICHARD S. WARNER, AS  
TO AN UNDIVIDED 56.58% INTEREST; AND CAROLINE WARNER TUGEL, AN UNMARRIED WOMAN, AS  
TO AN UNDIVIDED 21.71% INTEREST; AND MARGARET KUSKA, A MARRIED WOMAN, AS HER SOLE AND  
SEPARATE PROPERTY, AS TO AN UNDIVIDED 21.71% INTEREST, ALL AS TENANTS IN COMMON

herein called BENEFICIARY, Trustor irrevocably grants, transfers and assigns to Trustee In Trust, with Power of Sale  
that property in the City of LONG BEACH County LOS ANGELES  
California, described as:

SEE EXHIBIT 'A' WHICH IS ATTACHED HERETO

**ADDITIONAL PROVISIONS EXHIBIT ATTACHED AND MADE A PART HEREOF BY REFERENCE**

Together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon  
Beneficiary to collect and apply such rents, issues and profits.

For the Purpose of Securing (1) payment of the sum of \$1,475,000.00 with interest thereon according to the terms of a  
promissory note or notes of even date herewith made by Trustor, payable to order of Beneficiary, and extensions or renewals thereof; (2) the  
performance of each agreement of Trustor incorporated by reference or contained herein or reciting it is so secured; (3) Payment of additional sums  
and interest thereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a promissory note or notes reciting  
that they are secured by this Deed of Trust

DTIPG1-05/08/04bk

Page 1

140

Escrow No: 116765628 X04

Assessor's Parcel No: 7207-001-030,033,034

**ADDITIONAL PROVISIONS EXHIBIT**

DUE ON SALE CLAUSE: IN THE EVENT THE TRUSTOR SELLS OR TRANSFERS TITLE TO THE PROPERTY OR ANY PORTION THEREOF, THEN THE BENEFICIARY MAY, AT BENEFICIARY'S OPTION, REQUIRE THE ENTIRE UNPAID BALANCE OF THIS NOTE TO BE IMMEDIATELY PAID IN FULL.

THIS IS A PURCHASE MONEY FIRST TRUST DEED.

TDPROV-08/08/04bk

Escrow No: 116765628 X04

Assessor's Parcel No: 7207-001-030,033,034

To protect the security of this Deed of Trust, and with respect to the property above described, Trustor expressly makes each and all of the agreements, and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A of that certain Fiduciary Deed of Trust referenced herein, and it is mutually agreed that all of the provisions set forth in subdivision B of that certain Fiduciary Deed of Trust recorded in the book and page of Official Records in the office of the county recorder of the county where said property is located, noted below opposite the name of such county, namely:

COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOKPAGE	COUNTY	BOOK PAGE
Alameda	1288	556	Kings	858	713	Placer	1028 379	Sierra	38 187
Alpine	3	130-31	Lake	437	110	Plumas	166 1307	Siskiyou	506 762
Amador	133	438	Lassen	192	367	Riverside	3778 347	Solano	1287 621
Butte	1330	513	Los Angeles	T-3878	874	Sacramento	71-10-26 615	Sonoma	2067 427
Calaveras	185	338	Madera	911	136	San Benito	300 405	Stanislaus	1970 56
Colusa	323	391	Marin	1849	122	San Bernardino	6213 768	Sutter	655 585
Contra Costa	4684	1	Mariposa	90	453	San Francisco	A-804 596	Tehama	457 183
Del Norte	101	549	Mendocino	667	99	San Joaquin	2855 283	Trinity	108 595
El Dorado	704	635	Merced	1660	753	San Luis Obispo	1311 137	Tulare	2530 108
Fresno	5052	623	Modoc	191	93	San Mateo	4778 175	Tuolumne	177 160
Glenn	469	76	Mono	69	302	Santa Barbara	2065 881	Ventura	2607 237
Humboldt	801	83	Monterey	357	239	Santa Clara	6626 664	Yolo	769 16
Imperial	1189	701	Napa	704	742	Santa Cruz	1638 607	Yuba	398 693
Inyo	165	672	Nevada	363	94	Shasta	800 633		
Kern	3756	690	Orange	7182	18	San Diego Series 5 Book 1964,	Page 149774		

shall inure to and bind the parties hereto, with respect to the property above described. Said agreements, terms and provisions contained in said subdivisions A and B, (identical in all counties) are printed on the following pages hereof, and are by the within reference thereto, incorporated herein and made a part of this Deed of Trust for all purposes as fully as if set forth at length herein, and Beneficiary may charge for a statement regarding the obligation secured hereby, provided the charge thereof does not exceed the maximum allowed by laws.

The undersigned Trustor, requests that a copy of any notice of default and any notice of sale hereunder be mailed to him at his address hereinbefore set forth.

*Khaled A. Tawansy MD*  
KHALED A TAWANSY, MD

STATE OF CALIFORNIA  
COUNTY OF Los Angeles ) S.S.

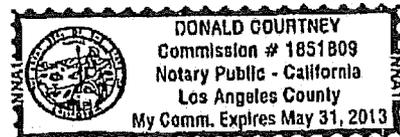
On 6-1-2012 before me,  
Donald Courtney Notary Public  
personally appeared  
Khaled A. Tawansy

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]*  
NOTARY'S SIGNATURE



(THIS AREA FOR OFFICIAL NOTARIAL SEAL OR STAMP)

**DO NOT RECORD**

The following is a copy of Subdivisions A and B of the fictitious Deed of Trust recorded in each county in California as stated in the foregoing Deed of Trust and incorporated by reference in said Deed of Trust as being a part thereof as if set forth at length therein.

A To protect the security of this Deed of Trust, Trustor agrees:

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

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

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

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

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

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

B. It is mutually agreed:

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

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

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

(4) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The Grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

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

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

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

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

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

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

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

**DO NOT RECORD REQUEST FOR FULL RECONVEYANCE**

TO CHICAGO TITLE COMPANY

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

Dated \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Please mail Deed of Trust,  
Note and Reconveyance to \_\_\_\_\_

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

# EXHIBIT A

## EXHIBIT "A"



### LEGAL DESCRIPTION

Real property in the City of Long Beach, County of Los Angeles, State of California, described as follows:

#### PARCEL 1:

LOTS 17, 18 AND 19 IN BLOCK "A" OF TRACT NO. 2901, IN THE CITY OF LONG BEACH, AS PER MAP RECORDED IN BOOK 36 PAGE 63 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY, TOGETHER WITH THAT PORTION OF THE WESTERLY HALF OF THAT CERTAIN ALLEY, 20 FEET WIDE, AS SHOWN AND DEDICATED UPON THE MAP OF SAID TRACT NO. 2901, WHICH ADJOINS SAID LOTS ON THE EAST, VACATED BY RESOLUTION NO. C-22311 OF THE CITY COUNCIL OF SAID CITY, A COPY OF WHICH WAS RECORDED AUGUST 1, 1977 AS INSTRUMENT NO. 77-833919, BOUNDED NORTHERLY BY THE EASTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID LOT 17, AND BOUNDED SOUTHERLY BY THE EASTERLY PROLONGATION OF THE SOUTHERLY LINE OF SAID LOT 19.

EXCEPT THEREFROM ALL OIL, MINERALS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, WITHOUT, HOWEVER, THE RIGHT TO USE ANY PART OF THE SURFACE THEREOF.

#### PARCEL 2:

LOTS 36, 37 AND 38 IN BLOCK "A" OF TRACT NO. 2901, IN THE CITY OF LONG BEACH, AS PER MAP RECORDED IN BOOK 36 PAGE 63 OF MAPS, IN THE OFFICE OF THE LOS ANGELES COUNTY RECORDER'S OFFICE, TOGETHER WITH THAT PORTION OF THE EASTERLY HALF OF THAT CERTAIN ALLEY, 20 FEET WIDE, AS SHOWN AND DEDICATED UPON THE MAP OF SAID TRACT NO. 2901 WHICH ADJOINS SAID LOTS ON THE WEST, VACATED BY RESOLUTION NO. C-22311 OF THE CITY COUNCIL OF SAID CITY, A COPY OF WHICH RECORDED AUGUST 1, 1977 AS INSTRUMENT NO. 77-833919, BOUNDED NORTHERLY BY THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID LOT 36, AND BOUNDED SOUTHERLY BY THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF SAID LOT 38.

APN: 7207-001-030 and 7207-001-033 and 7207-001-034

Order No.: 92002-1141888-12

# EXHIBIT C

# EXHIBIT C



CALIFORNIA  
ASSOCIATION  
OF REALTORS®

**COMMERCIAL PROPERTY PURCHASE AGREEMENT  
AND JOINT ESCROW INSTRUCTIONS**  
(NON-RESIDENTIAL)  
(C.A.R. Form CPA, Revised 4/13)

Date: D ber 27, 2013

**1. OFFER:**

- A. THIS IS AN OFFER FROM** Jennifer Kaur Rodriguez Bohal or assignee/nominee ("Buyer").  
 Individual(s),  A Corporation,  A Partnership,  An LLC,  An LLP, or  Other to be advised before COE .  
**B. THE REAL PROPERTY TO BE ACQUIRED** is described as 3200 North Long Beach Boulevard  
Long Beach, CA 90807, Assessor's Parcel No. 7207-001-030, situated in  
Long Beach, County of Los Angeles, California, ("Property").  
**C. THE PURCHASE PRICE** offered is One Million, Four Hundred Fifty Thousand (Dollars \$ 1,450,000.00).

**D. CLOSE OF ESCROW** shall occur on \_\_\_\_\_ (date) (or  60 Days After Acceptance).

**2. AGENCY:**

**A. POTENTIALLY COMPETING BUYERS AND SELLERS:** Buyer and Seller each acknowledge receipt of a disclosure of the possibility of multiple representation by the Broker representing that principal. This disclosure may be part of a listing agreement, buyer-representation agreement or separate document (C.A.R. Form DA). Buyer understands that Broker representing Buyer may also represent other potential buyers, who may consider, make offers on or ultimately acquire the Property. Seller understands that Broker representing Seller may also represent other sellers with competing properties of interest to this Buyer.

**B. CONFIRMATION:** The following agency relationships are hereby confirmed for this transaction:  
 Listing Agent None (Print Firm Name) is the agent of (check one):  the Seller exclusively; or  both the Buyer and Seller.  
 Selling Agent None (Print Firm Name) (if not same as Listing Agent) is the agent of (check one):  the Buyer exclusively; or  the Seller exclusively; or  both the Buyer and Seller.  
 Real Estate Brokers are not parties to the Agreement between Buyer and Seller.

**3. FINANCE TERMS:** Buyer represents that funds will be good when deposited with Escrow Holder.

**A. INITIAL DEPOSIT:** Deposit shall be in the amount of ..... \$ 43,500.00  
 (1) Buyer shall deliver deposit directly to Escrow Holder by personal check,  electronic funds transfer,  Other \_\_\_\_\_ within 3 business days after acceptance (or  Other \_\_\_\_\_);  
 OR (2) (if checked)  Buyer has given the deposit by personal check (or  \_\_\_\_\_) to the agent submitting the offer (or to  \_\_\_\_\_), made payable to \_\_\_\_\_ The deposit shall be held uncashed until Acceptance and then deposited with Escrow Holder (or  into Broker's trust account) within 3 business days after Acceptance (or  Other \_\_\_\_\_).

**B. INCREASED DEPOSIT:** Buyer shall deposit with Escrow Holder an increased deposit in the amount of .. \$ \_\_\_\_\_ within \_\_\_\_\_ Days After Acceptance, or  \_\_\_\_\_.

**C. LOAN(S):**  
 (1) **FIRST LOAN** in the amount of ..... \$ 725,000.00  
 This loan will be conventional financing or, if checked,  Seller (C.A.R. Form SFA),  assumed (C.A.R. Form PAA),  subject to financing,  Other \_\_\_\_\_. This loan shall be at a fixed rate not to exceed \_\_\_\_\_ % or,  an adjustable rate loan with initial rate not to exceed \_\_\_\_\_ %. Regardless of the type of loan, Buyer shall pay points not to exceed \_\_\_\_\_ % of the loan amount.  
 (2)  **SECOND LOAN** in the amount of ..... \$ 580,000.00  
 This loan will be conventional financing or, if checked,  Seller (C.A.R. Form SFA),  assumed (C.A.R. Form PAA),  subject to financing,  Other \_\_\_\_\_. This loan shall be at a fixed rate not to exceed \_\_\_\_\_ % or,  an adjustable rate loan with initial rate not to exceed \_\_\_\_\_ %. Regardless of the type of loan, Buyer shall pay points not to exceed \_\_\_\_\_ % of the loan amount.

**D. ADDITIONAL FINANCING TERMS:** Buyer shall apply for a SBA (504) loan, in case of denial buyer shall accept a SBA 7(a) loan instead

**E. BALANCE OF PURCHASE PRICE OR DOWN PAYMENT** in the amount of ..... \$ 101,500.00 to be deposited with Escrow Holder within sufficient time to close escrow.

**F. PURCHASE PRICE (TOTAL):** ..... \$ 1,450,000.00

**G. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS:** Buyer (or Buyer's lender or loan broker pursuant to 3H(1)) shall, within 7 (or  \_\_\_\_\_) Days After Acceptance, Deliver to Seller written verification of Buyer's down payment and closing costs. (If checked,  verification attached.)

**H. LOAN TERMS:**  
 (1) **LOAN APPLICATIONS:** Within 7 (or  \_\_\_\_\_) Days After Acceptance, Buyer shall Deliver to Seller a letter from lender or loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any NEW loan specified in 3C above. (If checked,  letter attached.)  
 (2) **LOAN CONTINGENCY:** Buyer shall act diligently and in good faith to obtain the designated loan(s). Obtaining the loan(s) specified above is a contingency of this Agreement unless otherwise agreed in writing. Buyer's contractual obligations to obtain

Buyer's Initials ( JS ) ( \_\_\_\_\_ )  
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Seller's Initials ( JK ) ( \_\_\_\_\_ )

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



Agent:	Phone:	Fax:	Prepared using zipForm® software
Broker:			

3200 North Long Beach Boulevard

Date: December 27, 2013

Property Address: Long Beach,

and provide deposit, balance of down payment and closing costs are not contingencies of this Agreement.

(3) LOAN CONTINGENCY REMOVAL:

(i) Within 17 (or [ ] ) Days After Acceptance, Buyer shall, as specified in Paragraph 17, in writing remove the loan contingency or cancel this Agreement;

OR (ii) (if checked) [X] the loan contingency shall remain in effect until the designated loans are funded.

(4) [ ] NO LOAN CONTINGENCY (if checked): Obtaining any loan specified above is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result Buyer does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.

I. APPRAISAL CONTINGENCY AND REMOVAL: This Agreement is (or, if checked, [X] is NOT) contingent upon a written appraisal of the Property by a licensed or certified appraiser at no less than the specified purchase price. If there is a loan contingency, Buyer's removal of the loan contingency shall be deemed removal of this appraisal contingency (or, [ ] if checked, Buyer shall, as specified in paragraph 17B(3), in writing remove the appraisal contingency or cancel this Agreement within 17 (or 30 ) Days After Acceptance). If there is no loan contingency, Buyer shall, as specified in paragraph 17B(3), in writing remove the appraisal contingency or cancel this Agreement within 17 (or ) Days After Acceptance.

J. [ ] ALL CASH OFFER (if checked): Buyer shall, within 7 (or [ ] ) Days After Acceptance, Deliver to Seller written verification of sufficient funds to close this transaction. (if checked, [ ] verification attached.)

K. BUYER STATED FINANCING: Seller has relied on Buyer's representation of the type of financing specified (including but not limited to, as applicable, amount of down payment, contingent or non contingent loan, or all cash). If Buyer seeks alternate financing, (i) Seller has no obligation to cooperate with Buyer's efforts to obtain such financing, and (ii) Buyer shall also pursue the financing method specified in this Agreement. Buyer's failure to secure alternate financing does not excuse Buyer from the obligation to purchase the Property and close escrow as specified in this Agreement.

4. ALLOCATION OF COSTS (if checked): Unless otherwise specified in writing, this paragraph only determines who is to pay for the inspection, test or service ("Report") mentioned; it does not determine in the report who is to pay for any work recommended or identified in the Report.

A. INSPECTIONS AND REPORTS:

- (1) [ ] Buyer [ ] Seller shall pay for sewer connection, if required by Law prior to Close Of Escrow
(2) [ ] Buyer [ ] Seller shall pay to have septic or private sewage disposal system inspected
(3) [ ] Buyer [ ] Seller shall pay to have domestic wells tested for water potability and productivity
(4) [ ] Buyer [ ] Seller shall pay for a natural hazard zone disclosure report prepared by
(5) [ ] Buyer [ ] Seller shall pay for the following inspection or report
(6) [ ] Buyer [ ] Seller shall pay for the following inspection or report

B. GOVERNMENT REQUIREMENTS AND RETROFIT:

- (1) [ ] Buyer [X] Seller shall pay for smoke detector installation and/or water heater bracing, if required by Law. Prior to Close Of Escrow, Seller shall provide Buyer a written statement of compliance in accordance with state and local Law, unless exempt.
(2) [ ] Buyer [X] Seller shall pay the cost of compliance with any other minimum mandatory government retrofit standards, inspections and reports if required as a condition of closing escrow under any Law.
(3) [ ] Buyer [X] Seller shall pay for installation of approved fire extinguisher(s), sprinkler(s), and hose(s), if required by Law, which shall be installed prior to Close Of Escrow. Prior to Close Of Escrow Seller shall provide Buyer a written statement of compliance, if required by Law.

C. ESCROW AND TITLE:

- (1) [ ] Buyer [ ] Seller shall pay escrow fee each party shall pay one half of the total escrow fee
Escrow Holder shall be Only Escrow, Inc.
(2) [ ] Buyer [X] Seller shall pay for owner's title insurance policy specified in paragraph 16E
Owner's title policy to be issued by Pacific Coast Title Company
(Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)

D. OTHER COSTS:

- (1) [ ] Buyer [X] Seller shall pay County transfer tax or transfer fee
(2) [ ] Buyer [X] Seller shall pay City transfer tax or transfer fee
(3) [ ] Buyer [ ] Seller shall pay Owners' Association (OA) transfer fee
(4) [ ] Buyer [ ] Seller shall pay OA document preparation fees
(5) [ ] Buyer [ ] Seller shall pay for
(6) [ ] Buyer [ ] Seller shall pay for

5. CLOSING AND POSSESSION:

A. Seller-Occupied or Vacant Units: Possession shall be delivered to Buyer at 5pm or [ ] AM [ ] PM, [ ] on the date of Close Of Escrow; [ ] on ; or [ ] no later than Days After Close Of Escrow. If transfer of title and occupancy do not occur at the same time, Buyer and Seller are advised to: (i) enter into a written occupancy agreement (C.A.R. Form PAA, paragraph 2); and (ii) consult with their insurance and legal advisors.

B. Tenant Occupied Units: Possession and occupancy, subject to the rights of tenants under existing leases, shall be delivered to Buyer on Close Of Escrow.

C. At Close Of Escrow, (i) Seller assigns to Buyer any assignable warranty rights for items included in the sale and (ii) seller shall deliver to buyer available Copies of warranties. Brokers cannot and will not determine the assignability of any warranties.

D. At Close Of Escrow, unless otherwise agreed in writing, Seller shall provide keys and/or means to operate all locks, mailboxes, security systems, alarms and garage door openers. If the Property is a unit in a condominium or located in a common-interest subdivision, Buyer may be required to pay a deposit to the Owners' Association ("OA") to obtain keys to accessible OA facilities.

6. SECURITY DEPOSITS: Security deposits, if any, to the extent they have not been applied by Seller in accordance with any rental agreement and current Law, shall be transferred to Buyer on Close Of Escrow. Seller shall notify each tenant, in compliance with the Civil Code.

Buyer's Initials ( JS ) ( )

Seller's Initials ( CT ) ( )

Reviewed by Date



3200 North Long Beach Boulevard

Property Address: Long Beach,

Date: December 27, 2013

7. SELLER DISCLOSURES:

A. ENERGY DISCLOSURE: Seller shall provide Buyer, at least 24 hours prior to execution of this Agreement, the Disclosure Summary Sheet, Statement of Energy Performance, Data Checklist, and the Facility Summary for the building as required by Public Resources Code Section 25402.10 and California Code of Regulations, Title 20, Sections 1680 through 1685. This requirement is effective for a building with total gross floor area square footage as follows: more than 50,000 square feet, July 1, 2013; more than 10,000 square feet and up to 50,000 square feet, January 1, 2014; and at least 5,000 square feet up to 10,000 square feet, July 1, 2014. For more information, see <http://www.energy.ca.gov/ab1103/index.html>

B. NATURAL AND ENVIRONMENTAL DISCLOSURES: Seller shall, within the time specified in paragraph 17, if required by Law: (i) Deliver to Buyer earthquake guides (and questionnaire) and environmental hazards booklet; (ii) even if exempt from the obligation to provide an NHD, disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.

C. ADDITIONAL DISCLOSURES: Within the time specified in paragraph 17, Seller shall Deliver to Buyer, in writing, the following disclosures, documentation and information:

(1) RENTAL SERVICE AGREEMENTS: (i) All current leases, rental agreements, service contracts, and other agreements pertaining to the operation of the Property; and (ii) a rental statement including names of tenants, rental rates, period of rental, date of last rent increase, security deposits, rental concessions, rebates, or other benefits, if any, and a list of delinquent rents and their duration. Seller represents that no tenant is entitled to any concession, rebate, or other benefit, except as set forth in these documents.

(2) INCOME AND EXPENSE STATEMENTS: The books and records, including a statement of income and expense for the 12 months preceding Acceptance. Seller represents that the books and records are those maintained in the ordinary and normal course of business, and used by Seller in the computation of federal and state income tax returns.

(3)  TENANT ESTOPPEL CERTIFICATES: (If checked) Tenant estoppel certificates (C.A.R. Form TEC) completed by Seller or Seller's agent, and signed by tenants, acknowledging: (i) that tenants' rental or lease agreements are unmodified and in full force and effect (or if modified, stating all such modifications); (ii) that no lessor defaults exist; and (iii) stating the amount of any prepaid rent or security deposit.

(4) SURVEYS, PLANS AND ENGINEERING DOCUMENTS: Copies of surveys, plans, specifications and engineering documents, if any, in Seller's possession or control.

(5) PERMITS: If in Seller's possession, Copies of all permits and approvals concerning the Property, obtained from any governmental entity, including, but not limited to, certificates of occupancy, conditional use permits, development plans, and licenses and permits pertaining to the operation of the Property.

(6) STRUCTURAL MODIFICATIONS: Any known structural additions or alterations to, or the installation, alteration, repair or replacement of, significant components of the structure(s) upon the Property.

(7) GOVERNMENTAL COMPLIANCE: Any improvements, additions, alterations or repairs made by Seller, or known to Seller to have been made, without required governmental permits, final inspections, and approvals.

(8) VIOLATION NOTICES: Any notice of violations of any Law filed or issued against the Property and actually known to Seller.

(9) MISCELLANEOUS ITEMS: Any of the following, if actually known to Seller: (i) any current pending lawsuit(s), investigation(s), inquiry(ies), action(s), or other proceeding(s) affecting the Property, or the right to use and occupy it; (ii) any unsatisfied mechanic's or materialman's lien(s) affecting the Property; and (iii) that any tenant of the Property is the subject of a bankruptcy.

C. WITHHOLDING TAXES: Within the time specified in paragraph 17A, to avoid required withholding Seller shall Deliver to Buyer or qualified substitute, an affidavit sufficient to comply with federal (FIRPTA) and California withholding Law, (C.A.R. Form AS or QS).

8.  ENVIRONMENTAL SURVEY (If checked): Within \_\_\_\_\_ Days After Acceptance, Buyer shall be provided a phase one environmental survey report paid for and obtained by  Buyer  Seller. Buyer shall then, as specified in paragraph 17, remove this contingency or cancel this Agreement.

9. SUBSEQUENT DISCLOSURES: In the event Seller, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer of which Buyer is otherwise unaware, Seller shall promptly Deliver a subsequent or amended disclosure or notice in writing, covering those items. However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies disclosed in reports ordered and paid for by Buyer.

10. CHANGES DURING ESCROW:

A. Prior to Close Of Escrow, Seller may only engage in the following acts, ("Proposed Changes"), subject to Buyer's rights in paragraph 17: (i) rent or lease any vacant unit or other part of the premises; (ii) alter, modify, or extend any existing rental or lease agreement; (iii) enter into, alter, modify or extend any service contract(s); or (iv) change the status of the condition of the Property.

B. At least 7 (or  \_\_\_\_\_ ) Days prior to any Proposed Changes, Seller shall Deliver written notice to Buyer of any Proposed Changes.

11. CONDOMINIUM/PLANNED UNIT DEVELOPMENT DISCLOSURES:

A. SELLER HAS: 7 (or  \_\_\_\_\_ ) Days After Acceptance to disclose to Buyer whether the Property is a condominium, or located in a planned unit development or other common interest subdivision.

Buyer's Initials ( JS ) ( \_\_\_\_\_ )

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



3200 North Long Beach Boulevard

Property Address: Long Beach,

Date: December 27, 2013

B. If Property is a condominium, or located in a planned unit development or other common interest subdivision, Seller has 3 (or  \_\_\_\_\_) Days After Acceptance to request from the OA (C.A.R. Form HOA): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the OA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of OA minutes for regular and special meetings; and (v) the names and contact information of all OA's governing the Property. (Collectively, "CI Disclosures.") Seller shall itemize and deliver to Buyer all CI Disclosures received from the OA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 17.

12. ITEMS INCLUDED AND EXCLUDED:

A. NOTE TO BUYER AND SELLER: Items listed as included or excluded in the MLS, flyers or marketing materials are not included in the purchase price or excluded from the sale unless specified in 12B or C.

B. ITEMS INCLUDED IN SALE:

- (1) All EXISTING fixtures and fittings that are attached to the Property.
- (2) EXISTING electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fans, fireplace inserts, gas logs and grates, solar systems, built-in appliances, window and door screens, awnings, shutters, window coverings, attached floor coverings, television antennas, satellite dishes, private integrated telephone systems, air coolers/conditioners, pool/spa equipment, garage door openers/remote controls, mailbox, in-ground landscaping, trees/shrubs, water softeners, water purifiers, security systems/alarms.
- (3) A complete inventory of all personal property of Seller currently used in the operation of the Property and included in the purchase price shall be delivered to Buyer within the time specified in paragraph 17.
- (4) Seller represents that all items included in the purchase price are, unless otherwise specified, owned by Seller. Within the time specified in paragraph 17, Seller shall give Buyer a list of fixtures not owned by Seller.
- (5) Seller shall deliver title to the personal property by Bill of Sale, free of all liens and encumbrances, and without warranty of condition.
- (6) As additional security for any note in favor of Seller for any part of the purchase price, Buyer shall execute a UCC-1 Financing Statement to be filed with the Secretary of State, covering the personal property included in the purchase, replacement thereof, and insurance proceeds.

C. ITEMS EXCLUDED FROM SALE: \_\_\_\_\_

13. CONDITION OF PROPERTY: Unless otherwise agreed: (i) Property is sold (a) in its PRESENT physical ("as-is") condition as of the date of Acceptance and (b) subject to Buyer's investigation rights; (ii) The Property including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as of the date of Acceptance; and (iii) all debris and personal property not included in the sale shall be removed by Seller by Close Of Escrow.

A. Seller warrants that the Property is legally approved as \_\_\_\_\_ units.  
B. Seller shall, within the time specified in paragraph 17, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, AND MAKE ANY AND ALL OTHER DISCLOSURES REQUIRED BY LAW.

C. Buyer has the right to inspect the Property and, as specified in paragraph 17, based upon information discovered in those inspections: (i) cancel this Agreement; or (ii) request that seller make Repairs or take other action.

14. BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:

- A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 17B. Within the time specified in paragraph 17B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to, the right to: (i) inspect for lead-based paint and other lead-based paint hazards; (ii) inspect for wood destroying pests and organisms; (iii) review the registered sex offender database; (iv) confirm the insurability of Buyer and the Property; and (v) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA). Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer Investigations; or (ii) inspections by any governmental building or zoning inspector or government employee, unless required by Law.
- B. Seller shall make the Property available for all Buyer Investigations. Buyer shall (i) as specified in paragraph 17B, complete Buyer Investigations and, either remove the contingency or cancel this Agreement, and (ii) give Seller, at no cost, complete Copies of all investigation reports obtained by Buyer, which obligation shall survive the termination of this Agreement.
- C. Seller shall have water, gas, electricity and all operable pilot lights on for Buyer's investigations and through the date possession is made available to Buyer.
- D. Buyer Indemnity and Seller protection for entry upon property: Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer Investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs of Buyer's Investigations. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-responsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination or cancellation of this Agreement and Close Of Escrow.

15. SELLER DISCLOSURES: ADDENDA; ADVISORIES; OTHER TERMS:

- A. Seller Disclosures (if checked): Seller shall, within the time specified in paragraph 17A, complete and provide Buyer with a:  Seller Property Questionnaire (C.A.R. Form SPQ) OR  Supplemental Contractual and Statutory Disclosure (C.A.R. Form SSD)
- B. Addenda (if checked):  Addendum # \_\_\_\_\_ (C.A.R. Form ADM)

Buyer's Initials ( JS ) ( \_\_\_\_\_ )

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

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



3262 Levard

Property Address: Long Beach,

Date: December 27, 2013

- Wood Destroying Pest Inspection and Allocation of Cost Addendum (C.A.R. Form WPA)
- Purchase Agreement Addendum (C.A.R. Form PAA)
- Short Sale Addendum (C.A.R. Form SSA)
- Buyer Intent to Exchange Supplement (C.A.R. Form BES)
- Seller Intent to Exchange Supplement (C.A.R. Form SES)
- Septic, Well and Property Monument Addendum (C.A.R. Form SWPI)
- Other
- C. Advisories (If checked):**
  - Probate Advisory (C.A.R. Form PAK)
  - Trust Advisory (C.A.R. Form TA)
  - Buyer's Inspection Advisory (C.A.R. Form BIA)
  - Statewide Buyer and Seller Advisory (C.A.R. Form SBSA)
  - REO Advisory (C.A.R. Form REO)
- D. Other Terms:**

16. TITLE AND VESTING:

- A. Within the time specified in paragraph 17, Buyer shall be provided a current preliminary title report, which shall include a search of the General Index, Seller shall within 7 Days After Acceptance, give Escrow Holder a completed Statement of Information. The preliminary report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the preliminary report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 17B.
- B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except: (i) monetary liens of record unless Buyer is assuming those obligations or taking the property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.
- C. Within the time specified in paragraph 17, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.
- D. At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.
- E. Buyer shall receive a standard coverage owner's CLTA policy of title insurance. An ALTA policy or the addition of endorsements may provide greater coverage for Buyer. A title company, at Buyer's request, can provide information about the availability, desirability, coverage, survey requirements, and cost of various title insurance coverages and endorsements. If Buyer desires title coverage other than that required by this paragraph, Buyer shall instruct Escrow Holder in writing and pay any increase in cost.

17. TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS: The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph by either Buyer or Seller must be exercised in good faith and in writing (C.A.R. Form CR or CC).

- A. SELLER HAS: 7 (or  ) Days After Acceptance to deliver to Buyer all reports, disclosures and information for which Seller is responsible under paragraphs 4, 7A, B and C, 11A, 12B(3) and (4), 13B, 15A and B and 16. Buyer may give Seller a Notice to Seller to Perform (C.A.R. Form NSP) if Seller has not Delivered the items within the time specified.
- B. (1) BUYER HAS: 17 (or  ) Days After Acceptance, unless otherwise agreed in writing, to:
  - (i) complete all Buyer investigations; approve all disclosures, reports and other applicable information, which Buyer receives from Seller; and (ii) approve all other matters affecting the Property (including information specified in paragraph 7 and insurability of Buyer and the Property).
  - (2) Within the time specified in 17B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to Buyer's requests.
  - (3) Within the time specified in 17B(1) (or as otherwise specified in this Agreement), Buyer shall Deliver to Seller either (i) a removal of the applicable contingency (C.A.R. Form CR), or (ii) a cancellation (C.A.R. Form CC) of this Agreement based upon a remaining contingency or Seller's failure to Deliver the specified items. However, if any report, disclosure or information for which Seller is responsible is not Delivered within the time specified in 17A, then Buyer has 5 (or  ) Days After Delivery of any such items, or the time specified in 17B(1), whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement.
  - (4) Continuation of Contingency: Even after the end of the time specified in 17B(1) and before Seller cancels this Agreement, if at all, pursuant to 17C, Buyer retains the right to either (i) in writing remove remaining contingencies, or (ii) cancel this Agreement based upon a remaining contingency or Seller's failure to Deliver the specified items. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to 17C(1).

C. SELLER RIGHT TO CANCEL:

- (1) Seller right to Cancel; Buyer Contingencies: If, within the time specified in this Agreement, Buyer does not, in writing, Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement then Seller, after first Delivering to Buyer a Notice to Buyer to Perform (C.A.R. Form NBP) may cancel this Agreement. In such event, Seller shall authorize return of Buyer's deposit.
- (2) Seller right to Cancel; Buyer Contract Obligations: Seller, after first Delivering to Buyer a NBP may cancel this Agreement for any of the following reasons: (i) if Buyer fails to deposit funds as required by 3A or 3B; (ii) if the funds deposited pursuant to 3A or 3B are not good when deposited; (iii) if Buyer fails to provide a letter as required by 3H; (iv) if Buyer fails to provide verification as required by 3G or 3J; or (v) if Seller reasonably disapproves of the verification provided by 3G or 3J. In such event, Seller shall authorize return of Buyer's deposit.
- (3) Notice To Buyer To Perform: The NBP shall: (i) be in writing; (ii) be signed by Seller; and (iii) give Buyer at least 2 (or  ) Days After Delivery (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A NBP may not be Delivered any earlier than 2 Days Prior to the expiration of the applicable time period to remove a contingency or cancel this Agreement or meet an obligation specified in 17C(2).

Buyer's Initials ( JS ) ( )

Seller's Initials ( CT ) ( )

CPA REVISED 4/13 (PAGE 5 OF 10)

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



3200 North Long Beach Boué

Property Address: Long Beach,

Date: December 27, 2013

- D. **EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES:** If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in a separate written agreement between Buyer and Seller, Buyer shall with regard to that contingency or cancellation right conclusively be deemed to have: (i) completed all Buyer Investigations, and review of reports and other applicable information and disclosures pertaining; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections, or for inability to obtain financing.
- E. **CLOSE OF ESCROW:** Before Seller or Buyer may cancel this Agreement for failure of the other party to close escrow pursuant to this Agreement, Seller or Buyer must first Deliver to the other a demand to close escrow (C.A.R. Form DCE).
- F. **EFFECT OF CANCELLATION ON DEPOSITS:** If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, Buyer and Seller agree to Sign mutual Instructions to cancel the sale and escrow and release deposits, if any, to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Release of funds will require mutual Signed release instructions from Buyer and Seller, judicial decision or arbitration award. A Buyer or Seller may be subject to a civil penalty of up to \$1,000 for refusal to sign such instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1037.3).
- 18. **REPAIRS:** Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all Repairs may not be possible. Seller shall: (i) obtain receipts for Repairs performed by others; (ii) prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and (iii) provide Copies of receipts and statements to Buyer prior to final verification of condition.
- 19. **ENVIRONMENTAL HAZARD CONSULTATION:** Buyer and Seller acknowledge: (i) Federal, state, and local legislation impose liability upon existing and former owners and users of real property, in applicable situations, for certain legislatively defined, environmentally hazardous substances; (ii) Broker(s) has/have made no representation concerning the applicability of any such Law to this transaction or to Buyer or to Seller, except as otherwise indicated in this Agreement; (iii) Broker(s) has/have made no representation concerning the existence, testing, discovery, location and evaluation of/for, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property; and (iv) Buyer and Seller are each advised to consult with technical and legal experts concerning the existence, testing, discovery, location and evaluation of/for, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property.
- 20. **AMERICANS WITH DISABILITIES ACT:** The Americans With Disabilities Act ("ADA") prohibits discrimination against individuals with disabilities. The ADA affects almost all commercial facilities and public accommodations. The ADA can require, among other things, that buildings be made readily accessible to the disabled. Different requirements apply to new construction, alterations to existing buildings, and removal of barriers in existing buildings. Compliance with the ADA may require significant costs. Monetary and injunctive remedies may be incurred if the Property is not in compliance. A real estate broker does not have the technical expertise to determine whether a building is in compliance with ADA requirements, or to advise a principal on those requirements. Buyer and Seller are advised to contact an attorney, contractor, architect, engineer or other qualified professional of Buyer's or Seller's own choosing to determine to what degree, if any, the ADA impacts that principal or this transaction.
- 21. **FINAL VERIFICATION OF CONDITION:** Buyer shall have the right to make a final inspection of the Property within 5 (or \_\_\_\_\_) Days Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 13; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement (C.A.R. Form VP).
- 22. **PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS:** Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, HOA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are a current lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are a current lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after Close Of Escrow, by Buyer; and (ii) for periods prior to Close Of Escrow, by Seller. TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.
- 23. **SELECTION OF SERVICE PROVIDERS:** Brokers do not guarantee the performance of any vendors, service or product providers ("Providers"), whether referred by Broker or selected by Buyer, Seller or other person. Buyer and Seller may select ANY Providers of their own choosing.
- 24. **MULTIPLE LISTING SERVICE/PROPERTY DATA SYSTEM:** If Broker is a participant of a Multiple Listing Service ("MLS") or Property Data System ("PDS"), Broker is authorized to report to the MLS or PDS a pending sale and, upon Close Of Escrow, the terms of this transaction to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS or PDS.
- 25. **EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
- 26. **ATTORNEY FEES:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorney fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 34A.
- 27. **DEFINITIONS:** As used in this Agreement:
  - A. "Acceptance" means the time the offer or final counter offer is accepted in writing by a party and is delivered to and personally received by the other party or that party's authorized agent in accordance with the terms of this offer or a final counter offer.

Buyer's Initials ( JS ) ( )

Seller's Initials ( JT ) ( )  
Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



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Property Address: Long Beach,

Date: December 27, 2013

- B. "C.A.R. Form" means the specific form referenced or another comparable form agreed to by the parties.
- C. "Close Of Escrow" means the date the grant deed, or other evidence of transfer of title, is recorded.
- D. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
- E. "Days" means calendar days. However, after Acceptance, the last Day for performance of any act required by this Agreement (including Close Of Escrow) shall not include any Saturday, Sunday, or legal holiday and shall instead be the next Day.
- F. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59 PM on the final day.
- G. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
- H. "Deliver", "Delivered" or "Delivery", regardless of the method used (i.e. messenger, mail, email, fax, other), means and shall be effective upon (i) personal receipt by Buyer or Seller or the individual Real Estate Licensee for that principal as specified in paragraph D of the section titled Real Estate Brokers on page 10;
- OR (ii) if checked,  per the attached addendum (C.A.R. Form RDN).
- I. "Electronic Copy" or "Electronic Signature" means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other.
- J. "Law" means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
- K. "Repairs" means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
- L. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.
- 28. **ASSIGNMENT:** Buyer shall not assign all or any part of Buyer's interests in this Agreement without first having obtained the written consent of Seller. Such consent shall not be unreasonably withheld, unless otherwise agreed in writing. Any total or partial assignment shall not relieve Buyer of Buyer's obligations pursuant to this Agreement.
- 29. **SUCCESSORS AND ASSIGNS:** This Agreement shall be binding upon, and inure to the benefit of, Buyer and Seller and their respective successors and assigns, except as otherwise provided herein.
- 30. **COPIES:** Seller and Buyer each represent that Copies of all reports, documents, certificates, approvals and other documents that are furnished to the other are true, correct and unaltered Copies of the original documents, if the originals are in the possession of the furnishing party.
- 31. **BROKERS:**
  - A. **BROKER COMPENSATION:** Seller or Buyer, or both, as applicable, agrees to pay compensation to Broker as specified in a separate written agreement between Broker and that Seller or Buyer. Compensation is payable upon Close Of Escrow, or if escrow does not close, as otherwise specified in the agreement between Broker and that Seller or Buyer.
  - B. **BROKERAGE:** Neither Buyer nor Seller has utilized the services of, or for any other reason owes compensation to, a licensed real estate broker (individual or corporate), agent, finder, or other entity, other than as specified in this Agreement, in connection with any act relating to the Property, including, but not limited to, inquiries, introductions, consultation and negotiations leading to this Agreement. Buyer and Seller each agree to indemnify, defend, and hold the other, the Brokers specified herein and their agents, harmless from and against any costs, expenses or liability for compensation claimed inconsistent with the warranty and representations in this paragraph.
  - C. **SCOPE OF BROKER DUTY:** Buyer and Seller acknowledge and agree that: Brokers: (i) do not decide what price Buyer should pay or Seller should accept; (ii) do not guarantee the condition of the Property (iii) do not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) shall not be responsible for identifying defects that are not known to Brokers(s); (v) shall not be responsible for inspecting public records or permits concerning the title or use of the Property; (vi) shall not be responsible for identifying location of boundary lines or other items affecting title; (vii) shall not be responsible for verifying square footage, representations of others or information contained in inspection reports, MLS or PDS, advertisements, flyers or other promotional material, unless otherwise agreed in writing; (viii) shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller in the course of this representation; and (ix) shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.
- 32. **JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER**
  - A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any relating counter offers and addenda, and any additional mutual instructions to close the escrow: 1, 3, 4, 6, 7C, 15B and D, 16, 17F, 22, 27, 31A, 32, 37, 40 and paragraph C of the section titled Real Estate Brokers on page 10. If a Copy of the separate compensation agreement(s) provided for in paragraph 31A, or paragraph D of the section titled Real Estate Brokers on page 10 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out of Buyer's or Seller's funds, or both, as applicable, the respective Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not specifically referenced above in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions directly from Escrow Holder and will execute such provisions upon Escrow Holder's request. To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow.
  - B. A Copy of this Agreement shall be delivered to Escrow Holder within 3 business days after Acceptance (or  \_\_\_\_\_). Escrow holder shall provide Seller's Statement of Information to Title company when received from Seller. Buyer and Seller

Buyer's Initials ( JS ) ( \_\_\_\_\_ )

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

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



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Property Address: Long Beach,

Date: December 27, 2013

authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs the Agreement.

- C. Brokers are a party to the Escrow for the sole purpose of compensation pursuant to paragraph 31A and paragraph D of the section titled Real Estate Brokers on page 10. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraph 31A, respectively, and irrevocably instructs Escrow Holder to disburse those funds to Brokers at Close Of Escrow, or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Buyer and Seller shall release and hold harmless Escrow Holder from any liability resulting from Escrow Holder's payment to Broker(s) of compensation pursuant to this Agreement. Escrow Holder shall immediately notify Brokers: (I) if Buyer's initial or any additional deposit is not made pursuant to this Agreement or is not good at time of deposit with Escrow Holder; or (II) if either Buyer or Seller instruct Escrow Holder to cancel escrow.
  - D. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 2 business days after mutual execution of the amendment.
33. **LIQUIDATED DAMAGES:** If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. Buyer and Seller agree that this amount is a reasonable sum given that it is impractical or extremely difficult to establish the amount of damages that would actually be suffered by Seller in the event Buyer were to breach this Agreement. Release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award.

Buyer's Initials <u>JS /</u>	Seller's Initials <u>CT /</u>
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34. **DISPUTE RESOLUTION:**

A. **MEDIATION:** Buyer and Seller agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action. Buyer and Seller also agree to mediate any disputes or claims with Broker(s), who, in writing, agree to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. Mediation fees, if any, shall be divided equally among the parties involved. If, for any dispute or claim to which this paragraph applies, any party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED. Exclusions from this mediation agreement are specified in paragraph 34C.

B. **ARBITRATION OF DISPUTES:**

Buyer and Seller agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration. Buyer and Seller also agree to arbitrate any disputes or claims with Broker(s), who, in writing, agree to such arbitration prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of residential real estate Law experience, unless the parties mutually agree to a different arbitrator. The parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this agreement to arbitrate shall be governed by the Federal Arbitration Act. Exclusions from this arbitration agreement are specified in paragraph 34C.

"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."

"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."

Buyer's Initials <u>JS /</u>	Seller's Initials <u>CT /</u>
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C. **ADDITIONAL MEDIATION AND ARBITRATION TERMS:**

- (1) **EXCLUSIONS:** The following matters shall be excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; (iii) the filing or enforcement of a mechanic's lien; and (iv) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver or violation of the mediation and arbitration provisions.
- (2) **BROKERS:** Brokers shall not be obligated or compelled to mediate or arbitrate unless they agree to do so in writing. Any Broker(s) participating in mediation or arbitration shall not be deemed a party to the Agreement.

Buyer's Initials ( JS ) ( \_\_\_\_\_ )

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

CPA REVISED 4/13 (PAGE 8 OF 10)

Reviewed by _____	Date _____
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Tawansy/Sohal

3200 North Long Beach Boulevard

Property Address: Long Beach,

Date: December 27, 2013

- 35. **GOVERNING LAW:** This Agreement shall be governed by the Laws of the state of California.
- 36. **TERMS AND CONDITIONS OF OFFER:** This is an offer to purchase the Property on the above terms and conditions. The liquidated damages paragraph or the arbitration of disputes paragraph is incorporated in this Agreement if initiated by all parties or if incorporated by mutual agreement in a counter offer or addendum. If at least one but not all parties Initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing.
- 37. **TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES:** Time is of the essence. All understandings between the parties are incorporated in this Agreement. Its terms are intended by the parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.
- 38. **AUTHORITY:** Any person or persons signing this Agreement represent(s) that such person has full power and authority to bind that person's principal, and that the designated Buyer and Seller has full authority to enter into and perform this Agreement. Entering into this Agreement, and the completion of the obligations pursuant to this contract, does not violate any Articles of Incorporation, Articles of Organization, By Laws, Operating Agreement, Partnership Agreement or other document governing the activity of either Buyer or Seller.
- 39. **EXPIRATION OF OFFER:** This offer shall be deemed revoked and the deposit shall be returned, unless the offer is Signed by Seller, and a Copy of the Signed offer is personally received by Buyer, or by \_\_\_\_\_ who is authorized to receive it by 5:00 PM on the third Day after this offer is signed by Buyer (OR, if checked  by \_\_\_\_\_ (date), at \_\_\_\_\_  AM  PM).

Buyer has read and acknowledges receipt of a Copy of the offer and agrees to the above confirmation of agency relationships.

Buyer Jennifer Kaur Rodriguez Schal Date December 27, 2013  
 By \_\_\_\_\_  
 Print name Jennifer Kaur Rodriguez Schal, M. D.  
 Address 2195 Beverly Blvd., Suite 227 City Los Angeles State CA Zip 90057  
 Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

Buyer \_\_\_\_\_ Date \_\_\_\_\_  
 By \_\_\_\_\_  
 Print name \_\_\_\_\_  
 Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
 Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

Notice Address, if Different

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

- 40. **ACCEPTANCE OF OFFER:** Seller warrants that Seller is the owner of the Property, or has the authority to execute this Agreement. Seller accepts the above offer, agrees to sell the Property on the above terms and conditions, and agrees to the above confirmation of agency relationships. Seller has read and acknowledges receipt of a Copy of this Agreement, and authorizes Broker to deliver a Signed Copy to Buyer.
- (If checked) **SUBJECT TO ATTACHED COUNTER OFFER, DATED** \_\_\_\_\_

Seller Khaled A. Tawansy, M. D. Date Dec 27, 2013  
 By \_\_\_\_\_  
 Print name Khaled A. Tawansy, M. D.  
 Address 7447 N. Figueroa St., Suite 200 City Los Angeles State CA Zip 90041  
 Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

Seller \_\_\_\_\_ Date \_\_\_\_\_  
 By \_\_\_\_\_  
 Print name \_\_\_\_\_  
 Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
 Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

Notice Address, if Different

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

( \_\_\_\_\_ / \_\_\_\_\_ ) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by Buyer or Buyer's  
 (Initials) authorized agent on (date) \_\_\_\_\_ at \_\_\_\_\_  AM  PM. A binding Agreement  
 is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent  
 whether or not confirmed in this document. Completion of this confirmation is not legally required in order  
 to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance  
 has occurred.

Buyer's Initials ( J ) ( \_\_\_\_\_ )

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

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



Property Address: Long Beach,

Date: December 27, 2013

**REAL ESTATE BROKERS:**

- A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.
- B. Agency relationships are confirmed as stated in paragraph 2 above.
- C. If specified in paragraph 3A(2), Agent who submitted offer for Buyer acknowledges receipt of deposit.
- D. **COOPERATING BROKER COMPENSATION:** Listing Broker agrees to pay Cooperating Broker (Selling Firm) and Cooperating Broker agrees to accept, out of Listing Broker's proceeds in escrow: (I) the amount specified in the MLS or PDS, provided Cooperating Broker is a Participant of the MLS or PDS in which the property is offered for sale or a reciprocal MLS or PDS; or (II)  (If checked) the amount specified in a separate written agreement (C.A.R. Form CBC) between Listing Broker and Cooperating Broker. Declaration of License and Tax (C.A.R. Form DLT) may be used to document that tax reporting will be required or that an exemption exists.

Real Estate Broker (Selling Firm) None BRE Lic. # \_\_\_\_\_ Date \_\_\_\_\_  
 By \_\_\_\_\_ BRE Lic. # \_\_\_\_\_ Date \_\_\_\_\_  
 Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
 Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

Real Estate Broker (Listing Firm) None BRE Lic. # \_\_\_\_\_ Date \_\_\_\_\_  
 By \_\_\_\_\_ BRE Lic. # \_\_\_\_\_ Date \_\_\_\_\_  
 Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
 Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

**ESCROW HOLDER ACKNOWLEDGMENT:**

Escrow Holder acknowledges receipt of a Copy of this Agreement, (If checked,  a deposit in the amount of \$ \_\_\_\_\_), counter offer(s) numbered \_\_\_\_\_ and  Other \_\_\_\_\_, and agrees to act as Escrow Holder subject to paragraph 32 of this Agreement, any supplemental escrow Instructions and the terms of Escrow Holder's general provisions, if any.

Escrow Holder is advised that the date of Confirmation of Acceptance of the Agreement as between Buyer and Seller is \_\_\_\_\_

Escrow Holder \_\_\_\_\_ Escrow # \_\_\_\_\_  
 By \_\_\_\_\_ Date \_\_\_\_\_  
 Address \_\_\_\_\_  
 Phone/Fax/E-mail \_\_\_\_\_  
 Escrow Holder is licensed by the California Department of  Corporations,  Insurance,  Real Estate. License # \_\_\_\_\_

**PRESENTATION OF OFFER:** ( \_\_\_\_\_ ) Listing Broker presented this offer to Seller on \_\_\_\_\_ (date).  
 Broker or Designee Initials \_\_\_\_\_

**REJECTION OF OFFER:** ( \_\_\_\_\_ ) ( \_\_\_\_\_ ) No counter offer is being made. This offer was rejected by Seller on \_\_\_\_\_ (date).  
 Seller's Initials \_\_\_\_\_

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 525 South Vinyl Avenue, Los Angeles, California 90020

CPA REVISED 4/13 (PAGE 10 OF 10)

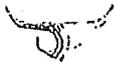
Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



Tawansy/Sohal

**EXHIBIT D**

**EXHIBIT D**



Del Toro Loan Servicing, Inc  
 2434 Southport Way, Suite F  
 National City, CA 91950  
 (619) 474-5400

13

06/23/2014

Only Escrow Inc.  
 22156 Sherman Way, Ste. D1  
 Canoga Park, CA 91303  
 Escrow No. 14-4658

Borrower: Khaled A. Tawansy  
 7447 N. Figueroa St., #200  
 Los Angeles, CA 90041

Loan Number: 12-3355 Subject Property: 3200 Long Beach Blvd., Long Beach CA 90807

**BENEFICIARY'S DEMAND FOR PAYOFF**

You are authorized to use the following amounts to payoff the above-mentioned loan. All necessary legal documents will be forwarded to the trustee for Full Reconveyance upon receipt of payment in full.

Payoff Date	06/23/2014
Maturity Date	03/31/2014
Next Payment Due	10/01/2013
Interest Rate	0.500%
Interest Paid-To Date	00/01/2013
Principal Balance	\$1,200,000.00
Accrued Principal Payments Oct 2013 thru June 2014	\$36,000.00
Accrued Interest From 00/01/2013 Thru 06/10/2014	\$00,470.71
Unpaid Late Charges	\$2,800.00
Accrued Late Charges	\$5,760.00
Unpaid Charges *For additional details see Itemization attached	\$100.00
Prepayment Penalty	\$0.00
Other Fees *For additional details see Itemization attached	\$205.00
(Tawansy delivers a signature note for \$30,500, payable in a year no interest)	(\$30,500.00)
Payoff Amount	\$1,275,021.71

We reserve the right to amend this demand should any changes occur that would increase the total amount for payoff. **Please note that this demand expires on 06/23/2014**, at which time you are instructed to contact this office for additional instructions (DEMAND FORWARDING FEES ARE DUE EVEN UPON CANCELLATION OF YOUR ESCROW).

Please wire funds to Del Toro Loan Servicing, Inc (Wiring Instructions are attached.)

Del Toro Loan Servicing  
 619-474-5400  
 877-826-7834

**ITEMIZATION OF UNPAID CHARGES**

Date	Description	Interest Rate	Unpaid Balance	Accrued Interest	Total Due
02/20/2014	Demand Fee	0.000%	\$30.00	\$0.00	\$30.00
02/28/2014	Account Update Fee	0.000%	\$25.00	\$0.00	\$25.00
04/10/2014	Demand Rush Fee	0.000%	\$75.00	\$0.00	\$75.00
04/10/2014	Demand Fee	0.000%	\$30.00	\$0.00	\$30.00
05/21/2014	Updated Demand Fee	0.000%	\$30.00	\$0.00	\$30.00
				Total	\$180.00

**ITEMIZATION OF OTHER FEES**

Description	Amount
Demand Fee	\$30.00
Reconveyance Fee	\$45.00
Forwarding / Processing Fee	\$100.00
Wiring Fee	\$30.00
<b>Total</b>	<b>\$205.00</b>

# EXHIBIT E

# EXHIBIT E

This page is part of your document - DO NOT DISCARD



20140650481



Pages:  
0003

Recorded/Filed in Official Records  
Recorder's Office, Los Angeles County,  
California

06/24/14 AT 08:00AM

FEES:	45.00
TAXES:	1,595.00
OTHER:	0.00
PAID:	<u>1,640.00</u>

PCOR SURCHARGE \$20.00



LEADSHEET



201406240140018

00009322784



006257259

SEQ:  
02

DAR - Title Company (Hard Copy)



THIS FORM IS NOT TO BE DUPLICATED

T52

C&M13

2

RECORDING REQUESTED BY:  
Pacific Coast Title Company

WHEN RECORDED MAIL TO:  
Jennifer Sohal, As Managing  
Member  
3200 North Long Beach Blvd  
Long, BEACH Ca 90807



TITLE ORDER NO. 98811579

ASSESSOR'S PARCEL NO. 7207-001-030

ESCROW NO.: 14-4656

~~7207-001-033~~  
~~7207-001-034~~

### GRANT DEED

43

The undersigned Grantor(s) declare(s):

Documentary transfer tax is \$ 1,595.00  
CITY TAX IS \$0.00  
(x) computed on full value of property  
conveyed, OR  
( ) computed on the full value less liens of  
encumbrances remaining at the time of sale

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged:  
Khaled A. Tawansy, M. D, a single man

hereby GRANT(S) to JK PER ANGUSTA AD FELICITAS LLC, *A California Limited Liability Company*

The following real property in the City of Long Beach Ca 90807, County of Los Angeles, State of  
California.

described as: See Attached, Exhibit 'A', made a part hereof

More commonly known as: 3200 North Long Beach Blvd, Long Beach Ca 90807

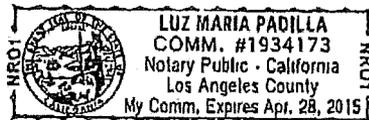
Date: January 2 2014

*Khaled A. Tawansy*  
Khaled A. Tawansy, M.D

STATE OF CALIFORNIA )  
COUNTY OF Los Angeles )

On June 17, 2014 before me,  
Luz Maria Padilla, a notary public, Personally  
appeared Khaled A. Tawansy

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 Luz Maria Padilla

(This area for official notarial seal)

2A

PRELIMINARY REPORT  
YOUR REFERENCE: 144656

Pacific Coast Title Company  
ORDER NO.: 98811579-88

3

LEGAL DESCRIPTION

EXHIBIT "A"

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

PARCEL 1:

LOTS 17, 18 AND 19 IN BLOCK "A" OF TRACT 2901, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36 PAGE(S) 63 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TOGETHER WITH THAT PORTION OF THE WESTERLY HALF OF THAT CERTAIN ALLEY, 20 FEET WIDE, AS SHOWN AND DEDICATED UPON THE MAP OF SAID TRACT NO. 2901, WHICH ADJOINS SAID LOTS ON THE EAST, VACATED BY RESOLUTION NO. C-22311 OF THE CITY COUNCIL OF SAID CITY, A COPY OF WHICH WAS RECORDED AUGUST 1, 1977 AS INSTRUMENT NO. 77-833919, BOUNDED NORTHERLY BY THE EASTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID LOT 17, AND BOUNDED SOUTHERLY BY THE EASTERLY PROLONGATION OF THE SOUTHERLY LINE OF SAID LOT 19.

EXCEPT THEREFROM ALL OIL, MINERALS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE, WITHOUT HOWEVER, THE RIGHT TO USE ANY PART OF THE SURFACE THEREOF, AS EXCEPTED AND RESERVED IN VARIOUS DEEDS RECORDED JULY 17, 1964.

PARCEL 2:

LOTS 36, 37 AND 38 IN BLOCK "A" OF TRACT 2901, AS PER MAP RECORDED IN BOOK 36, PAGE 63 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TOGETHER WITH THAT PORTION OF THE EASTERLY HALF OF THAT CERTAIN ALLEY, 20 FEET WIDE, AS SHOWN AND DEDICATED UPON THE MAP OF SAID TRACT 2901, WHICH ADJOINS SAID LOTS ON THE WEST, VACATED BY RESOLUTION NO. C-2231 OF THE CITY COUNCIL OF SAID CITY, A COPY OF WHICH RECORDED AUGUST 1, 1977 AS INSTRUMENT NO. 77-833919, BOUNDED NORTHERLY BY THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID LOT 36, AND BOUNDED SOUTHERLY BY THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF SAID LOT 38.

CONFORMED COPY  
ORIGINAL FILED  
Superior Court of California  
County of Los Angeles

Reserved for Clerk's File Stamp

SEP 09 2016

Sherri R. Carter, Executive Officer/Clerk

By M. Pettus, Deputy  
M. Pettus

<b>SUPERIOR COURT OF CALIFORNIA COUNTY OF LOS ANGELES</b>	
COURTHOUSE ADDRESS:	<b>Governor George Deukmejian Courthouse 275 Magnolia Long Beach, CA 90802</b>
PLAINTIFF:	
DEFENDANT:	
<b>ORDER TO SHOW CAUSE HEARING</b>	
CASE NUMBER:	<b>NC060799</b>

To party/ attorney of record:

You are ordered to appear for an Order to Show Cause Hearing on:

Date: <u>11/23/16</u>	Time: <u>8:30A</u>	Dept.: <u>27</u>	Address: <u>Governor George Deukmejian Courthouse 275 Magnolia Long Beach, CA 90802</u>
-----------------------	--------------------	------------------	---

and show cause why sanctions should not be imposed for:

- Failure to file:
  - Proof of Service of  Petition  Summons and  Complaint  Cross-Complaint pursuant to California Rules of Court, rule 3.110(b) and (c) as to: \_\_\_\_\_
  - Request for Entry of Default pursuant to California Rules of Court, rule 3.110(g) as to: \_\_\_\_\_
  - Request for Entry of Default Judgment pursuant to California Rules of Court:
    - rule 3.110(h)
    - rule 3.740(f)as to: \_\_\_\_\_
  - Request to Set Case for Trial-Unlawful Detainer.
  - Case Management Statement pursuant to California Rules of Court, rules 3.720-3.730.
  - Request for Dismissal
    - as to remaining defendants
    - as to cross-complaint
    - pursuant to settlement agreement
    - other \_\_\_\_\_
  - Judgment pursuant to court order.
  - (Other) \_\_\_\_\_
- Failure to appear as ordered on \_\_\_\_\_  regarding \_\_\_\_\_
- Failure to file any and all papers/documents necessary to bring the matter to trial or effect a final disposition as to all issues and parties to the action.
- (Other) \_\_\_\_\_

<b>SUPERIOR COURT OF CALIFORNIA COUNTY OF LOS ANGELES</b>		SEP 09 2016
COURTHOUSE ADDRESS:	<b>Governor George Deukmejian Courthouse</b> 275 Magnolia	Sherril R. Carter, Executive Officer/Clerk
PLAINTIFF:	Long Beach, CA 90802	By <u>M. Potts</u> , Deputy M. Potts
DEFENDANT:		
<b>NOTICE OF CASE MANAGEMENT CONFERENCE</b>		CASE NUMBER <b>NC060799</b>

TO THE PLAINTIFF(S)/ATTORNEY(S) FOR PLAINTIFF(S) OF RECORD:

You are ordered to serve this notice of hearing on all parties/attorneys of record forthwith, and meet and confer with all parties/attorneys of record about the matters to be discussed no later than 30 days before the Case Management Conference.

Your Case Management Conference has been scheduled at the courthouse address shown above on:

Date: <u>7/6/17</u>	Time: 8:30	Dept.: 27
---------------------	------------	-----------

NOTICE TO DEFENDANT: THE SETTING OF THE CASE MANAGEMENT CONFERENCE DOES NOT EXEMPT THE DEFENDANT FROM FILING A RESPONSIVE PLEADING AS REQUIRED BY LAW.

Pursuant to California Rules of Court, rules 3.720-3.730, a completed Case Management Statement (Judicial Council form # CM-110) must be filed at least 15 calendar days prior to the Case Management Conference. The Case Management Statement may be filed jointly by all parties/attorneys of record or individually by each party/attorney of record. You must be familiar with the case and be fully prepared to participate effectively in the Case Management Conference.

At the Case Management Conference, the Court may make pretrial orders including the following, but not limited to, an order establishing a discovery schedule; an order referring the case to Alternative Dispute Resolution (ADR); an order reclassifying the case; an order setting subsequent conference and the trial date; or other orders to achieve the goals of the Trial Court Delay Reduction Act (Gov. Code, § 68600 et seq.)

Notice is hereby given that if you do not file the Case Management Statement or appear and effectively participate at the Case Management Conference, the Court may impose sanctions, pursuant to LASC Local Rule 3.37, Code of Civil Procedure sections 177.5, 575.2, 583.150, 583.360 and 583.410, Government Code section 68608, subdivision (b), and California Rules of Court, rule 2.2 et seq.

Dated: 9/9/16

Judge Ross M. Klein  
Judicial Officer

**CERTIFICATE OF SERVICE**

I, the below named Executive Officer/Clerk of the above-entitled court, do hereby certify that I am not a party to the cause herein, and that on this date I served the Notice of Case Management Conference upon each party or counsel named below:

by depositing in the United States mail at the courthouse in Long Beach, California, one copy of the original filed herein in a separate sealed envelope to each address as shown below with the postage thereon fully prepaid.

by personally giving the party notice upon filing of the complaint.

Dated: 9/9/16

SHERRI R. CARTER, Executive/Officer Clerk  
By [Signature]  
Deputy Clerk



## INSTRUCTIONS FOR HANDLING UNLIMITED CIVIL CASES

The following critical provisions of the Chapter Three Rules, as applicable in the Central District, are summarized for your assistance.

### APPLICATION

The Chapter Three Rules were effective January 1, 2013. They apply to all general civil cases.

### PRIORITY OVER OTHER RULES

The Chapter Three Rules shall have priority over all other Local Rules to the extent the others are inconsistent.

### CHALLENGE TO ASSIGNED JUDGE

A challenge under Code of Civil Procedure section 170.6 must be made within 15 days after notice of assignment for all purposes to a judge, or if a party has not yet appeared, within 15 days of the first appearance.

### TIME STANDARDS

Cases assigned to the Individual Calendaring Court will be subject to processing under the following time standards:

**COMPLAINTS:** All complaints shall be served and proof of service shall be filed within 60 days after the filing of the complaint.

**CROSS-COMPLAINTS:** Without leave of court first being obtained, no cross-complaint may be filed by any party after their answer is filed. Cross-complaints shall be served within 30 days of the filing date and a proof of service filed within 60 days of the filing date.

A Status Conference will be scheduled by the assigned Independent Calendar Judge no later than 270 days after the filing of the complaint. Counsel must be fully prepared to discuss the following issues: alternative dispute resolution, bifurcation, settlement, trial date, and expert witnesses.

### FINAL STATUS CONFERENCE

The Court will require the parties at a status conference not more than 10 days before the trial to have timely filed and served all motions in limine, bifurcation motions, statements of major evidentiary issues, dispositive motions, requested jury instructions, and special jury instructions and special jury verdicts. These matters may be heard and resolved at this conference. At least 5 days before this conference, counsel must also have exchanged lists of exhibits and witnesses and have submitted to the court a brief statement of the case to be read to the jury panel as required by Chapter Eight of the Los Angeles Superior Court Rules.

### SANCTIONS

The court will impose appropriate sanctions for the failure or refusal to comply with Chapter Seven Rules, orders made by the Court, and time standards or deadlines established by the Court or by the Chapter Seven Rules. Such sanctions may be on a party or if appropriate on counsel for the party.

**This is not a complete delineation of the Chapter Three Rules, and adherence only to the above provisions is therefore not a guarantee against the imposition of sanctions under Trial Court Delay Reduction. Careful reading and compliance with the actual Chapter Rules is absolutely imperative.**

### \*Class Actions

All class actions are initially assigned to Judge Victoria Chaney in Department 324 of the Central Civil West courthouse (600 S. Commonwealth Ave., Los Angeles 90005). This assignment is for pretrial purposes and for the purpose of assessing whether or not the case is complex within the meaning of California Rules of Court, rule 3.400. Depending on the outcome of that assessment, the class action case may be reassigned to one of the judges of the Complex Litigation Program or reassigned randomly to a court in the Central District.

EXHIBIT "E"

## Properties for Sale

1 3200 Long Beach Boulevard, Long Beach, CA 90807



### Property Details

Price	\$2,950,000
Building Size	14,866 SF
Lot Size	46,040 SF
Price/SF	\$198.44 /SF
Property Type	Office
Property Sub-type	Medical Office
Property Use Type	Vacant/Owner-User
Commission Split	
Occupancy	0%
No. Stories	1
Building Class	B
Year Built	1967
Parking Ratio	4.91 / 1,000 SF
Status	Active

### Broker Information

Jessica Kelley  
Marcus & Millichap  
(818) 212-2776

### Property Notes

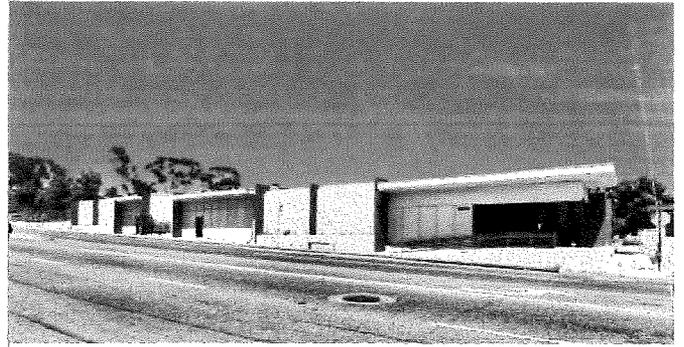
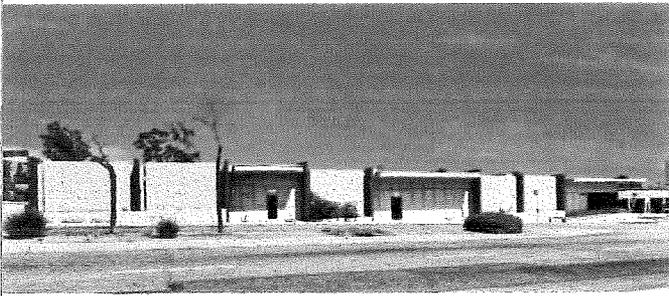
### Property Description

Marcus & Millichap is pleased to present 3200 Long Beach Blvd in Long Beach, CA, an approximate 14,866 square foot Free Standing Medical Office Building situated on three parcels of land totaling 46,040 square feet. The building is demised into three separate suites each of which is separately metered for electricity (Suite 3200 = 5,689 SF / Suite 3210 = 4,375 SF / Suite 3220 = 4,802 SF). Suite 3200 and 3210 have been recently remodeled and offer extensive medical build-out with multiple exam rooms, nursing stations, an x-ray room, administrative offices and lab space throughout. Suite 3220 is in raw condition and needs a complete renovation. Renovation costs have been estimated at \$200,000. This is a great opportunity for an Investor or an Owner/User to acquire a well located Medical Office Building in Long Beach. The property is well suited for one to three occupants providing flexibility to either an Investor or an Owner/user. SBA financing is available with as low as 10% down. The effective cost to occupy 62% of the building is \$1.25 MG, almost 30% below market rent for comparable space!

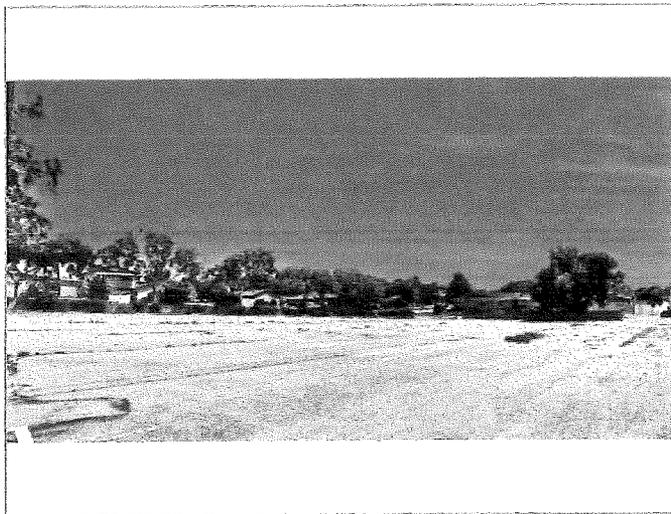
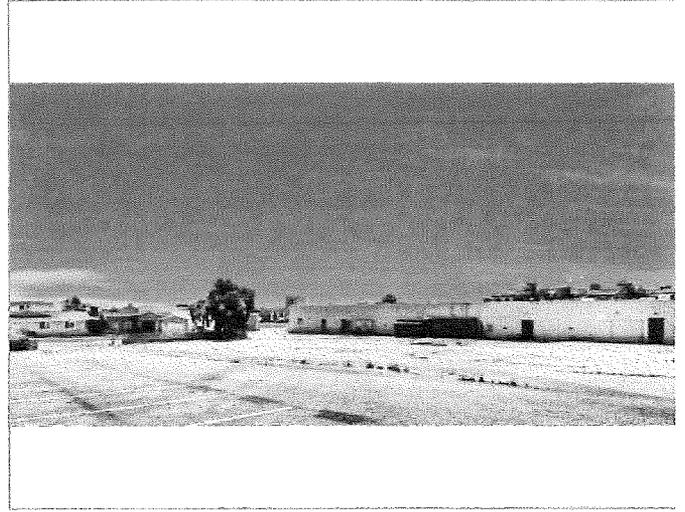
### Location Description

The property benefits from 73 surface parking spaces (4.91 / 1,000 parking ratio) which allows for a multitude of office and medical uses. The property is ideally located just south of the San Diego 405 Freeway and is less than 1 mile north of Long Beach Memorial Hospital. The building is also within close proximity of the 710 Freeway, Long Beach Airport, Ports of Los Angeles and Long Beach and an array of retail & restaurants amenities.

Photos







# EXHIBIT "F"

**Marcus & Millichap**  
Real Estate Investment Services

16830 Ventura Blvd.  
Suite 100  
Encino, CA 91436  
Tel: 818 212 2725  
Fax: 818 212 2700

May 27, 2016

PERSONAL AND CONFIDENTIAL

Shaun McCullough  
Jeff Coburn  
5000 East Spring Street, Suite 600  
Long Beach, CA 90815

RE: Purchase of 3200 Long Beach Blvd., Long Beach, CA 90807

Dear Shaun & Jeff,

On behalf of JK Per Angusta AD Felicitas, LLC ("Seller") this non-binding letter of intent ("Letter") sets forth their counter offer to 2H Property 3060, LLC and/or assignee(s) ("Buyer") in acquiring the subject Property subject to the general business terms and conditions described below:

*Principle Terms and Conditions*

Buyer: 2H Property 3060, LLC and/or assignee(s)

Seller: JK Per Angusta AD Felicitas, LLC

Property: 3200 Long Beach Blvd., Long Beach, CA 90807  
APN# 7207-001-030, 7207-001-033, 7207-001-034

Purchase Price: Two Million Six Hundred and Fifty Thousand (\$2,650,000)

Deposit: Sixty-Five Thousand Five Hundred (\$65,500) deposit upon execution of definitive agreement by Seller and Buyer. At closing, the Deposit shall be applied toward the Purchase Price. Deposit shall become non-refundable upon removal off all Contingencies.

Financing: The Purchase and Sale Agreement shall provide Buyer **Forty-Five (45) Calendar Days** from the date a definitive purchase agreement is executed by Seller and Buyer to secure financing acceptable to the Buyer ("Financing Period"). If on or before the end of the 45 Days, the buyer has not notified the seller in writing the buyer is waiving this Financing Period contingency, then the Purchase and Sale Agreement shall terminate, the deposit along with any accrued interest shall be returned to the Buyer, and neither party shall have any further obligations to the other party with respect to the property.

Due Diligence: NO PHYSICAL CONTINGENCY

Escrow: The parties will open escrow within **Three (3) Business days** of execution of the definitive Purchase and Sale Agreement at Chartwell Escrow – Jill Feinberg. Escrow fees shall be split evenly between Buyer and Seller. Escrow shall close within **Fifteen (15) Calendar Days** from the removal of all contingencies

Title Company: North American Title- Tony Behrens

Contract: Upon the mutual execution of this Letter, Seller will provide Buyer with a purchase and sale contract. Seller shall deliver this contract to Buyer within **Three (3) Business days** from the execution of this Letter. Upon delivery of said PSA from Seller to Buyer, both parties shall negotiate such PSA in good faith with the understanding that it is to be executed by both parties within **Three (3) Business days** from the date the draft PSA is delivered to Buyer ("Effective Date").

Confidentiality: Seller, Buyer, and their agents shall maintain the confidentiality of the parties, terms, and conditions of this letter and the negotiations that may follow, if any, from this date forth.

Commission: Brokerage commission shall be the sole responsibility of the seller.

Acceptance: Prior to the acceptance of an offer, Seller requires Buyer to show proof of funds or pre-qualification letter from lender.

The above items are the general business terms and conditions to be covered in the Purchase and Sale Agreement, which would be submitted to the Buyer. Additional remaining terms of the Purchase and Sale Agreement will be negotiated and must be acceptable to both Buyer and Seller.

This Letter is not intended to be a binding contract.

This letter of Intent to Purchase is a proposal only and is not an offer to purchase the subject Property by you or any other related party. Any agreement reached as to any or all of the provisions of this Letter shall not be binding upon Seller or Buyer and any purported acceptance of the provisions of this Letter does not constitute a binding contract. Only a fully executed and delivered, definitive Purchase and Sale Agreement containing terms and conditions mutually acceptable to Buyer and Seller in their sole and absolute discretion, shall obligate either party. Both parties acknowledge that further negotiations may be required in order to prepare a Purchase and Sale Agreement.

If this Letter accurately reflects the general business terms and conditions which may form the basis of a separate written agreement, please confirm in writing no later than 5pm PST on **Wednesday, June 1<sup>st</sup>, 2016**. This Letter supersedes letters, if any submitted at earlier dates and any and all other communications or discussions whether oral, in writing, or on electronic format.

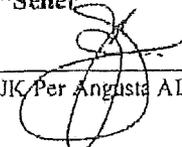
Sincerely,

**Marcus & Millichap**

\_\_\_\_\_  
Ryan Rothstein-Serling  
Associate  
License: CA: 01920619

**AGREED AND APPROVED:**

"Seller"

  
\_\_\_\_\_  
JK Per Angusta AD Felicitas, LLC

Date

5/27/16

"Buyer"

  
\_\_\_\_\_  
ZH Property 3060, LLC

Date

6-7-16

**Marcus & Millichap**  
Real Estate Investment Services

16830 Ventura Blvd.  
Suite 100  
Encino, CA 91436  
Tel: 818 212 2725  
Fax: 818 212 2700

May 27, 2016

PERSONAL AND CONFIDENTIAL

Shaun McCullough  
Jeff Coburn  
5000 East Spring Street, Suite 600  
Long Beach, CA 90815

RE: Purchase of 3200 Long Beach Blvd., Long Beach, CA 90807

Dear Shaun & Jeff,

On behalf of JK Per Angusta AD Felicitas, LLC ("Seller") this non-binding letter of intent ("Letter") sets forth their counter offer to 2H Property 3060, LLC and/or assignee(s) ("Buyer") in acquiring the subject Property subject to the general business terms and conditions described below:

*Principle Terms and Conditions*

Buyer: 2H Property 3060, LLC and/or assignee(s)

Seller: JK Per Angusta AD Felicitas, LLC

Property: 3200 Long Beach Blvd., Long Beach, CA 90807  
APN# 7207-001-030, 7207-001-033, 7207-001-034

Purchase Price: **Two Million Six Hundred and Fifty Thousand (\$2,650,000)**

Deposit: **Eighty-Five Thousand Five Hundred (\$85,500)** deposit upon execution of definitive agreement by Seller and Buyer. At closing, the Deposit shall be applied toward the Purchase Price. Deposit shall become non-refundable upon removal off all Contingencies.

Financing: The Purchase and Sale Agreement shall provide Buyer **Forty-Five (45) Calendar Days** from the date a definitive purchase agreement is executed by Seller and Buyer to secure financing acceptable to the Buyer ("Financing Period"). If on or before the end of the 45 Days, the buyer has not notified the seller in writing the buyer is waiving this Financing Period contingency, then the Purchase and Sale Agreement shall terminate, the deposit along with any accrued interest shall be returned to the Buyer, and neither party shall have any further obligations to the other party with respect to the property.

Due Diligence: NO PHYSICAL CONTINGENCY

Escrow: The parties will open escrow within **Three (3) Business days** of execution of the definitive Purchase and Sale Agreement at ~~Chartwell Escrow - Jill Feinberg~~ *WEST COAST ESCROW, JEDDY* Escrow fees shall be split evenly between Buyer and Seller. Escrow shall close within **Fifteen (15) Calendar Days** from the removal of all contingencies

Title Company: North American Title- Tony Behrens

Contract: Upon the mutual execution of this Letter, Seller will provide Buyer with a purchase and sale contract. Seller shall deliver this contract to Buyer within **Three (3) Business days** from the execution of this Letter. Upon delivery of said PSA from Seller to Buyer, both parties shall negotiate such PSA in good faith with the understanding that it is to be executed by both parties within **Three (3) Business days** from the date the draft PSA is delivered to Buyer ("Effective Date").

Confidentiality: Seller, Buyer, and their agents shall maintain the confidentiality of the parties, terms, and conditions of this letter and the negotiations that may follow, if any, from this date forth.

Commission: Brokerage commission shall be the sole responsibility of the seller. *TO BE SPLIT 50/50 BETWEEN BROKERS*

Acceptance: Prior to the acceptance of an offer, Seller requires Buyer to show proof of funds or pre-qualification letter from lender. *SEA*

The above items are the general business terms and conditions to be covered in the Purchase and Sale Agreement, which would be submitted to the Buyer. Additional remaining terms of the Purchase and Sale Agreement will be negotiated and must be acceptable to both Buyer and Seller.

This Letter is not intended to be a binding contract.

This letter of Intent to Purchase is a proposal only and is not an offer to purchase the subject Property by you or any other related party. Any agreement reached as to any or all of the provisions of this Letter shall not be binding upon Seller or Buyer and any purported acceptance of the provisions of this Letter does not constitute a binding contract. Only a fully executed and delivered, definitive Purchase and Sale Agreement containing terms and conditions mutually acceptable to Buyer and Seller in their sole and absolute discretion, shall obligate either party. Both parties acknowledge that further negotiations may be required in order to prepare a Purchase and Sale Agreement.

If this Letter accurately reflects the general business terms and conditions which may form the basis of a separate written agreement, please confirm in writing no later than **5pm PST on Wednesday, June 1<sup>st</sup>, 2016**. This Letter supersedes letters, if any submitted at earlier dates and any and all other communications or discussions whether oral, in writing, or on electronic format.

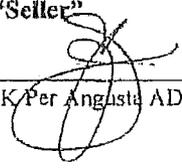
Sincerely,

**Marcus & Millichap**

\_\_\_\_\_  
**Ryan Rothstein-Serling**  
Associate  
License: CA: 01920619

**AGREED AND APPROVED:**

"Seller"

  
\_\_\_\_\_  
JK/Per Augusta AD Felicitas, LLC

Date

5/27/16

"Buyer"

  
\_\_\_\_\_  
2H Property 3060, LLC

Date

6-1-16

**Marcus & Millichap**  
Real Estate Investment Services

16830 Ventura Blvd.  
Suite 100  
Encino, CA 91436  
Tel: 818 212 2725  
Fax: 818 212 2700

May 27, 2016

PERSONAL AND CONFIDENTIAL

Shaun McCullough  
Jeff Coburn  
5000 East Spring Street, Suite 600  
Long Beach, CA 90815

RE: Purchase of 3200 Long Beach Blvd., Long Beach, CA 90807

Dear Shaun & Jeff,

On behalf of JK Per Angusta AD Felicitas, LLC ("Seller") this non-binding letter of intent ("Letter") sets forth their counter offer to 2H Property 3060, LLC and/or assignee(s) ("Buyer") in acquiring the subject Property subject to the general business terms and conditions described below:

*Principle Terms and Conditions*

Buyer: 2H Property 3060, LLC and/or assignee(s)

Seller: JK Per Angusta AD Felicitas, LLC

Property: 3200 Long Beach Blvd., Long Beach, CA 90807  
APN# 7207-001-030, 7207-001-033, 7207-001-034

Purchase Price: **Two Million Six Hundred and Fifty Thousand (\$2,650,000)**

Deposit: **Eighty-Five Thousand Five Hundred (\$85,500)** deposit upon execution of definitive agreement by Seller and Buyer. At closing, the Deposit shall be applied toward the Purchase Price. Deposit shall become non-refundable upon removal off all Contingencies.

Financing: The Purchase and Sale Agreement shall provide Buyer **Forty-Five (45) Calendar Days** from the date a definitive purchase agreement is executed by Seller and Buyer to secure financing acceptable to the Buyer ("Financing Period"). If on or before the end of the 45 Days, the buyer has not notified the seller in writing the buyer is waiving this Financing Period contingency, then the Purchase and Sale Agreement shall terminate, the deposit along with any accrued interest shall be returned to the Buyer, and neither party shall have any further obligations to the other party with respect to the property.

Due Diligence: **NO PHYSICAL CONTINGENCY**

Escrow: The parties will open escrow within **Three (3) Business days** of execution of the definitive Purchase and Sale Agreement at **Chartwell Escrow – Jill Feinberg**. Escrow fees shall be split evenly between Buyer and Seller. Escrow shall close within **Fifteen (15) Calendar Days** from the removal of all contingencies

Title Company: **North American Title- Tony Behrens**

Contract: Upon the mutual execution of this Letter, Seller will provide Buyer with a purchase and sale contract. Seller shall deliver this contract to Buyer within **Three (3) Business days** from the execution of this Letter. Upon delivery of said PSA from Seller to Buyer, both parties shall negotiate such PSA in good faith with the understanding that it is to be executed by both parties within **Three (3) Business days** from the date the draft PSA is delivered to Buyer ("Effective Date").

Confidentiality: Seller, Buyer, and their agents shall maintain the confidentiality of the parties, terms, and conditions of this letter and the negotiations that may follow, if any, from this date forth.

Commission: **Brokerage commission** shall be the sole responsibility of the seller.

Acceptance: Prior to the acceptance of an offer, Seller requires Buyer to show proof of funds or pre-qualification letter from lender.

The above items are the general business terms and conditions to be covered in the Purchase and Sale Agreement, which would be submitted to the Buyer. Additional remaining terms of the Purchase and Sale Agreement will be negotiated and must be acceptable to both Buyer and Seller.

This Letter is not intended to be a binding contract.

This letter of Intent to Purchase is a proposal only and is not an offer to purchase the subject Property by you or any other related party. Any agreement reached as to any or all of the provisions of this Letter shall not be binding upon Seller or Buyer and any purported acceptance of the provisions of this Letter does not constitute a binding contract. Only a fully executed and delivered, definitive Purchase and Sale Agreement containing terms and conditions mutually acceptable to Buyer and Seller in their sole and absolute discretion, shall obligate either party. Both parties acknowledge that further negotiations may be required in order to prepare a Purchase and Sale Agreement.

If this Letter accurately reflects the general business terms and conditions which may form the basis of a separate written agreement, please confirm in writing no later than **5pm PST on Wednesday, June 1<sup>st</sup>, 2016**. This Letter supersedes letters, if any submitted at earlier dates and any and all other communications or discussions whether oral, in writing, or on electronic format.

Sincerely,

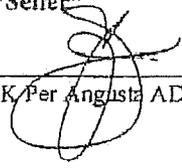
**Marcus & Millichap**

---

**Ryan Rothstein-Serling**  
Associate  
License: CA: 01920619

**AGREED AND APPROVED:**

"Seller"

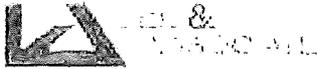
  
\_\_\_\_\_  
JK Per Augusta AD Felicitas, LLC

5/27/16  
Date

"Buyer"

\_\_\_\_\_  
2H Property 3060, LLC

\_\_\_\_\_  
Date



100 ANNELETT STREET, SUITE 600

May 27, 2016

Ryan Rothstein-Serling  
Marcus & Millichap

sent via email to: [ryan.serling@marcusmillichap.com](mailto:ryan.serling@marcusmillichap.com)

RE: Counter Offer to Purchase – 3200 Long Beach Blvd, Long Beach, CA (the “Property”)

Dear Ryan:

Thank you for your May 25, 2016 Letter of Intent. We have been authorized by 2H Property 3060, LLC (“Buyer”) to submit the following Counter Offer to Purchase the above referenced property:

1. **Buyer:** 2H Property 3060, LLC and/or Assignee.
2. **Property:** 3200 Long Beach Blvd, Long Beach, CA (APN: 7207-001-030, 033 & 034) Approximately 14,866 square foot commercial building on approximately 46,040 square feet of land.
3. **Purchase Price:** \$2,600,000
4. **Deposit:** Upon execution of a Purchase Agreement and Escrow Instructions (Purchase & Sale Agreement), Buyer shall deposit the sum of \$85,500.00 into escrow. At close of escrow, Buyer’s deposit shall be credited to the purchase price.
5. **Contingency Review & Close of Escrow:** Buyer shall have forty-five (45) days from the execution of the Purchase & Sale Agreement and opening of escrow to receive loan approval, review and approve the condition of the Property, existing leases, financial information, title, environmental conditions and any other matters deemed relevant by Buyer. Escrow shall close on or before fifteen (15) days from the expiration on contingencies.
6. **Escrow & Title:** Escrow to be held by West Coast Escrow and Title to be handled by North American Title – Tony Behrens. Escrow, title, pro-rations, and other closing costs to be handled in accordance with local custom and practice.
7. **Purchase & Sale Agreement:** Upon mutual execution of this Letter of Intent, Buyer will provide Seller with an AIR Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate, consistent with this Letter of Intent.
8. **Real Estate Brokers:** Seller acknowledges that Buyer is represented by Lee & Associates and Seller is represented by Marcus & Millichap and shall be paid a real estate commission at the close of escrow in the amount of 6% of the total purchase price, to be split 50/50 between Buyer and Seller’s agent.

Lee & Associates Los Angeles-Long Beach, Inc. A Member of the Lee & Associates Group of Companies  
5000 East Spring Street Suite 600 Long Beach, CA 90815 / Office: 562/354-2500 Fax: 562/354-2501

2H-000099

This proposal will become null and void if not accepted on or before Tuesday, May 31, 2016 at 5:00pm. Lee & Associates is providing the information enclosed in this proposal for the purpose of communicating its interest in purchasing the property at the above referenced location.

The above is merely to outline basic terms under which Buyer and Seller may negotiate Sale. It is not a contract or a purchase agreement, nor is it intended to be binding on either party for any purpose. Until a Purchase & Sale Agreement is fully executed, either party may terminate negotiations at any time, for any reason or no reason at all without liability to the other party.

Please feel free to contact us at (562) 354-2500 with any questions.

Sincerely,  
Lee & Associates – Long Beach



Shaun McCullough  
Principal

Cc: Jeff Coburn

**AGREED and APPROVED:**

**BUYER:**

By \_\_\_\_\_

Its \_\_\_\_\_

Dated \_\_\_\_\_

**SELLER:**

By \_\_\_\_\_

Its \_\_\_\_\_

Dated \_\_\_\_\_



# Marcus & Millichap

Real Estate Investment Services

16830 Ventura Blvd.  
Suite 100  
Encino, CA 91436  
Tel: 818 212 2725  
Fax: 818 212 2700

May 25, 2016

PERSONAL AND CONFIDENTIAL

Shaun McCullough  
Jeff Coburn  
5000 East Spring Street, Suite 600  
Long Beach, CA 90815

RE: Purchase of 3200 Long Beach Blvd., Long Beach, CA 90807

Dear Shaun & Jeff,

On behalf of JK Per Angusta AD Felicitas, LLC ("Seller") this non-binding letter of intent ("Letter") sets forth their counter offer to 2H Property 3060, LLC and/or assignee(s) ("Buyer") in acquiring the subject Property subject to the general business terms and conditions described below:

*Principle Terms and Conditions*

Buyer: 2H Property 3060, LLC and/or assignee(s)

Seller: JK Per Angusta AD Felicitas, LLC

Property: 3200 Long Beach Blvd., Long Beach, CA 90807  
APN# 7207-001-030, 7207-001-033, 7207-001-034

Purchase Price: Two Million Eight Hundred and Fifty Thousand (\$2,850,000)

Deposit: Eighty-Five Thousand Five Hundred (\$85,500) deposit upon execution of definitive agreement by Seller and Buyer. At closing, the Deposit shall be applied toward the Purchase Price. Deposit shall become non-refundable upon removal off all Contingencies.

Financing: NONE – ALL CASH

Due Diligence: For a period of Thirty (30) Calendar days from the date a definitive purchase agreement is executed by Seller and Buyer, Buyer may make a full investigation of the property and conduct their due diligence in a reasonable manner. Seller will cooperate with such investigation. In connection with such investigation, Seller will permit Buyer to conduct a reasonable physical inspection of the property, and will provide Buyer and its Agents access to Seller's records, papers, and documents

Page 1 of 3

2H-000101

including copies of profit and loss statements, architectural and engineering plans, proposed development plans, environmental assessments and rental history related to the property (if available). Seller will permit copies of its records to be obtained by Buyer so long as reasonable accommodations for their safekeeping and return can be arranged.

Escrow: The parties will open escrow within **Three (3) Business days** of execution of the definitive Purchase and Sale Agreement at **Chartwell Escrow – Jill Feinberg**. Escrow fees shall be split evenly between Buyer and Seller. Escrow shall close within **Fifteen (15) Calendar Days** from the removal of all contingencies

Title Company: **North American Title- Tony Behrens**

Contract: Upon the mutual execution of this Letter, Seller will provide Buyer with a purchase and sale contract. Seller shall deliver this contract to Buyer within **Three (3) Business days** from the execution of this Letter. Upon delivery of said PSA from Seller to Buyer, both parties shall negotiate such PSA in good faith with the understanding that it is to be executed by both parties within **Three (3) Business days** from the date the draft PSA is delivered to Buyer ("Effective Date").

Confidentiality: *Stake* Seller, Buyer, and their agents shall maintain the confidentiality of the parties, terms, and conditions of this letter and the negotiations that may follow, if any, from this date forth.

Commission: Brokerage commission shall be the sole responsibility of the seller.

Acceptance: Prior to the acceptance of an offer, Seller requires Buyer to show proof of funds or pre-qualification letter from lender.

The above items are the general business terms and conditions to be covered in the Purchase and Sale Agreement, which would be submitted to the Buyer. Additional remaining terms of the Purchase and Sale Agreement will be negotiated and must be acceptable to both Buyer and Seller.

This Letter is not intended to be a binding contract.

This letter of Intent to Purchase is a proposal only and is not an offer to purchase the subject Property by you or any other related party. Any agreement reached as to any or all of the provisions of this Letter shall not be binding upon Seller or Buyer and any purported acceptance of the provisions of this Letter does not constitute a binding contract. Only a fully executed and delivered, definitive Purchase and Sale Agreement containing terms and conditions mutually acceptable to Buyer and Seller in their sole and absolute discretion, shall obligate either party. Both parties acknowledge that further negotiations may be required in order to prepare a Purchase and Sale Agreement.

If this Letter accurately reflects the general business terms and conditions which may form the basis of a separate written agreement, please confirm in writing no later than 5pm PST on Monday, May 30<sup>th</sup>, 2016. This Letter supersedes letters, if any submitted at earlier dates and any and all other communications or discussions whether oral, in writing, or on electronic format.

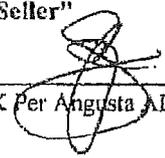
Sincerely,

**Marcus & Millichap**

\_\_\_\_\_  
Ryan Rothstein-Serling  
Associate  
License: CA: 01920619

**AGREED AND APPROVED:**

"Seller"

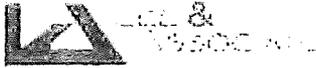
  
\_\_\_\_\_  
JK Per Augusta AD Felicitas, LLC

5/25/2016  
Date

"Buyer"

\_\_\_\_\_  
2H Property 3060, LLC

\_\_\_\_\_  
Date



LOS ANGELES - LONG BEACH

May 12, 2016

Ryan Rothstein-Serling  
Marcus & Millichap

sent via email to: [ryan.serling@marcusmillichap.com](mailto:ryan.serling@marcusmillichap.com)

RE: Offer to Purchase – 3200 Long Beach Blvd, Long Beach, CA (the “Property”)

Dear Ryan:

We have been authorized by 2H Property 3060, LLC (“Buyer”) to submit the following Offer to Purchase the above referenced property:

1. **Buyer:** 2H Property 3060, LLC and/or Assignee.
2. **Property:** 3200 Long Beach Blvd, Long Beach, CA (APN: 7207-001-030) Approximately 14,866 square foot commercial building on approximately 46,040 square feet of land.
3. **Purchase Price:** \$2,500,000 (+/- \$168 PSF).
4. **Deposit:** Upon execution of a Purchase Agreement and Escrow Instructions (Purchase & Sale Agreement), Buyer shall deposit the sum of \$50,000.00 into escrow. At close of escrow, Buyer’s deposit shall be credited to the purchase price.
5. **Contingency Review & Close of Escrow:** Buyer shall have thirty (30) days from the execution of the Purchase & Sale Agreement and opening of escrow to review and approve the condition of the Property, existing leases, financial information, title, environmental conditions and any other matters deemed relevant by Buyer. Escrow shall close on or before fifteen (15) days from the expiration on contingencies.
6. **Escrow & Title:** Escrow to be held by West Coast Escrow and Title to be handled by Tigor Title. Escrow, title, pro-rations, and other closing costs to be handled in accordance with local custom and practice.
7. **Purchase & Sale Agreement:** Upon mutual execution of this Letter of Intent, Buyer will provide Seller with an AIR Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate, consistent with this Letter of Intent.
8. **Real Estate Brokers:** Seller acknowledges that Buyer is represented by Lee & Associates and Seller is represented by Marcus & Millichap and shall be paid a real estate commission at the close of escrow in the amount of 6% of the total purchase price, to be split 50/50 between Buyer and Seller’s agent.

Lee & Associates Los Angeles-Long Beach, Inc. A Member of the Lee & Associates Group of Companies  
5000 East Spring Street Suite 600 Long Beach, CA 90815 / Office: 562/354-2500 Fax: 562/354-2501

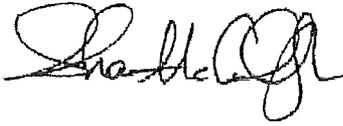
2H-000104

This proposal will become null and void if not accepted on or before Friday, May 13, 2016 at 5:00pm. Lee & Associates is providing the information enclosed in this proposal for the purpose of communicating its interest in purchasing the property at the above referenced location.

The above is merely to outline basic terms under which Buyer and Seller may negotiate Sale. It is not a contract or a purchase agreement, nor is it intended to be binding on either party for any purpose. Until a Purchase & Sale Agreement is fully executed, either party may terminate negotiations at any time, for any reason or no reason at all without liability to the other party.

Please feel free to contact us at (562) 354-2500 with any questions.

Sincerely,  
Lee & Associates – Long Beach



Shaun McCullough  
Principal

Cc: Jeff Coburn

**AGREED and APPROVED:**

**BUYER:**

By \_\_\_\_\_

Its \_\_\_\_\_

Dated \_\_\_\_\_

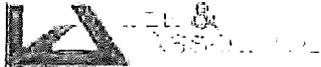
**SELLER:**

By \_\_\_\_\_

Its \_\_\_\_\_

Dated \_\_\_\_\_





LEE ASSOCIATES - LOS ANGELES - LONG BEACH

May 11, 2016

Ryan Rothstein-Serling  
Marcus & Millichap

sent via email to: [ryan.serling@marcusmillichap.com](mailto:ryan.serling@marcusmillichap.com)

RE: Offer to Purchase – 3200 Long Beach Blvd, Long Beach, CA (the “Property”)

Dear Ryan:

We have been authorized by 2H Property 3060, LLC (“Buyer”) to submit the following Offer to Purchase the above referenced property:

1. **Buyer:** 2H Property 3060, LLC and/or Assignee.
2. **Property:** 3200 Long Beach Blvd, Long Beach, CA (APN: 7207-001-030) Approximately 14,866 square foot commercial building on approximately 46,040 square feet of land.
3. **Purchase Price:** \$2,300,000 (+/- \$155 PSF).
4. **Deposit:** Upon execution of a Purchase Agreement and Escrow Instructions (Purchase & Sale Agreement), Buyer shall deposit the sum of \$50,000.00 into escrow. At close of escrow, Buyer’s deposit shall be credited to the purchase price.
5. **Contingency Review & Close of Escrow:** Buyer shall have thirty (30) days from the execution of the Purchase & Sale Agreement and opening of escrow to review and approve the condition of the Property, existing leases, financial information, title, environmental conditions and any other matters deemed relevant by Buyer. Escrow shall close on or before fifteen (15) days from the expiration on contingencies.
6. **Escrow & Title:** Escrow to be held by West Coast Escrow and Title to be handled by Ticor Title. Escrow, title, pro-rations, and other closing costs to be handled in accordance with local custom and practice.
7. **Purchase & Sale Agreement:** Upon mutual execution of this Letter of Intent, Buyer will provide Seller with an AIR Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate, consistent with this Letter of Intent.
8. **Real Estate Brokers:** Seller acknowledges that Buyer is represented by Lee & Associates and Seller is represented by Marcus & Millichap and shall be paid a real estate commission at the close of escrow in the amount of 6% of the total purchase price, to be split 50/50 between Buyer and Seller’s agent.

Lee & Associates Los Angeles-Long Beach, Inc. A Member of the Lee & Associates Group of Companies  
5000 East Spring Street Suite 600 Long Beach, CA 90815 / Office: 562/354-2500 Fax: 562/354-2501

2H-000106

This proposal will become null and void if not accepted on or before Friday, May 13, 2016 at 5:00pm. Lee & Associates is providing the information enclosed in this proposal for the purpose of communicating its interest in purchasing the property at the above referenced location.

The above is merely to outline basic terms under which Buyer and Seller may negotiate Sale. It is not a contract or a purchase agreement, nor is it intended to be binding on either party for any purpose. Until a Purchase & Sale Agreement is fully executed, either party may terminate negotiations at any time, for any reason or no reason at all without liability to the other party.

Please feel free to contact us at (562) 354-2500 with any questions.

Sincerely,  
Lee & Associates – Long Beach



Shaun McCullough  
Principal

Cc: Jeff Coburn

**AGREED and APPROVED:**

**BUYER:**

By \_\_\_\_\_

Its \_\_\_\_\_

Dated \_\_\_\_\_

**SELLER:**

By \_\_\_\_\_

Its \_\_\_\_\_

Dated \_\_\_\_\_

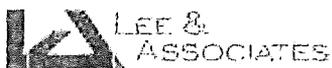


EXHIBIT "G"



3090 Bristol Street, Suite 190  
Costa Mesa, California 92626  
Office Phone: (949)419-9481  
Office Fax: (714)667-0338  
Email: randydeanteam@nat.com

Nai Capital Commerical  
225 S. Lake Ave, Suite 1170  
Pasadena, CA 91101

Your Ref:  
Our Order No.: 1416952  
Property Address: 3200 Long Beach Blvd.  
Long Beach, CA

Attention: Dan Bacani

---

**Preliminary Report** Dated as of March 17, 2016 at 7:30 A.M.

In response to the above referenced application for a Policy of Title Insurance,

**North American Title Insurance Company**

Hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and limitations on covered risks of said Policy or Policies are set forth in Exhibit A attached. The Policy to be issued may contain an Arbitration Clause. When the amount of insurance is less than that set forth in the Arbitration Clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the Parties. Limitations on covered risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a deductible amount and a maximum dollar limit of liability for certain coverages are also set forth in Exhibit A. Copies of the Policy forms should be read. They are available from the office which issued this report.

**Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.**

**It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.**

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

The form of Policy of title insurance contemplated by this report is: ALTA Standard Owner Policy

Please note that the America First Homeowner's Policy (CLTA/ ALTA Homeowner's Policy) can only be issued on transactions involving individuals as purchasers and residential 1-4 properties. Any indication that the America First Homeowner's Policy (CLTA/ ALTA Homeowner's Policy) will be issued in a transaction that does not meet these criteria is hereby revised to state that the policy contemplated is a Standard Coverage Policy.

Randy Dean, Title Officer

Page 1

## **SCHEDULE A**

1. The estate or interest in the land hereinafter described or referred to covered by this report is:  

Fee simple.
2. Title to said estate or interest at the date hereof is vested in:  

JK PER ANGUSTA AD FELICITAS LLC, A CALIFORNIA LIMITED LIABILITY COMPANY
3. The Land referred to in this report is situated in the City of Long Beach, County of Los Angeles, State of California, described as follows:

**See attached Legal Description**

### LEGAL DESCRIPTION

Real property in the City of Long Beach, County of Los Angeles, State of California, described as follows:

PARCEL 1:

LOTS 17, 18 AND 19 IN BLOCK "A" OF TRACT NO. 2901, IN THE CITY OF LONG BEACH, AS PER MAP RECORDED IN BOOK 36 PAGE 63 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY, TOGETHER WITH THAT PORTION OF THE WESTERLY HALF OF THAT CERTAIN ALLEY, 20 FEET WIDE, AS SHOWN AND DEDICATED UPON THE MAP OF SAID TRACT NO. 2901, WHICH ADJOINS SAID LOTS ON THE EAST, VACATED BY RESOLUTION NO. C-22311 OF THE CITY COUNCIL OF SAID CITY, A COPY OF WHICH WAS RECORDED AUGUST 1, 1977 AS INSTRUMENT NO. 77-833919, BOUNDED NORTHERLY BY THE EASTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID LOT 17, AND BOUNDED SOUTHERLY BY THE EASTERLY PROLONGATION OF THE SOUTHERLY LINE OF SAID LOT 19.

EXCEPT THEREFROM ALL OIL, MINERALS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, WITHOUT, HOWEVER, THE RIGHT TO USE ANY PART OF THE SURFACE THEREOF.

PARCEL 2:

LOTS 36, 37 AND 38 IN BLOCK "A" OF TRACT NO. 2901, IN THE CITY OF LONG BEACH, AS PER MAP RECORDED IN BOOK 36 PAGE 63 OF MAPS, IN THE OFFICE OF THE LOS ANGELES COUNTY RECORDER'S OFFICE, TOGETHER WITH THAT PORTION OF THE EASTERLY HALF OF THAT CERTAIN ALLEY, 20 FEET WIDE, AS SHOWN AND DEDICATED UPON THE MAP OF SAID TRACT NO. 2901 WHICH ADJOINS SAID LOTS ON THE WEST, VACATED BY RESOLUTION NO. C-22311 OF THE CITY COUNCIL OF SAID CITY, A COPY OF WHICH RECORDED AUGUST 1, 1977 AS INSTRUMENT NO. 77-833919, BOUNDED NORTHERLY BY THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID LOT 36, AND BOUNDED SOUTHERLY BY THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF SAID LOT 38.

**APN: 7207-001-030 and 7207-001-033 and 7207-001-034**

## SCHEDULE B

At the date hereof exceptions to coverage in addition to the printed exceptions and exclusions in the policy form designated on the face page of this report would be as follows:

1. General and special taxes and assessments for the fiscal year 2016-2017, a lien not yet due or payable.
  
2. General and special taxes and assessments for the fiscal year 2015-2016.  
First Installment: \$6,664.04, PAID  
Penalty: \$666.40  
Second Installment: \$6,664.04, OPEN  
Penalty: \$676.40  
Tax Rate Area: 11933  
A. P. No.: 7207-001-030  
  
(Affects Parcel 1)
  
3. General and special taxes and assessments for the fiscal year 2015-2016.  
First Installment: \$1,176.57, PAID  
Penalty: \$117.66  
Second Installment: \$1,176.56, OPEN  
Penalty: \$127.66  
Tax Rate Area: 11933  
A. P. No.: 7207-001-033  
  
(Affects Lot 36 of Parcel 2)
  
4. General and special taxes and assessments for the fiscal year 2015-2016.  
First Installment: \$2,370.03, PAID  
Penalty: \$237.00  
Second Installment: \$2,370.02, OPEN  
Penalty: \$247.00  
Tax Rate Area: 11933  
A. P. No.: 7207-001-034  
  
(Affects Lots 37 & 38 of Parcel 2)
  
5. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
  
6. Water rights, claims or title to water, whether or not shown by the public records.
  
7. An easement for conduits, telephone, electric light and power lines and incidental purposes in the document recorded in Book 6886 of Deeds, Page 175.
  
8. An easement for conduits, telephone, electric light and power lines and incidental purposes in the document recorded in Book 7063 of Deeds, Page 187.
  
9. An easement shown or dedicated on the Map as referred to in the legal description  
For: Pole line and incidental purposes.

(Affects Westerly 6 feet of Parcel 2)

10. The rights, if any, of a city, public utility or special district to preserve a public easement in alley as the same was vacated by the document recorded August 1, 1977 as Instrument No. 77-833919 of Official Records.
11. The fact that the land lies within the boundaries of the Central Long Beach Redevelopment Project Area, as disclosed by the document recorded March 20, 2001 as Instrument No. 01-0445784 of Official Records.
12. A Deed of Trust to secure an original indebtedness of \$1,475,000.00 recorded June 7, 2012 as Instrument No. 20120849230 of Official Records.  
Dated: June 1, 2012  
Trustor: Khaled A. Tawansy, MD, a single man  
Trustee: Chicago Title Company, a California corporation  
Beneficiary: Richard S. Warner and Tara J. Warner, Trustees of the Richard J. Warner and Tara J. Warner Family Trust 1993, as the sole and separate property of Richard S. Warner, as to an undivided 56.58% interest; and Caroline Warner Tugel, an unmarried woman, as to an undivided 21.71% interest; and Margaret Kuska, a married woman, as her sole and separate property, as to an undivided 21.71% interest, all as tenants in common

Note: Trust deeds with individual beneficiaries:

To avoid delays at the time of closing, please submit the original note, deed of trust and a properly executed request for reconveyance to this office at least one week before the close of escrow.

Beneficiaries must approve the written demand; any document that needs to be notarized including a substitution of trustee and reconveyance or an authorization to reconvey must be notarized by a NATC approved notary unless waived by senior advisory.

13. A federal tax lien in favor of the United States of America, recorded February 14, 2013 as Instrument No. 20130235202 of Official Records.  
Serial No.: 920365513  
Debtor: Khaled A. Tawansy  
Amount: \$179,992.22, and any other amounts due thereunder.
14. A federal tax lien in favor of the United States of America, recorded August 23, 2013 as Instrument No. 20131240506 of Official Records.  
Serial No.: 955515713  
Debtor: Khaled A. Tawansy  
Amount: \$296,446.37, and any other amounts due thereunder.
15. A lien for unsecured property taxes, evidenced by a certificate recorded by the tax collector of Los Angeles County, recorded December 9, 2013, as Instrument No. 20131733247 of Official Records.  
Debtor: Tawansy, Khaled MD DBA Children's Retina Institute of California  
Year & No.: 2013 & 13309-34974  
Amount: \$181.24, and any other amounts due thereunder.

16. A Deed of Trust to secure an original indebtedness of \$725,000.00 recorded June 24, 2014 as Instrument No. 20140650482 of Official Records.  
Dated: June 10, 2014  
Trustor: JK Per Angusta AD Felicitas LLC  
Trustee: Pacific Enterprise Bank  
Beneficiary: Pacific Enterprise Bank

A document entitled "Assignment of Rents" recorded June 24, 2014 as Instrument No. 20140650483 of Official Records, as additional security for the payment of the indebtedness secured by the deed of trust recorded June 24, 2014 as Instrument No. 20140650482 of Official Records.

17. An unrecorded lease dated May 2, 2014, executed by JK Per Angusta AD Felicitas LLC as lessor and Jennifer Kaur Rodriguez Sohal, M.D., Inc. as lessee, as disclosed by a Subordination, Non-Disturbance and Attornment Agreement and Estoppel Certificate recorded June 24, 2014 as Instrument No. 20140650484 of Official Records.

Defects, liens, encumbrances or other matters affecting the leasehold estate, whether or not shown by the public records.

A document recorded June 24, 2014 as Instrument No. 20140650484 of Official Records provides that the above document was subordinated to the document recorded June 24, 2014 as Instrument No. 20140650482 of Official Records.

18. A Deed of Trust to secure an original indebtedness of \$598,000.00 recorded June 24, 2014 as Instrument No. 20140650488 of Official Records.  
Dated: May 28, 2014  
Trustor: JK Per Angusta AD Felicitas LLC, a California limited liability company  
Trustee: Advantage Certified Development Corporation, a California non profit corporation  
Beneficiary: Advantage Certified Development Corporation

According to the public records, the beneficial interest under the deed of trust was assigned to U.S. Small Business Administration by assignment recorded June 24, 2014 as Instrument No. 20140650489 of Official Records.

19. An unrecorded lease dated May 2, 2014, executed by JK Per Angusta AD Felicitas LLC, a California limited liability company as lessor and Jennifer Kaur Rodriguez Sohal, M.D., Inc. as lessee, as disclosed by a Memorandum of Lease recorded June 24, 2014 as Instrument No. 20140650491 of Official Records.

Defects, liens, encumbrances or other matters affecting the leasehold estate, whether or not shown by the public records.

20. The terms and provisions contained in the document entitled "Lessor's Consent to Assignment of Lease" recorded June 24, 2014 as Instrument No. 20140650493 of Official Records.

21. The terms and provisions contained in the document entitled Third Party Lender Agreement, executed by and between Pacific Enterprise Bank and Advantage Certified Development Corporation, recorded August 24, 2014, as Instrument No. 20140650494 of Official Records.

22. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.

23. Any rights, interests, or claims of parties in possession of the land not shown by the public records.
24. With respect to JK Per Angusta AD Felicitas LLC, a California limited liability company:
- a. A copy of its operating agreement and any amendments thereto;
  - b. If it is a California limited liability company, that a certified copy of its articles of organization (LLC-1) and any certificate of correction (LLC-1.1), certificate of amendment (LLC-2), or restatement of articles of organization (LLC-10) be recorded in the public records;
  - c. If it is a foreign limited liability company, that a certified copy of its application for registration (LLC-5) be recorded in the public records;
  - d. With respect to any deed, deed of trust, lease, subordination agreement or other document or instrument executed by such limited liability company and presented for recordation by the Company or upon which the Company is asked to rely, that such document or instrument be executed in accordance with one of the following, as appropriate:
    - (i) If the limited liability company properly operates through officers appointed or elected pursuant to the terms of a written operating agreement, such document must be executed by at least two duly elected or appointed officers, as follows: the chairman of the board, the president or any vice president, and any secretary, assistant secretary, the chief financial officer or any assistant treasurer;
    - (ii) If the limited liability company properly operates through a manager or managers identified in the articles of organization and/or duly elected pursuant to the terms of a written operating agreement, such document must be executed by at least two such managers or by one manager if the limited liability company properly operates with the existence of only one manager.
  - e. Other requirements which the Company may impose following its review of the material required herein and other information which the Company may require

\*\*\*\*\* END OF REPORT \*\*\*\*\*

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\* \* \* \* \*    N O T E S    \* \* \* \* \*

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1. City Transfer Tax: The following City Charged Transfer Tax is in addition to the Normal Transfer Tax. The tax is based on the full value of the transfer without allowance for liens or encumbrances assumed - the fee shown is the fee per thousand dollars of value or fraction thereof. The rates shown are subject to change by city at any time.

CITY	FEE
Culver City	\$ 4.50
Los Angeles	\$ 4.50
Pomona	\$ 2.20
Redondo Beach	\$ 2.20
Santa Monica	\$ 3.00

2. Notice of change in ownership recording procedure

Effective July 1, 1985 pursuant to state law as amended January 1, 2011 (Section 480.3 of the Revenue and Taxation Code), all Deeds and other Documents that reflect a change in ownership must be accompanied by a Preliminary Change of Ownership Report to be completed by the transferee.

If this special report is not presented at the time of recording, an additional recording fee of \$20.00, as required by law, will be charged.

Preliminary Change in Ownership forms, instructions on how to complete them, and a non-exclusive list of documents that are affected by this change, are available from the County Recorder's Office or the Office of the County Assessor.

3. GOOD FUNDS LAW

Under Section 12413.1 of the California Insurance Code, North American Title Company, Inc. may only make funds available for disbursement in accordance with the following rules:

Same day availability. Disbursement on the date of deposit is allowed only when funds are deposited to North American Title Company, Inc. by Cash or Electronic Transfer (Wire). Cash will be accepted only under special circumstances and upon approval by management.

Next business day availability. If funds are deposited to North American Title Company, Inc. by cashier's checks, certified checks or teller's checks, disbursement may be on the next business day following deposit. A "teller's check" is one drawn by an insured financial institution against another insured financial institution (e.g., a savings and loan funding with a check drawn against a FDIC insured bank).

Second business day availability. If the deposit is made by checks other than those described in paragraphs 1 and 2 above, disbursement may occur on the day when funds must be made available to depositors under Federal Reserve Regulation CC. In most cases, these checks will be available on the second business day following deposit. (For further details, consult California Insurance Code Section 12413, et seq. and Regulation CC).

These are the minimum periods before funds will be made available. North American Title Company, Inc. is not obligated to disburse funds at the expiration of the time periods above, and expressly reserves the right to require additional time before disbursing on deposited funds.

Close of escrow and final disbursement will not be made based on deposits in the form of personal checks, corporate checks, credit union checks, money market checks, travelers checks and official checks until confirmation of final clearance of the funds.

North American Title Company will not be responsible for accruals of interest or other charges resulting from compliance with the disbursement restrictions imposed by state law.

4. North American Title Company, Inc.'s charges for recording the transaction documents include charges for services performed by North American Title Company, Inc., in addition to an estimate of payments to be made to governmental agencies.
5. Note: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.
6. The map attached, if any, may or may not be a survey of the land depicted hereon. North American Title Company expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

**NORTH AMERICAN TITLE COMPANY**

3090 Bristol Street, Suite 190, Costa Mesa, CA 92626  
(800)464-6282

Fax: (714)667-0338 Email: randydeanteam@nat.com

**Closing Protection Letters can be ordered directly by emailing cacpl@nat.com with your title order number and property address.**

Attention:

Your Ref:

Our Order No.: 92070-1416952-16

**LENDERS SUPPLEMENTAL REPORT**

Dated as of March 17, 2016 AT 7:30 A.M.

Title Officer: Randy Dean

The above numbered report (including any supplements or amendments thereto) is hereby modified and/or supplemented in order to reflect the following additional items relating to the issuance of an American Land Title Association loan form policy of Title Insurance:

Our ALTA Loan Policy, when issued, will contain Endorsement Nos. 100 and 116.

There is located on said land a Medical Building  
Known as: 3200 Long Beach Blvd.  
City of Long Beach  
County of Los Angeles  
State of California.

According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:

A document recorded June 24, 2014 as Instrument No. 20140650481 of Official Records.

From: Khaled A. Tawansy, M.D., a single man

To: JK Per Augusta AD Felicitas LLC, a California limited liability company

**Privacy Policy**  
**North American Title Group, Inc. Family of Companies**

*Effective: November 1, 2015*

<b>FACTS</b>	<b>WHAT DOES NORTH AMERICAN TITLE GROUP, INC. FAMILY OF COMPANIES DO WITH YOUR PERSONAL INFORMATION?</b>																									
<i>Why?</i>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some, but not all, sharing. Federal law also requires us to tell you how we collect, share and protect your personal information. Please read this notice carefully to understand what we do.																									
<i>What?</i>	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>• Social Security number, birthdate, driver's license number and income</li> <li>• Transaction history and payment history</li> <li>• Purchase history and account balances</li> </ul> <p>When you are no longer our customer, we continue to share your information as described in this notice.</p>																									
<i>How?</i>	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information: the reasons North American Title Group, Inc. Family of Companies (NATG) choose to share; and whether you can limit this sharing.																									
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: left;">Reasons we can share your personal information</th> <th style="width: 20%; text-align: center;">Does NATG share?</th> <th style="width: 30%; text-align: center;">Can you limit this sharing?</th> </tr> </thead> <tbody> <tr> <td><b>For our everyday business purposes</b> –such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus</td> <td style="text-align: center;">Yes</td> <td style="text-align: center;">No</td> </tr> <tr> <td><b>For our marketing purposes</b> – to offer our products and services to you</td> <td style="text-align: center;">Yes</td> <td style="text-align: center;">No</td> </tr> <tr> <td><b>For joint marketing with other financial companies</b></td> <td style="text-align: center;">No</td> <td style="text-align: center;">We don't share</td> </tr> <tr> <td><b>For our affiliates' everyday business purposes</b> – information about your transactions and experiences</td> <td style="text-align: center;">Yes</td> <td style="text-align: center;">No</td> </tr> <tr> <td><b>For our affiliates' everyday business purposes</b> – information about your creditworthiness</td> <td style="text-align: center;">No</td> <td style="text-align: center;">We don't share</td> </tr> <tr> <td><b>For our affiliates to market to you</b></td> <td style="text-align: center;">No</td> <td style="text-align: center;">We don't share</td> </tr> <tr> <td><b>For nonaffiliates to market to you</b></td> <td style="text-align: center;">No</td> <td style="text-align: center;">We don't share</td> </tr> </tbody> </table>			Reasons we can share your personal information	Does NATG share?	Can you limit this sharing?	<b>For our everyday business purposes</b> –such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No	<b>For our marketing purposes</b> – to offer our products and services to you	Yes	No	<b>For joint marketing with other financial companies</b>	No	We don't share	<b>For our affiliates' everyday business purposes</b> – information about your transactions and experiences	Yes	No	<b>For our affiliates' everyday business purposes</b> – information about your creditworthiness	No	We don't share	<b>For our affiliates to market to you</b>	No	We don't share	<b>For nonaffiliates to market to you</b>	No	We don't share
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<i>Questions?</i>	Call 1 (888) 444-7766, extension 6585																									
<b>Who we are</b>																										
<b>Who is providing this notice?</b>	The North American Title Group, Inc. Family of Companies (identified below), which offers title insurance, settlement services, and property and casualty insurance.																									

What we do	
How does NATG protect your personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does NATG collect your personal information?	<p>In general, you can visit our website on the Internet without disclosing your identity or any information about yourself. Our web servers collect statistical information, such as the number of visitors, returning visitors, country of origin, source of traffic (e.g., Google) and method of access (e.g., mobile), but not the email addresses, of visitors. This information is aggregated to measure the number of visits, average time spent on the site, pages viewed and similar information used to improve the overall content of our website to all visitors. You may choose to provide personal information to us through our website in order to request information, products or services, or to submit a complaint or inquiry. Any information provided via our website will be used only in accordance with the policies outlined here.</p> <p>We collect your personal information, for example, from:</p> <ul style="list-style-type: none"> <li>• Applications, contracts or other forms you complete</li> <li>• Information provided about your transaction by you, by affiliates or others, whether received in writing, in person, by telephone or any other means</li> <li>• Information provided to us by other parties involved in your transaction, such as your lender, mortgage broker, attorney or real estate broker. Such items may include an appraisal, land survey, credit report and account information</li> <li>• Information we receive from a consumer reporting agency or credit bureau</li> </ul>
Why can't you limit all sharing?	<p>Federal law gives you the right to limit only:</p> <p>Sharing for affiliates' everyday business purposes -- information about your creditworthiness</p> <ul style="list-style-type: none"> <li>• Affiliates from using your information to market to you</li> <li>• Sharing for nonaffiliates to market to you</li> </ul>
Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies.
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>• <i>Nonaffiliates we share with can include collection agencies, IT service providers, companies that perform marketing services on our behalf, consumer reporting agencies and others.</i></li> <li>• <i>NATG does not share with nonaffiliates so they can market their goods or service to you.</i></li> </ul>
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. NATG does not jointly market.

The North American Title Group, Inc. Family of Companies consists of the following entities:

North American Title Company	North American Abstract Agency
North American Title Company, Inc.	NASSA, LLC
North American Title Company of Colorado	North American Title, LLC
North American Title Insurance Company	North American Advantage Insurance Services, LLC
North American Services, LLC	North American National Title Solutions, LLC
North American Title Agency, Inc.	

CLTA Preliminary Report Form - Exhibit A (06-05-14)

CLTA STANDARD COVERAGE POLICY - 1990  
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
  - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
  - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
  - (c) resulting in no loss or damage to the insured claimant;
  - (d) attaching or created subsequent to Date of Policy; or
  - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART 1

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

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)  
EXCLUSIONS

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

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
  - a. building;
  - b. zoning;
  - c. land use;
  - d. improvements on the Land;
  - e. land division; and
  - f. environmental protection.

This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
  - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
  - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
  - c. that result in no loss to You; or
  - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
  - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
  - b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

1. For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A. The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16:	1% of Policy Amount Shown in Schedule A or \$2,500 (whichever is less)	\$10,000
Covered Risk 18:	1% of Policy Amount Shown in Schedule A or \$5,000 (whichever is less)	\$25,000
Covered Risk 19:	1% of Policy Amount Shown in Schedule A or \$5,000 (whichever is less)	\$25,000
Covered Risk 21:	1% of Policy Amount Shown in Schedule A or \$2,500 (whichever is less)	\$5,000

**2006 ALTA LOAN POLICY (06-17-06)**  
**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
  - (a) a fraudulent conveyance or fraudulent transfer, or
  - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

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

**EXCEPTIONS FROM COVERAGE**

[Except as provided in Schedule B - Part II, [if T] this policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

**[PART I**

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

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

**PART II**

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:]

**2006 ALTA OWNER'S POLICY (06-17-06)**  
**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
  - (a) a fraudulent conveyance or fraudulent transfer; or
  - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

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

#### EXCEPTIONS FROM COVERAGE

[This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of the above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

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

#### ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (12-02-13)

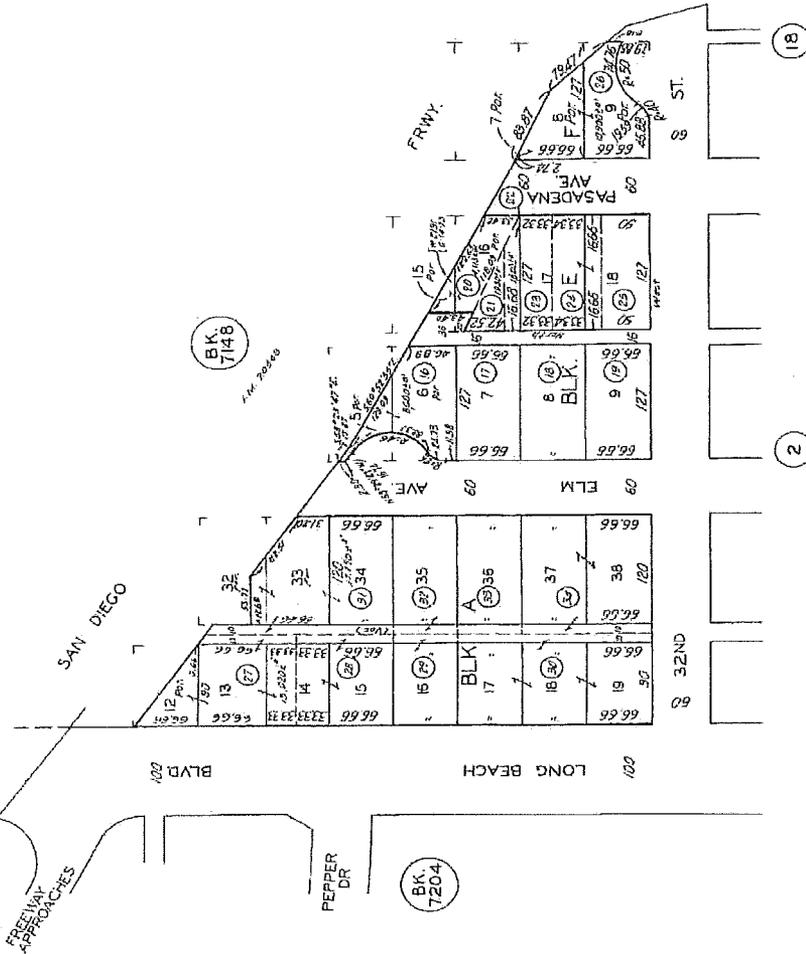
#### EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to:
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters:
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is:
  - (a) a fraudulent conveyance or fraudulent transfer, or
  - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

6-10-65  
 6-14-66  
 7-08-68

7207  
 SCALE 1" = 100'



CODE  
 5500

ASSESSOR'S MAP  
 COUNTY OF LOS ANGELES, CALIF.

TRACT NO. 2901 M. B. 35 - 63

FOR PREY. ASSMT. SEE  
 7144 - 12

This page is part of your document - DO NOT DISCARD



20140650488



Pages:  
0017

Recorded/Filed in Official Records  
Recorder's Office, Los Angeles County,  
California

06/24/14 AT 08:00AM

FEES:	106.00
TAXES:	0.00
OTHER:	0.00
PAID:	106.00



LEADSHEET



201406240140018

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006257259

SEQ:  
09

DAR - Title Company (Hard Copy)



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T52

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20140650482



Pages:  
0017

Recorded/Filed in Official Records  
Recorder's Office, Los Angeles County,  
California

06/24/14 AT 08:00AM

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TAXES:	0.00
OTHER:	0.00
PAID:	106.00



LEADSHEET



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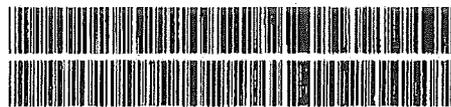
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SEQ:  
03

DAR - Title Company (Hard Copy)



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20140650485



Pages:  
0017

Recorded/Filed in Official Records  
Recorder's Office, Los Angeles County,  
California

06/24/14 AT 08:00AM

FEES:	106.00
TAXES:	0.00
OTHER:	0.00
PAID:	106.00



LEADSHEET



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SEQ:  
06

DAR - Title Company (Hard Copy)



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20140650484



Pages:  
0011

Recorded/Filed in Official Records  
Recorder's Office, Los Angeles County,  
California

06/24/14 AT 08:00AM

FEES:	88.00
TAXES:	0.00
OTHER:	0.00
PAID:	88.00



LEADSHEET



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SEQ:  
05

DAR - Title Company (Hard Copy)



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T52

EXHIBIT "H"

**SUMMONS**  
**Cross-Complaint**  
**(CITACION JUDICIAL-CONTRADEMANDA)**

FOR COURT USE ONLY  
(SOLO PARA USO DE LA CORTE)

OCT 14 2016

**NOTICE TO CROSS-DEFENDANT:**

**(AVISO AL CONTRA-DEMANDADO):**

JENNIFER SOHOL, an Individual; JK PER ANGUSTA AD FELISCITAS LLC, a California Limited Liability Company;  
**YOU ARE BEING SUED BY CROSS-COMPLAINANT:**  
**(LO ESTÁ DEMANDANDO EL CONTRA-DEMANDANTE):**

KHALED A. TAWANSY, M.D., an Individual,

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the cross-complainant. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center ([www.courtinfo.ca.gov/selfhelp](http://www.courtinfo.ca.gov/selfhelp)), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site ([www.lawhelpcalifornia.org](http://www.lawhelpcalifornia.org)), the California Courts Online Self-Help Center ([www.courtinfo.ca.gov/selfhelp](http://www.courtinfo.ca.gov/selfhelp)), or by contacting your local court or county bar association. NOTE: The court has a statutory lien for waived fees and costs on any settlement or arbitration award of \$10,000 or more in a civil case. The court's lien must be paid before the court will dismiss the case.

*Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al contrademandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California ([www.sucorte.ca.gov](http://www.sucorte.ca.gov)), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.*

*Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services, ([www.lawhelpcalifornia.org](http://www.lawhelpcalifornia.org)), en el Centro de Ayuda de las Cortes de California ([www.sucorte.ca.gov](http://www.sucorte.ca.gov)), o uniéndose en contacto con la corte o el colegio de abogados locales. AVISO: Por ley, la corte tiene derecho a reclamar las cuotas y los costos exentos por imponer un gravamen sobre cualquier recuperación de \$10,000 ó más de valor recibida mediante un acuerdo o una concesión de arbitraje en un caso de derecho civil. Tiene que pagar el gravamen de la corte antes de que la corte pueda desechar el caso.*

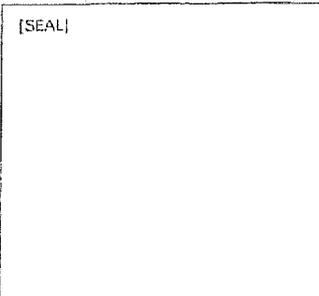
The name and address of the court is:  
*(El nombre y dirección de la corte es):*  
LOS ANGELES SUPERIOR COURT-LONG BEACH  
275 Magnolia  
Long Beach, CA 90802

SHORT NAME OF CASE (from Complaint) (Número de Caso):  
Tawansy, M.D. v. Sohol  
CASE NUMBER (Número del Caso)

The name, address, and telephone number of cross-complainant's attorney, or cross-complainant without an attorney, is:  
*(El nombre, la dirección y el número de teléfono del abogado del contrademandante, o del contrademandante que no tiene abogado, es):* Law Firm of Donald E. Karpel 16633 Ventura Boulevard, Suite 735  
Donald E. Karpel, Esq. (SBN: 61678) Encino, California 91436  
Tel: (310)273-8444/Fax: (323)720-8852

DATE: Sherri R. Carter OCT 14 2016 Clerk, by [Signature], Deputy  
*(Fecha)* *(Secretario)* *(Adjunto)*  
*(For proof of service of this summons, use Proof of Service of Summons (form POS-010).)*  
*(Para prueba de entrega de esta citación use el formulario Proof of Service of Summons (POS-010).)*

- NOTICE TO THE PERSON SERVED:** You are served
- as an individual cross-defendant.
  - as the person sued under the fictitious name of (specify):
  - on behalf of (specify):  
under:  CCP 416.10 (corporation)  CCP 416.60 (minor)  
 CCP 416.20 (defunct corporation)  CCP 416.70 (conservatee)  
 CCP 416.40 (association or partnership)  CCP 416.90 (authorized person)  
 other (specify):
  - by personal delivery on (date).



SHORT TITLE:

Tawansy v. Sohol

CASE NUMBER

NC060799

INSTRUCTIONS FOR USE

- This form may be used as an attachment to any summons if space does not permit the listing of all parties on the summons.
- If this attachment is used, insert the following statement in the plaintiff or defendant box on the summons: "Additional Parties Attachment form is attached."

List additional parties (Check only one box. Use a separate page for each type of party.):

- Plaintiff   
  Defendant   
  Cross-Complainant   
  Cross-Defendant

2H PROPERTY 3060, LLC, A California Limited Liability Company;  
 2H Construction, Inc., A California Corporation;  
 Sean R. Hitchcock;  
 Erica Burton;  
 ROWS 1 through 20,

ADDITIONAL PARTIES ATTACHMENT

Attachment to Summons

Tawansy v. Sohol, et. al.,

CROSS-COMPLAINT

1 DONALD KARPEL (SBN 61678)  
2 ZELNER AND KARPEL  
3 16633 Ventura Blvd. Suite 735  
4 Encino, CA 91436  
5 310-273-8444 (Tel)  
6 323-720-8852 (Fax)  
7 dkarpel@dekfirm.com

FILED  
SEP 14 2016

OCT 14 2016

CLERK OF SUPERIOR COURT  
LOS ANGELES COUNTY

8 Attorney for Defendant/Cross-Complainant,  
9 Khaled A. Tawansy, M.D., an Individual

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA

11 FOR THE COUNTY OF LOS ANGELES-SOUTH DISTRICT

12 JK PER ANGUSTA AD FELICITAS, LLC, a ) Case No. NC060799  
13 California Limited Liability )  
14 Company )  
15 ) CROSS COMPLAINT  
16 Plaintiff, )  
17 vs. ) Assigned to Honorable Judge  
18 ) Ross M. Klein  
19 MARGARET KUSKA, an Individual; )  
20 CAROLINE WARNER TUGEL, an ) Dept.27  
21 Individual; RICHARD S. WARNER AND )  
22 TARA J. WARNER, Trustees of the ) Case Filed September 09, 2016  
23 RICHARD S. WARNER AND TRA J. WARNER; )  
24 FAMILY TRUST 1993; KHALED A. ) CROSS COMPLAINT FOR:  
25 TAWANSY, an Individual AND DOES 1- )  
26 20 INCLUSIVE, ) 1) SPECIFIC PERFORMANCE AND TO  
27 ) QUIET TITLE  
28 Defendants. ) 2) RESCISSION AND CANCELLATION OF  
29 ) DEED  
30 KHALED A. TAWANSY, M.D., an ) 3) FRAUD  
31 Individual, ) 4) BREACH OF CONTRACT  
32 ) 5) UNFAIR COMPETITION  
33 Cross Complainant, ) 6) BREACH OF FIDUCIARY DUTY  
34 )  
35 Vs. )  
36 )  
37 JENNIFER SOHOL, an Individual; JK )  
38 PER ANGUSTA AD FELICITAS )  
39 LLC, a California Limited )  
40 Liability Company; 2H )  
41 PROPERTY 3060 LLC, A California )

1 Limited Liability Company; )  
2 2H Construction, Inc., A )  
3 California Corporation; Sean R. )  
4 Hitchcock; Ericka Burton; and )  
5 Rows 1 Through 20, )  
6 Cross Defendants. )  
7 )

8  
9 CROSS-COMPLAINANT, KHALED A. TAWANSY, M.D., an Individual, alleges  
10 as follows:

11 1) This Action concerns the title to the following piece of real  
12 estate in the City of Long Beach, located at 3200 N. Long Beach Blvd  
13 and described as:

14 THE LAND DREFERRED TO HEREIN BELOW IS SITUTATED IN THE COUNTY OF  
15 LOS ANGELES, STATE OF CALIFOPNIA, AND IS DESCRIBED AS FOLLOWS:

16 PARCEL 1:

17 LOTS 17, 18 AND 19 IN BLOCK "A" OF TRACT 2901, IN THE CITY OF  
18 LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP  
19 RECORDED IN BOOK 36 PAGE(S) 83 OF MAPS IN THE OFFICE OF THE COUNTY  
20 RECORDER OF SAID COUNTY, TOGETHER WITH . THAT PORTION OF THE WESTERLY  
21 HALD OF THAT CERTAIN ALLEY, 20 FEET SIDE, AS SHOWN AND DEDICATED UPON  
22 THE MAP OF SAID TRACT NO. 2901, WHICH ADJOINS SAID LOTS ON THE EAST,  
23 VACATED BY RESOLUTION NO. C-22311 OF THE CITY COUNCIL OF SAID CITY, A  
24 COPY OF WHICH WAS RECORDED AUGUST 1, 1977 AS INSTRUMENT NO. 77-333919,  
25 BOUNDED NORTHELY BY THE EASTERNLY PROLOGNATION OF THE NORTHERLY LINE  
26 OF SAID LOT 17, AND BOUNDED SOUTHERLY BY THE EASTERLY PROLONGATION OF  
27 THE SOUTHERNLY LINE OF SAID LOT 19.

28  
29 CROSS COMPLAINT  
30 KHALED A. TAWANSY, M.D. V. JENNIFER SCHOL-Case 00001799



1           4) That Dr. Jennifer Kaur Rodriguez Schol is a licensed doctor in  
2 the State of California.

3           5) That Dr. Schol is a resident of Los Angeles County.

4           6) That JK PER ANGUSTA AD FELICITAS, LLC is a Limited Liability  
5 company organized and existing in the State of California. That JK PER  
6 ANGUSTA AD FELICITAS, LLC was formed on February 11, 2014 as entity  
7 number 20140431053,  
8

9           7) That Cross Defendant 2H Property 3060 is a California Limited  
10 Liability Company, doing business in the City of Long Beach  
11 California.  
12

13           8) That Cross Defendant 2H Construction Inc. is a California  
14 corporation doing business in the City of Long Beach California.  
15

16           9) That Sean E. Hitchcock is a resident of the county of Los  
17 Angeles and does business in Long Beach California.

18           10) That Erika Burton is a resident of the County of Los Angeles  
19 and does business the City of Long Beach, California.  
20

21           11) That each of the Roe 1-20 Cross-Defendants were somehow  
22 involved in this transaction and acted as co-conspirators or aiders  
23 and abettors of the acts complained of herein, or as agents of the  
24 other cross-cross defendants. The names of these entities are not now  
25 know. When ascertained this complaint will be amended to include the  
26 names of said Roe 1-20 cross defendants.  
27  
28

1           12) That the parcel of real property at issue herein is unique  
2 in that it is located less than two blocks from Long Beach Memorial  
3 Hospital and the Millers Children's Institute at Long Beach Memorial.  
4 The parcel is unique in that it is the intention of Dr. Tawansy to  
5 occupy the property for his medical practice. There is no other parcel  
6 of real estate that can accomplish what is needed by Dr. Tawansy. As a  
7 result, the parcel of real estate must be reconveyed to him as it is  
8 unique.  
9

11           13) That Dr. Tawansy and Dr. Schol lived together in Dr.  
12 Tawansy's home in Pasadena for many years.

13           14) That Dr. Tawansy and Dr. Schol stopped living together  
14 approximately one year ago in 2013, and at the time were engaged to be  
15 married.

16           15) That Dr. Schol created JK PER ANGUSTA AD FELICITAS, LLC at  
17 the direction of Dr. Tawansy to take title to a property owned by him  
18 located at 3200 North Long Beach Boulevard, Long Beach, California  
19 that had been owned personally by Doctor Tawansy from approximately  
20 June 1, 2012.  
21

22           16) That Dr. Tawansy purchased the 3200 N. Long Beach Property by  
23 paying approximately \$250,000 down at closing and made payments of  
24 about \$260,000 since then for payments on the mortgage, and other  
25 costs associated with the property.  
26

27           17) That the building has been totally rehabbed inside at to 2/3  
28 of the structure into medical offices for Dr. Tawansy. That Dr.

1 Tawansy has paid for all of the improvements that began in 2015 and  
2 are continuing today of approximately \$300,000. That these  
3 improvements were paid for by Dr. Tawansy after June of 201t and are  
4 continuing.

5  
6 18) That in approximately June of 2015 that a \$1,200,000 loan  
7 payoff was due to be paid by Dr. Tawansy. Along with some additional  
8 fees the amount for the loan payoff was \$1,305,521.71.

9  
10 19) That due to the relationship with Dr. Tawansy and Dr. Schol,  
11 and the then building out of a surgery center for Dr. Tawansy at 125  
12 N. Raymond St. Pasadena California, it was agreed that Dr. Tawansy  
13 would deed the property to JK PER ANGUSTA AD FELICITAS, LLC, with the  
14 understanding that Dr. Tawansy would be the beneficial owner of the  
15 3200 N. Long Beach property and given Dr. Schol's ability to get a  
16 loan to pay off the mortgage balance. That Dr. Schol explained that  
17 the word Felicitas means a bull eye, that although the property was  
18 held in the JK PER ANGUSTA AD FELICITAS, LLC name, that in fact Dr.  
19 Tawansy still owned the property now as the beneficial and equitable  
20 owner of the real estate.

21  
22 20) That Jennifer Schol told many other people that JK PER  
23 ANGUSTA AD FELICITAS, LLC was to allow Dr. Tawansy to continue to own  
24 the real estate at 3200 N. Long Beach Blvd. including representations  
25 to Dr. Tawansy, to Sandy Tumen, to Bill Maher, Debbie Shampay, Keith  
26 Graves, Afraino Flores, Mario Abina, Robert Sepasia, Marty Marcus, and  
27 to Gary Lefkowitz, among many others.

1 21) That at the close of the new mortgage that Dr. Sohol got for  
2 JK PER ANGUSTA AD FELICITAS, LLC, that Dr. Tawansy paid the closing  
3 costs of \$99,412,28. Nothing was paid by Dr. Sohol.

4  
5 22) That on June 17 , 2014 that Dr. Tawansy signed a grant Deed  
6 to JK PER ANGUSTA AD FELICITAS, LLC for no consideration, but paid a  
7 documentary transfer tax of \$1,595.00 to record the deed.

8  
9 23) That in setting up JK Per Angusta Ad Feliciatas, LLC, that  
10 Dr. Sohol represented that the J stood for her name, Jennifer and that  
11 the K stood for Dr. Tawansy's name, Khalid.

12 24) That in or about June of 2015, Dr. Sohol came to Dr. Tawansy  
13 and asked him to sign a one year lease on the property as Dr. Sohol  
14 told Dr. Tawansy that the bank that had lend the money on the loan  
15 needed to see that it was leased. As Dr. Tawansy was the 100%  
16 beneficial owner of the property with Dr. Sohol merely acting as the  
17 legal owner on the paperwork, Dr. Tawansy signed the lease as this was  
18 the approximate amount of the payments on the building and taxes. Each  
19 month, given the close relationship with Dr. Tawansy and Dr. Sohol,  
20 Dr. Tawansy would make the payments directly into Dr. Sohol's account  
21 at Chase Manhattan bank without having to pay Dr. Sohol.

22  
23 25) That notwithstanding the agreement that Dr. Sohol would run  
24 JK Per Angusta Ad Felistcias, LLC with Dr. Tawansy as the entire 100%  
25 owner of the property, she has now claimed that Dr. Tawansy owns no  
26 right in the property and has defrauded Dr. Tawansy out of his  
27 ownership interest, in his interest as the beneficial owner of the  
28

1 entire JK Per Augusta AD Felicitas, LLC and of the property to which  
2 Dr. Tawansy has invested nearly \$1,000,000.

3  
4 26) That notwithstanding the agreement and the lack of any equity  
5 in purchasing or rehabilitating the property and any lack of any  
6 payments made for the purchase, Dr. Sohul has now asked Dr. Tawansy to  
7 purchase the 3200 N. Long Beach Blvd. property for \$2,695,000 when in  
8 fact the property is owned beneficially by Dr. Tawansy.

9  
10 27) That notwithstanding the agreement for the placement of only  
11 the amounts of money required to pay off the mortgage, Dr. Sohul is  
12 now understood took out more loans. She executed a Deed of trust for  
13 \$580,000 to Pacific Enterprise Bank dated June 17, 2014. Then Dr.  
14 Sohul executed a deed of trust in the amount of \$725,000 to Pacific  
15 Enterprise Bank dated June 17, 2014. Then Dr. Sohul executed a deed  
16 of trust dated May 23, 2014 in the amount of \$598,000 in favor of  
17 Pacific Enterprise Bank. Then Dr. Sohul executed a Subordination Non  
18 Disturbance and Attornment Agreement and Estoppel Certificate for a  
19 lease dated May 2, 2015 between JK PER ANGUSTA AD FELICITAS, LLC and  
20 Jennifer Kaur Rodriguez Sohul and Pacific Enterprise Bank of an  
21 "unrecorded lease" on the property for 20 years ending on May 2, 2034.

22  
23 28) That the current title report for the property shows that the  
24 property is subject to a lien in the name of Dr. Tawansy to the United  
25 States of America for \$179,999.22.

1           29) That the current title report of the property shows that the  
2 property is subject to a lien in the name of Dr. Tawansy to the United  
3 States of America for \$296,444,72.

4           30) That the current title report of the property shows that the  
5 property is subject to a lien in favor of the tax collector of the  
6 County of Los Angeles in the amount of \$181.24

7           31) That at all times in 2015 and in 2016 Dr. Tawansy represented  
8 to Ed Gelfand, an attorney representing Dr. Sohol and JK Per Augusta  
9 Ad Felicitas that Dr. Tawansy was the total owner of the 3200 Long  
10 Beach property, which was held in the beneficial name of JK Per  
11 Augusta Ad Felicitas but which was legally owned by Dr. Tawansy. Dr.  
12 Tawansy expressed this to Mr. Gelfand person and in a personal meeting  
13 with Mr. Gelfand.

14           32) That in or about 2015, Gary Lefkowitz, the CEO of Dr.  
15 Tawansy's businesses told Mr. Gelfand that Dr. Tawansy owns the 3200  
16 Long Beach property and that the LLC created by Dr. Sohol was a mere  
17 fiction created so that the loan could be repaid and that Dr. Tawansy  
18 owns the entire building legally, with JK Per Augusta Ad Felicitas  
19 merely owning a beneficial interest and not a legal interest in the  
20 property.

21           33) That in or about 2015, Dr. Tawansy expressed to the real  
22 estate broker chosen by JK per Augusta Ad Felicitas Marcus and  
23 Millichap that Dr. Tawansy actually owns the building and the title in  
24

1 the name of JK Per Angusta Ad Feliditas was merely to protect Dr.  
2 Tawansy's investment in the building.

3  
4 34) That at the time of doing its due diligence on the 3200 Long  
5 Beach Property, that 2H Properties 3060 LLC and 2H Construction, Inc.  
6 and Sean P. Hanson and Ericka Burton knew of Dr. Tawansy's ownership  
7 in JK Per Angusta Felicitas.

8  
9 35) That 2H Properties, LLC, 2H Construction, Inc. and Sean P.  
10 Hanson and Ericka Burton did not ask for a customary estoppel  
11 certificate from Dr. Tawansy, who they knew, was the tenant of the  
12 property, and in which any willing purchaser would have requested. The  
13 lack of asking for the estoppel certificate is evidence that 2H  
14 Properties, LLC, 2H Construction, Inc. and Sean P. Hanson and Ericka  
15 Burton knew of Dr. Tawansy's claims to the real estate as the actual  
16 legal owner of the property.

17  
18 36) That the brokers in the transaction Marcus and Millichap  
19 represented to 2H Properties, LLC, 2H Construction Inc., and to Sean  
20 P. Hitchcock and Erica Burton that Dr. Tawansy was the actual owner of  
21 the real property.

22  
23 37) That Ed Gelfand as the attorney for Jennifer Sohol and for JK  
24 Per Angusta Ad Felicitas, and acting in concert with Jennifer Sohol  
25 did not inform the purchasers that Dr. Tawansy claimed to be the real  
26 owner of the property and that the property was deeded into JK Per  
27 Angusta Ad Felicitas only for the purposes of legal ownership, whereas  
28 the beneficial ownership remained in Dr. Tawansy's name.

1           38) That a review of the matters affecting title would reveal to  
2 2H Property 3060 LLC, to 2H Construction Inc. and to Sean R. Hitchcock  
3 and Erica Burton would reveal that there were numerous tax liens in  
4 the name of Dr. Tawansy and a new trust deed relating to the reduction  
5 of the mortgage on the property.  
6

7           39) That an actual conspiracy arose to cheat Dr. Tawansy out of  
8 his property, by Jennifer Schol, JK Ad Augusta Felicitas acting with  
9 2H Properties 3060 LLC, 2H Construction Inc., and with Sean P.  
10 Hitchcock and Erica Burton to avoid having any communication with Dr.  
11 Tawansy which could have revealed his actual ownership interest in and  
12 to the 3200 Long Beach property.  
13

14           40) That this conduct in forming the conspiracy was done create  
15 an artificial form of a purchase by 2H Property 3060 LLC which was  
16 done to avoid any claims made by Dr. Tawansy as to his actual  
17 ownership interest in the legal title to the property through the JK  
18 PER ANGUSTA AD FELICITAS, LLC entity,  
19

20           41) That Dr. Tawansy believes Jennifer Schol or her entity of JK  
21 Per Angusta Ad Felicitas or some entity controlled by Jennifer Schol  
22 or Ed Gelfand is the actual owner or a partial owner in the new entity  
23 now claiming to own the property at 3200 Long Beach Blvd.  
24

25           42) That in conducting this fraud, the Defendants and each of  
26 them have used the United States Mails, the United State wires, bank  
27 accounts and the internet to achieve their nefarious goals of cheating  
28 Dr. Tawansy out of his interest in the 3060 Long Beach property.  
29

1           43) That 2H Properties 3060, 2H Construction Inc., Sean P.  
2 Hitchcock, and Erika Burton, knew prior to the close of escrow that  
3 there were problems with the close of a sale as tax liens in the  
4 amount of \$296,446.81 and a lien of \$179, 9992.22 had been liened by  
5 the Internal Revenue Service as and for tax liens for Khaled A.  
6 Tawansy. This was detailed in a letter dated June 29, 2016 from  
7 Commonwealth Land Title Insurance Company.

8           44) That 2H Property 3060 LLC, 2H Construction Inc., Sean P.  
9 Hitchcock and Ericka Burton knew that a loan in the amount of  
10 \$1,475,000 sat on the property notwithstanding that it was supposed to  
11 have been removed, and the time that JK Per Advantages took legal  
12 title to the property with Khaled A. Tawansy remaining the beneficial  
13 owner of the property. This was detailed in a letter dated June 29,  
14 2016 from Commonwealth Land Title Insurance Company.

15           45) Had 2H Property 3060 LLC, 2H Construction Inc., Sean P.  
16 Hitchcock done normal diligence in the purchase of commercial real  
17 estate, as that is their business they would have learned that the  
18 Master Lease was beneficially owned by Dr. Tawansy, and that the  
19 sublease needed for the banks was only for one year until the surgery  
20 center could be build out the then having Dr. Tawansy take Jennifer  
21 Schol off of the loan and paying the loan off.

22           46) That when JK PER ANGUSTA AD FELICITAS LLC was formed it had  
23 as its location, the offices of Dr. Tawansy at 7447 N. Figueroa St.  
24 Suite 200, Los Angeles, CA 90041, indicating his interest in the JK,  
25

1 without Dr. Tawansy's consent Jennifer Sohol changed the address to  
2 her own address, without the consent of the beneficial owner of  
3 property, Dr. Khaled A. Tawansy.

4  
5 47) That after the close of the deed from Tawansy to JK PER  
6 ANGUSTA AD FELICITAS LLC, it was agreed that both Dr. Tawansy and  
7 Jennifer Sohol would share the building with both having offices here.  
8 However, Jennifer Sohol agreed that she did not want a practice in  
9 Long Beach and both Dr. Tawansy and Jennifer Sohol agreed that only  
10 Dr. Tawansy would own the building and that Dr. Tawansy would be  
11 responsible for to build out the property and that it was agreed  
12 between Dr. Tawansy and JK PER ANGUSTA AD FELICITAS LLC he build out  
13 of the building, which although in the name of JK PER ANGUSTA AD  
14 FELICITAS LLC, it was beneficially owned by Dr. Tawansy, In fact, Dr.  
15 Tawansy was responsible for all benefits and burdens of the 3200 Long  
16 Beach property, and Jennifer Sohol would not be responsible for the  
17 benefits and burdens of the Peal Estate other than the mortgage and  
18 taxes for which she was repaid by Dr. Tawansy. Jennifer Sohol was  
19 totally told about the reduction of the mortgage, but did nothing to  
20 assure it was taken off prior the close of escrow. There is no title  
21 document requiring Dr. Tawansy to do anything after the close  
22

23  
24 48) Nevertheless, Dr. Tawansy as the equity and beneficial owner  
25 of 3200 long Beach Boulevard, continued to support the property after  
26 the Transfer to JK for the real reason was that he owned the property.  
27  
28

1           49) The Standard sublease agreement had no integration clause.  
2  
3           The parties Dr. Tawansy and Jennifer Schol both agreed that the  
4           property could not be occupied by anyone until substantial  
5           rehabilitation work had been done. As a result, the property was not  
6           able to be occupied until June of 2016. As a result of the Agreements  
7           between Dr. Tawansy and Dr. Schol it was agreed that the lease would  
8           commence on the date the building was available for use, and that the  
9           lease would run from July of 2016 for one year. Dr. Tawansy spend over  
10          \$500,000 developing the property which would all be lost if he was  
11          forced to turn over the building to its new owners

12           50) After the Deed by Dr. Tawansy to the JK PER ANGUSTA AD  
13          FELICITAS LLC, Doctor Tawansy spent over \$500,000 in rehabilitating  
14          the building which includes the following amounts in total detrimental  
15          reliance and based upon the promises made by Jennifer Schol and of JK  
16          PER ANGUSTA AD FELICITAS LLC.

17           51) A check made payable from Children's Petina Institute to  
18          Redesign Group, Inc. in the amount of \$15,996.01

19           52) A check in the amount of \$8,833.97 from Children's Petina  
20          Institute to Jennifer Schol dated 1/07/2014.

21           53) A check in the amount of \$10,000. to Jennifer Schol from  
22          Children's Petina dated 7/10/14-this is approximately the date upon  
23          which both Dr. Schol and Dr. Tawansy agreed that Dr. Schol would not  
24          occupy the offices at 3200 Long Beach Blvd and that Dr. Tawansy would  
25          continue to own the property as the sole owner of the property,  
26  
27  
28

1 although legal title was in the name of the JK PER ANGUSTA AD  
2 FELICITAS LLC.

3  
4 54) A check from Children's Retina Institute to Jennifer Sohol in  
5 the amount of \$10,000 dated 8/15/14-well after the close of the  
6 escrow. If the sale was a total sale to the JK PER ANGUSTA AD  
7 FELICITAS LLC, then Doctor Tawansy would not be paying Jennifer any  
8 money and would walked from the deal. As each payment gets maid it is  
9 clear that Dr. Tawansy continued to own the property as his own.

10  
11 55) A check made from Khaled A Tawansy, M.D., to So Cal Gas  
12 Edison in the amount of \$117.26 dated 8-12-14.

13  
14 56) A check in the amount of \$3,274 to Cenovo Cuevas for work on  
15 the project at 3200 Long Beach Blvd. dated 8/16/14, drawn on the  
16 account of Children's Retina Institute.

17  
18 57) A check in the amount of \$2,100 to Unique Hardware drawn on  
19 Children's Retina Institute dated 9/06/14.

20  
21 58) A check in the amount of \$10,000 to Jennifer Sohol drawn on  
22 Children's Retina Institute dated 10/28/2014.

23  
24 59) A check in the amount of \$5,000 to Jennifer Sohol drawn on  
25 Children's Retina Institute and dated 12/13/14.

26  
27 60) A check in the amount of \$5,000 to Jennifer Sohol drawn on  
28 Children's Retina Institute dated 12/13/14.

1           61) A check in the amount of \$20,000 made payable to Jennifer  
2 Schol from Children's Retina Institute dated 1/23/15. Of significant  
3 note is the memo on the check sating "Long Beach Property Loan  
4 Repayment." If the deed to the JK PER ANGUSTA AD FELICITAS LLC, meant  
5 Dr. Tawansy had no interest in the property, then why would he have  
6 been making loan payments from the date that the loan was taken out  
7 each month until today! It is clear evidence that Dr. Tawansy  
8 continued to own the 3200 Long Beach Property as the equitable and  
9 beneficial owner of the property.  
10

11           62) A check make payable to Keith Graves in the amount of  
12 \$2,034.12 for roof work, and other work at the property paid for by  
13 Zhaled A. Tawansy, M.D., dated 1/26/15. It is important that Dr. Schol  
14 was there when this work was done but that Dr. Tawansy did pay for  
15 this entire issue.  
16

17           63) A check made payable to Jennifer Schol in the amount of  
18 \$5,000 noting it was for the Long Beach Buildout. Now if Dr. Tawansy  
19 had nothing to do with the building, why would he be paying for the  
20 build out? This check was made by Children's Retina Institute and is  
21 dated 1/31/15.  
22

23           64) A check made payable to Jennifer Schol in the amount of  
24 \$5,000 made payable from Children's Retina Institute dated 2/06/15.  
25 Note on the check says Long Beach.  
26  
27  
28

1 65) A check made payable to Cash for objects dealing with the  
2 buildout of Long Beach in the amount of \$1650 dated 2/20/15 and  
3 stating 3200 Long Beach Blvd. The check is drawn on Children's Retina  
4 Institute.

5  
6 66) A check made payable to Jennifer Schol in the amount of  
7 \$10,000 from Children's Retina Institute dated 2/14/15. The note on  
8 the check states "Paid \$40k towards TI (Tenant Improvements).

9  
10 67) A check made payable to cash in the amount of \$3,200, dated  
11 2/14/15 for work done on the buildout of the Long Beach project from  
12 Children's Retina Institute.

13  
14 68) A check made payable to Cash in the amount of \$1100 for work  
15 done on the build out of the 3200 Long Beach property dated 2/15/14,  
16 from the Children's Retina Institute.

17  
18 69) A check in the amount of \$2,742.44 in favor of Jay Sanford,  
19 Inc. for work done at 3200 Long Beach Blvd drawn on Children's Retina  
20 Institute and dated 2/18/15.

21  
22 70) A check in the amount of \$7,500 to Jennifer Schol and to from  
23 Children's Retina Institute JK PER ANGUSTA AD FELICITAS LLC, dated  
24 2/22/15 stating 3200 Long Beach Blvd.

25  
26 71) A check in the amount of \$10,000 to JK Per Angusta Ad  
27 Felicitas from Children's Retina Institute dated 2/14/15 with a note  
28 on it "Paid 40K toward TI" (Tenant Improvements)

1 72) A check in the amount of \$225 to Iris Exudugg for work at  
2 3200 Long Beach Blvd. drawn on Children's Retina Institute on 2/24/15.  
3

4 73) A check in the amount of \$1650 to cash to pay for work done  
5 at 3200 Long Beach Blvd. and listing the date at 2/20/15. The check  
6 was drawn from Children's Retina Institute.

7  
8 74) A check made payable to Jay Sanford, Inc. In the amount of  
9 \$5981.28 for Final check Long Beach TI (Tenant Improvement) made  
10 payable from Children's Retina Institute and dated 2/24/2015.

11 75) A check for \$5,000 to Jennifer Schol/ JK PER ANGUSTA AD  
12 FELICITAS LLC, from Children's Retina Institute dated 2/18/15 and  
13 noting 3200 Long Beach Blvd.  
14

15 76) A check made payable to Carlos Lopez in the amount of \$804  
16 for work done at 3200 Long Beach Blvd and noting 3200 Long Beach Blvd.  
17

18 77) A check in the amount of \$1052 for cash for work one at 3200  
19 Long Beach Blvd for work being done at the property. The check is  
20 dated 3/3/15 and is on the account of Children's Retina Institute.  
21

22 78) A check made payable to Edwin Menia for \$2,025 for work done  
23 at 3200 Long Beach Blvd. and paid on 3/3/15 from Children's Retina  
24 Institute,  
25

26 79) That on March 3, 2015, a check in the amount of \$389 was paid  
27 to Lozal Cabaxes for work done at 3200 Long Beach Blvd. by Children's  
28 Retina Institute.

1 80) That on March 3, 2015 a check for cash in the amount of \$389  
2 was made to pay for work at 3200 Long Beach Blvd. from Children's  
3 Retina Institute.

4  
5 81) That on March 15<sup>th</sup>, 2015 a check was made payable to JK PER  
6 ANGUSTA AD FELICITAS LLC, in the amount of \$15,000 for the 3200 Long  
7 Beach Blvd. Property from Children's Retina.

8  
9 82) That on March 17<sup>th</sup>, 2015 that a check in the amount of \$1350  
10 was paid to Carolos Lopez for work done on 3200 Long Beach Blvd. paid  
11 for by Children's Retina Institute.

12  
13 83) That on March 17<sup>th</sup> 2015 a check in the amount of \$270 was paid  
14 to Carlos Lopez for work done at 3200 Long Beach Blvd. and paid for by  
15 Children's Retina Institute.

16  
17 84) That on March 18<sup>th</sup>, 2015 there was a check in the amount of  
18 \$15,000 made payable to JK PER ANGUSTA AD FELICITAS LLC, for the 3200  
19 Long Beach Blvd and paid for by Children's Retina Institute.

20  
21 85) That on March 24, 2015 a check in the amount of \$1,716 was  
22 made payable to Edward Mejla for work done at 3200 Long Beach Blvd.  
23 and; paid for by Children's Retina Institute.

24  
25 86) That on March 25, 2015 that a check was paid to Jose Arrand  
26 in the amount of \$6,029 for work done at 3600 Long Beach Blvd and paid  
27 for by Children's Retina Institute.  
28

1 87) That on March 31, 2015 a check in the amount of \$20,000 was  
2 made payable to JK PER ANGUSTA AD FELICITAS LLC and paid for by  
3 Children's Retina Institute, noting it was for 3200 Long Beach Blvd.  
4

5 88) That on April 4 2015 a check was paid to Jennifer Schol and  
6 to JK PER ANGUSTA AD FELICITAS LLC, in the amount of \$10,000 for the  
7 3200 Long Beach Blvd property.  
8

9 89) That on March 14 2015 a check in the amount of \$10,000 was  
10 paid to JK PER ANGUSTA AD FELICITAS LLC, for 3200 N. Long Beach Blvd  
11 by Children's Retina Institute.  
12

13 90) That on March 21, 2015 a check in the amount of \$16,000 was  
14 paid to JK PER ANGUSTA AD FELICITAS LLC for the 3200 Long Beach  
15 property by Children's Retina.  
16

17 91) That on June 29, 2015 a check in the amount of \$15,000 was  
18 paid to Jennifer Schol MD Inc. by Fhaled A. Tawansy, M.D., for the  
19 3200 Long Beach property.  
20

21 92) From July of 2015 until September of 2016, Children's Retina  
22 Institute and Dr. Tawansy have paid Jennifer Schol or JK PER ANGUSTA  
23 AD FELICITAS LLC their rent each month.  
24

25 93) That the property was not able to be occupied when the lease  
26 was entered into and that Dr. Tawansy or Children's Retina spent in  
27 excess of over \$100,000 to prepare the first and second units in the  
28 building, both to be used as doctor(s) offices.  
29

1 94) That the third unit at 3200 Long Beach Blvd contains  
2 thousands of dollars of equipment and tools and machinery necessary  
3 for the build out of the units that all belong to Dr. Tawansy and are  
4 not the property of any of the Cross Defendants.  
5

6 95) That each time an issue arose with the City of Long Beach  
7 relating to the property from the time the deed was recorded to JK  
8 that the City would contact Dr. Tawansy and he did the work and  
9 Jennifer Schol allowed this work to be done as if Dr. Tawansy still  
10 owned the building as the beneficial and equitable owner of the  
11 building.  
12

13 As and for a First Cause of Action

14 SPECIFIC PERFORMANCE AND TO QUIET TITLE

15 96) That Dr. Tawansy realast the provisions of paragraphs 1-94 as  
16 though fully set forth herein.  
17

18 96) That the deed given to JK PER ANGUSTA AD FELICITAS LLC was  
19 given in error and due to the fraud of Jennifer Schol, and based upon  
20 her promises that she would run the JK PER ANGUSTA AD FELICITAS LLC  
21 for the benefit of Dr. Tawansy.  
22

23 97) That as a result of the conduct of Dr. Schol and of JK PER  
24 ANGUSTA AD FELICITAS LLC, that the deed was given as a result of fraud  
25 and error due to Jennifer Schol and of JK PER ANGUSTA AD FELICITAS LLC  
26 and that the Deed should be declared to be null and void and title  
27 should be replaced with the deed in the name of Dr. Khaled A. Tawansy.  
28

1 98) That the cross defendants knew of Dr. Tawansy's actual  
2 ownership of the real estate but avoided asking for an estoppel  
3 certificate from him and did not question the issue as to taxes  
4 alleged to be owing and a trust deed that was supposed to be reduced.  
5 The cross defendants knew that Dr. Tawansy paid for the entire build  
6 out of the property and that he has tools and Property throughout 3200  
7 N. Long Beach Boulevard. Acting as such, these co-defendants knew that  
8 Dr. Tawansy had an ownership interest in the property, yet closed the  
9 transaction knowing these issues in order to conspire with Jennifer  
10 Schol and JK PER ANGUSTA AD FELICITAS LLC to harm Dr. Tawansy and to  
11 steal the property from him.  
12

13  
14 99) That 2H Property 3060 LLC and 2H Construction Inc. now claim  
15 to own the property located at 3200 N. Long Beach Boulevard which was  
16 transferred to them via a deed signed by Jennifer Schol on behalf of  
17 JK PER ANGUSTA AD FELICITAS LLC, but Jennifer Schol did not own the  
18 property and nor did JK Per Angusta Ad Felicitas as they held the  
19 property for Dr. Tawansy. Had 2H Property 3060 LLC AND 2H Construction  
20 Inc. done any due diligence they would have discovered and in fact  
21 knew that Dr. Tawansy owned the property and it was being held in the  
22 name of JK Per Angusta Ad Felidictas for Dr. Tawansy. In fact, 2H  
23 Property 3060 LLC and 2H Construction Inc. knew at all times that Dr.  
24 Tawansy owned the property and they entered into a conspiracy to  
25 deprive Dr. Tawansy of the title to the 3200 N. Long Beach Blvd.  
26 property.  
27  
28

1 100) That in a pleading dated September 9, 2016, Dr. Schol and JK  
2 PER ANGUSTA AD FELICITAS LLC claimed to own the property,  
3 notwithstanding their agreement to own the property as legal owners  
4 for the benefit of Dr. Tawansy.

5  
6 As and for a Second Cause of Action

7 Rescission of the Deed to the Property

8 101) That Dr. Tawansy realtest the provisions of paragraphs 1-100  
9 as though fully set forth herein.

10  
11 102) That the title to the property should be deemed in the name  
12 of Dr. Tawansy as against anyone who owned the property such as JK PER  
13 ANGUSTA AD FELICITAS LLC or in the name of 2H Property 3060 LLC or in  
14 the name of 2H Construction Inc. in that they each took title knowing  
15 that Dr. Tawansy was the actual owner of the property being held for  
16 him by JK Per Angusta Ad Felicitas. As all co-defendants knew that Dr.  
17 Tawansy was the beneficial owner of the property located at 3200 N.  
18 Long Beach Blvd., in Long Beach.

19  
20 As and For a Third Cause of Action

21 Fraud

22 103) That Dr. Tawansy realtest the provisions of paragraphs 1-102  
23 as though fully set forth herein.

24  
25 104) That Dr. Tawansy first learned of the fraud of Dr. Schol and  
26 of JK PER ANGUSTA AD FELICITAS LLC within the past several months.

1 105) That Jennifer Schol and JK PER ANGUSTA AD FELICITAS LLC made  
2 the representations as to holding the title for Dr. Tawansy in the JK  
3 PER ANGUSTA AD FELICITAS LLC without the intention of performing them.  
4

5 106) That the conduct of Dr. Schol and of JK PER ANGUSTA AD  
6 FELICITAS LLC was done in a fraudulent manner to obtain the deed to  
7 the property making statements that were untrue. As a result, Dr.  
8 Schol and JK PER ANGUSTA AD FELICITAS LLC should be held liable to Dr.  
9 Tawansy for his losses and those acting in concert with Dr. Schol and  
10 JK Per Angusta Ad Felicitas, 2H property 3060 LLC, 2H Construction  
11 Inc. Sean R. Peterson and Erica Burton should be held liable for the  
12 Fraud of Dr. Schol and of JK Per Angusta Ad Felicitas for all damages  
13 to Dr. Tawansy.  
14

15 107) That the cross defendants knew of Dr. Tawansy's actual  
16 beneficial and equitable ownership interests in and to the 3200 N.  
17 Long Beach Property but all acted to defeat Dr. Tawansy's interest all  
18 for the benefit of themselves and all the detriment of Dr. Tawansy.  
19

20 As and for a Fourth Cause of Action

21 Breach of Contract

22 108) That Dr. Tawansy rearest the provisions of paragraphs 1-107  
23 as though fully set forth herein.  
24

25 109) That the conduct alleged herein violates the contract  
26 entered into between Jennifer Schol and JK PER ANGUSTA AD FELICITAS  
27 LLC to Dr. Tawansy. That the other co-defendants assisted Jennifer  
28

1 Sohol and JK PER ANGUSTA AD FELICITAS LLC in breaching the contract  
2 and in causing damages to Dr. Tawansy.

3  
4 As and For a Fifth Cause of Action

5 Unfair Competition

6 110) That Dr. Tawansy reallest the provisions of paragraphs 1-109  
7 as though fully set forth herein.

8  
9 111) That the acts by the cross defendants as alleged herein are  
10 in violation of the provisions of California Business and Professions  
11 Code section 17200.

12  
13 112) That the actions of each Cross Defendant was of unfair  
14 competition, practices that are unlawful and were unfair and  
15 fraudulent.

16 As and for a Sixth Cause of Action

17 Breach of Fiduciary Duty

18  
19 113) That Dr. Tawansy reallest the provisions of paragraphs 1-112  
20 as though fully set forth herein.

21  
22 114) That a declaration of rescission be granted cancelling the  
23 deed from Dr. Tawansy to JK PER ANGUSTA AD FELICITAS LLC for fraud and  
24 misrepresentation in gaining the deed.

25  
26 115) That the JK PER ANGUSTA AD FELICITAS LLC was set up to act  
27 as the sole agent of Dr. Tawansy and to hold the title to the real  
28 property in its name for the benefit of Dr. Tawansy,

1 116) That as a result thereof, there was a fiduciary duty between  
2 Dr. Schol, the managing member of the LLC and JK PER ANGUSTA AD  
3 FELICITAS LLC and Dr. Tawansy.

4  
5 117) That Dr. Schol and JK PER ANGUSTA AD FELICITAS LLC with the  
6 assistance of the other cross defendants breached that duty.

7  
8 Demand for Relief.

9 1) That the deed be cancelled from Dr. Tawansy to JK PER ANGUSTA AD  
10 FELICITAS LLC.

11  
12 2) That title the property be quieted and it be declared that Dr.  
13 Tawansy is the owner of the property.

14  
15 3) That Dr. Tawansy is entitled to damages in excess of \$4,000,000.

16 4) That Dr. Tawansy be awarded punitive damages according to proof at  
17 trial.

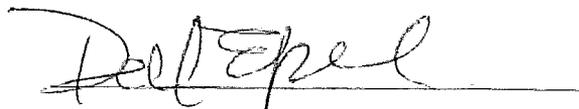
18  
19 5) That Dr. Tawansy be awarded costs of suit.

20  
21 6) That Dr. Tawansy be awarded his cost for attorneys.

22 7) For such other relief as it proper.

23  
24 Dated October 14, 2016

Zelner and Karpel

25  
26 

27 Donald Karpel, Attorney for

28 Khaled A. Tawansy

1 PROOF OF SERVICE

2 STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

3 I am employed in Los Angeles County, California. I am over the age of 18 years and  
4 not a party to the within action; my business address is 16633 Ventura Boulevard, Suite 735,  
Encino, California 91436.

5 On October 14, 2016, I served the foregoing document described as **SUMMONS**  
6 **(CROSS-COMPLAINT); CROSS-COMPLAINT**, on interested parties in this action by  
placing a true copy thereof via facsimile, as follows:

7 Alia S. Haddad, Esq.  
8 FIDELITY NATIONAL LAW GROUP  
9 915 Wilshire Boulevard  
Suite 2100  
10 Los Angeles, CA 90017-3450  
Tel: (213)438-7218  
11 Fax: (213)438-4417  
Email: [alia.haddad@fnf.com](mailto:alia.haddad@fnf.com)

12 Attorneys for Plaintiff, JK PER ANGUSTA AD FELICITAS LLC

13 **(XX BY MAIL.** In accordance with the regular mail collection and processing  
14 practices of this business office with which am familiar, by means of which mail is deposited  
with the United States Postal Service at Encino, California that same date in the ordinary  
15 course of business, I placed such sealed envelopes addressed as stated above, with postage  
thereon fully prepaid, for collection and mailing on this same date following ordinary  
business practices.

16  
17 (State) I declare under penalty of perjury under the laws of the State of California  
that the above is true and correct.

18 Executed on October 14, 2016, at Encino, California.

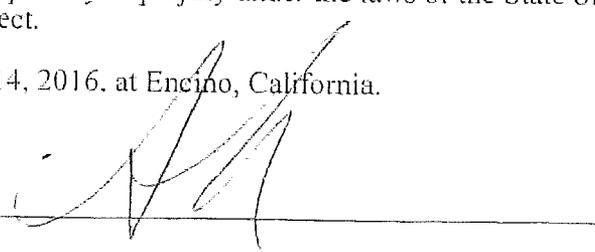
19  
20 Ann Park 

EXHIBIT "I"

1 Donald Karpel (SBN No.61678)  
2 Attorney at Law  
3 Zelner & Karpel  
4 16633 Ventura Blvd. Suite 735  
5 Encino, CA 91346  
6 310-273-8444 (Tel)  
7 323-720-8852 (Fax)

8 Attorney for Defendant  
9 Khaled A. Tawansy, An Individual

RECEIVED  
OCT 14 2016  
COURT CLERK  
SUPERIOR COURT OF CALIFORNIA

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
11  
12 FOR THE COUNTY OF LOS ANGELES-SOUTH DISTRICT

13 JK PER ANGUSTA AD FELICITAS LLC, ) Case No. NC060799  
14 a California Limited Liability )  
15 Company )  
16 ' ) Answer to Complaint  
17 Plaintiff, )  
18 vs. ) Assigned to Honorable Judge  
19 ) Ross M. Klein  
20 MARGARET KUSKA, an Individual; )  
21 CAROLINE WARNER TUGEL, an ) Dept.27  
22 Individual; RICHARD S. WARNER )  
23 AND TARA J. WARNDER, Trustees of ) Case filed September 09, 2016  
24 the RICHARD S. WARNER AND TRA J. )  
25 WARNER FAMILY TRUST 1993; KHALED )  
26 A. TAWANSY, an Individual AND )  
27 DOES 1-20 INCLUSIVE, )  
28 Defendants. )

29 Comes Now: Khaled A. Tawansy, who answers the complaint on  
30 file as follows:

31 1. Defendant admits the allegations contained in Paragraph  
32 one of the complaint.

33 ANSWER TO COMPLAINT  
34 JK PER ANGUSTA AD FELICITAS V. MARGARET KRUSKA, ET AL.-CASE NO.NC060799

1           2.       Defendant cannot deny or admit the allegations of  
2 Paragraph two of the complaint as there is no Paragraph two in  
3 the complaint.

4           3.       Defendant admits the allegations contained in  
5 Paragraph 3 of the Complaint.

6           4.       Defendant has no information or belief as to the  
7 residency of Margaret Kruska, as alleged in Paragraph four, and  
8 therefore denies generally and specifically the allegations  
9 contained therein.  
10

11           5.       Defendant has no information or belief as to the  
12 residency of Defendant has no information or belief as to the  
13 residency of CAROLINE WARNER TUGEL, as alleged in Paragraph  
14 five, and therefore denies generally and specifically the  
15 allegations contained therein.  
16

17           6.       Defendant has no information or belief as to the  
18 residency of Defendant has no information or belief as to the  
19 residency of RICHARD S. WARNER AND TARA J. WARNER, trustees of  
20 the RICHARD W. WARNER AND TARA J. WARNER FAMILY TRUST 1992  
21 ("Warner Trustees") contained in Paragraph six of the complaint  
22 and therefore denies generally and specifically the allegations  
23 contained therein.  
24

25           7.       Defendant admits he is a resident of the State of  
26 California in answer to Paragraph seven.  
27  
28

1           8.       Defendant lacks sufficient information or belief as  
2 to the matters asserted in paragraph eight and therefore denies  
3 generally and specifically all the allegations contained  
4 therein.  
5

6           9.       Defendant lacks sufficient information or belief as  
7 to the matters asserted in paragraph nine and therefore denies  
8 generally and specifically all the allegations contained  
9 therein.  
10

11           10.       Defendant admits the allegations of paragraph 10.

12           11.       Defendant admits the allegations of paragraph 11.

13           12.       Defendant denies the allegations of paragraph 12.

14           13.       Defendant admits the allegations of paragraph 13.

15           14.       Defendant denies the allegations of paragraph 14.

16           15.       Defendant denies the allegations of paragraph 15.

17           16.       Defendant lacks sufficient information or belief as  
18 to the matters asserted in paragraph 16 and therefore denies  
19 generally and specifically the allegations contained therein.  
20

21           17.       Defendant lacks sufficient information or belief as  
22 the matters asserted in paragraph 17 and therefore denies  
23 generally and specifically the allegations contained therein  
24 and therefore denies generally and specifically the allegations  
25 contained therein.  
26  
27  
28

ANSWER TO COMPLAINT

JK PER ANGUSTA AD FELICITAS V. MARGARET KRUSKA, ET AL.-CASE NO.NC060799

1           18. Defendant realleges his answers to paragraphs 1-17 as  
2 though fully set forth in such answers.

3           19. Defendant admits the allegations of paragraph 19.

4           20. Defendant lacks sufficient information or belief as  
5 to the matters asserted in Paragraph 20, and therefore denies  
6 generally and specifically the allegations contained therein.  
7

8           21. Defendant lacks sufficient information or belief as  
9 to the matters asserted in paragraph 21, and therefore denies  
10 generally and specifically the allegations contained therein.  
11

12           22. Defendant realleges his answers to paragraphs 1-21 as  
13 though fully set forth herein.

14           23. Defendant admits the allegations in Paragraph 23.

15           24. Defendant lacks sufficient information or belief as  
16 to the matters asserted in paragraph 24 of the complaint and  
17 therefore denies generally and specifically the allegations  
18 contained therein.  
19

20           25. Defendant admits the allegations of paragraph 25.

21           26. Defendant realleges his answers to paragraphs 1-25 as  
22 though fully set forth herein.  
23

24           27. Defendant denies the allegations of paragraph 27.

25           28. Defendant denies the allegations of paragraph 28.

26           29. Defendant denies the allegations of paragraph 29.  
27  
28

ANSWER TO COMPLAINT

JK PER ANGUSTA AD FELICITAS V. MARGARET KRUSKA, ET AL.-CASE NO. NC060799

1           30.     Defendant realleges his answers to paragraphs 1-29 as  
2 though fully set forth herein.

3           31.     Defendant denies the allegations of paragraph 31.

4           32.     Defendant denies the allegations of paragraph 32.

5           33.     Defendant denies the allegations of paragraph 33.

6           34.     Defendant denies the allegations of paragraph 34.

7  
8           AS AND FOR EACH SEPARATE AFFIRMATIVE DEFENSE TO ALL CAUSES  
9 OF ACTION ALLEGED IN THE COMPLAINT HEREIN, THESE ANSWERING  
10 DEFENDANTS ALLEGE AS FOLLOWS:

11                                 FIRST AFFIRMATIVE DEFENSE  
12                                 (Failure to State a Cause of Action)

13           35.     The complaint on file fails to state facts sufficient  
14 to constitute a cause of action against these answering  
15 defendants.

16                                 SECOND AFFIRMATIVE DEFENSE  
17                                 (Uncertainty)

18           36.     The complaint is uncertain in that it is impossible  
19 to Determine which of the alleged acts of this answering  
20 defendant caused, if any, caused injuries and or damages to the  
21 Plaintiff, as alleged in the complaint.

22                                 THIRD AFFIRMATIVE DEFENSE  
23                                 (No Actionable Conduct)

24           37.     This answering defendant is not liable to, plaintiff  
25 or to other persons, if any, as they did not engage in  
26 actionable conduct towards the Plaintiff or to the other  
27 Defendants.  
28

                                  ANSWER TO COMPLAINT  
                                  JK PER ANGUSTA AD FELICITAS V. MARGARET KRUSKA, ET AL.-CASE NO. NC960799



1 EIGHTH AFFIRMATIVE DEFENSE  
2 (STATUTE OF LIMITATION)

3 42. This action is barred, as to these answering  
4 Defendants, by the two year statute of limitations contained in  
5 Code of Civil Procedure, section 339(1).

6 NINTH AFFIRMATIVE DEFENSE  
7 (Reservation of Rights to State Additional Affirmative  
8 Defenses)

9 43. This answering Defendant reserved the right to raise  
10 other Affirmative Defenses as they become available or apparent  
11 during discovery proceedings in this case and further reserve  
12 the right to amend their Answer accordingly.  
13

14  
15 WHEREFORE, Defendant Khaled A. Tawansy, requests as  
16 follows:  
17

- 18 1. The Plaintiff take nothing by this action.
- 19 2. A judgment of dismissal be entered in favor of Khaled  
20 A. Tawansy.
- 21 3. That Khaled A. Tawansy, be awarded costs of suit  
22 incurred herein.
- 23 4. That Khaled A.Tawansy be awarded any applicable  
24 attorney's fees; and  
25

26 //

27 //

1           5. This answering Defendant be awarded any other further  
2 relief as this Court may deem just and proper.

3 Dated: October 13, 2016                      Zelner & Karpel  
4

5  
6   
7 Donald Karpel, Attorney for  
8 Khaled A. Tawansy.  
9  
10  
11  
12  
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15  
16  
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28

1 **PROOF OF SERVICE**

2 STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

3 I am employed in Los Angeles County, California. I am over the age of 18 years and  
4 not a party to the within action; my business address is 16633 Ventura Boulevard, Suite 735,  
Encino, California 91436.

5 On October 14, 2016, I served the foregoing document described as **ANSWER TO**  
6 **COMPLAINT**, on interested parties in this action by placing a true copy thereof via  
facsimile, as follows:

7 Alia S. Haddad, Esq.  
8 FIDELITY NATIONAL LAW GROUP  
9 915 Wilshire Boulevard  
Suite 2100  
10 Los Angeles, CA 90017-3450  
Tel: (213)438-7218  
11 Fax: (213)438-4417  
Email: [alia.haddad@fnf.com](mailto:alia.haddad@fnf.com)

12 Attorneys for Plaintiff, JK PER ANGUSTA AD FELICITAS LLC

13 **(XX BY MAIL.** In accordance with the regular mail collection and processing  
14 practices of this business office with which am familiar, by means of which mail is deposited  
with the United States Postal Service at Encino, California that same date in the ordinary  
15 course of business, I placed such sealed envelopes addressed as stated above, with postage  
thereon fully prepaid, for collection and mailing on this same date following ordinary  
business practices.

16  
17 (State) I declare under penalty of perjury under the laws of the State of California  
that the above is true and correct.

18 Executed on October 14, 2016, at Encino, California.

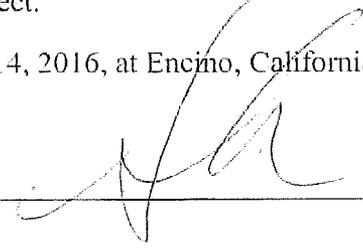
19  
20 Ann Park 

EXHIBIT "J"

1 WHEN RECORDED RETURN TO:  
2 DONALD KARPEL, ATTORNEY  
3 16633 VENTURA BLVD. SUITE 735  
4 ENCINO, CA 91346  
5 310-273-8444  
6 323-720-8852  
7 dkarpel@deklawfirm.com

8 Attorney for Defendant  
9 Khaled A. Tawansy, An Individual

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
11 FOR THE COUNTY OF LOS ANGELES-SOUTH DISTRICT

12 JK PER ANGUSTA AD FELICITAS LLC, )  
13 a California Limited Liability )  
14 Company )

15 vs. )  
16 )  
17 )  
18 )  
19 )  
20 )  
21 )  
22 )  
23 )  
24 )  
25 )  
26 )  
27 )  
28 )

15 Plaintiff,  
16 )  
17 MARGARET KUSKA, an Individual;  
18 CAROLINE WARNER TUGEL, an  
19 Individual; RICHARD S. WARNER  
20 AND TARA J. WARNDER, Trustees of  
21 the RICHARD S. WARNER AND TRA J.  
22 WARNER FAMILY TRUST 1993; KHALED  
23 A. TAWANSY, an Individual AND  
24 DOES 1-20 INCLUSIVE,

25 Defendants.

26 KHALED A. TAWANSY, an  
27 Individual,

28 Cross Complainant

Vs.



Case No. NC060799

NOTICE OF LIS PENDENS PENDENCY  
OF ACTION (CCP 405.20)

REAL PROPERTY LOCATED AT 3200  
N. LONG BEACH BOULEVARD IN  
LONG BEACH, CALIFORNIA

APN: 7207-001-030,  
7207-001-033,  
7207-001-034

Assigned to Honorable Judge  
Ross M. Klein

Dept.27

Case Filed September 09, 2016

NOTICE OF LIS PENDENS  
KHALED A. TAWANSY, M.D. V. JENNIFER SOHOL-Case NC060799

1 JENNIFER SOHOL, an Individual; )  
 2 JK PER ANGUSTA AD FELISCITAS )  
 3 LLC, a California Limited )  
 4 Liability Company; 2H )  
 5 PROPERTY 3060 LLC, A California )  
 6 Limited Liability Company; )  
 7 2H Construction, Inc., A )  
 8 California Corporation; Sean R. )  
 9 Hitchcock; Ericka Burton; and )  
 10 Rows 1 Through 20, )  
 11 )  
 12 )  
 13 )  
 14 )  
 15 )  
 16 )  
 17 )  
 18 )  
 19 )  
 20 )  
 21 )  
 22 )  
 23 )  
 24 )  
 25 )  
 26 )  
 27 )  
 28 )  
 Cross Defendants. )

10 NOTICE IS HEREBY GIVEN THAT THERE IS NOW A PENDING CASE IN  
 11 THE LOS ANGELES SUPERIOR COURT IN THE SOUTH BRANCH, LONG BEACH  
 12 SUPERIOR COURT, THAT AFFECTS TITLE TO THAT PARCEL OF REAL  
 13 PROPERTY LOCATED AT 3200 N. LONG BEACH BOULEVARD IN LONG BEACH  
 14 CALIFORNIA.  
 15

16 This Lis Pendens is filed by Dr. Khaled A. Tawnasy relating  
 17 the ownership of the following piece of real estate in Long  
 18 Beach, California.

19 1) This Action concerns the title to the following piece of  
 20 real estate in the City of Long Beach, located at 3200 N. Long  
 21 Beach Blvd and described as:  
 22

23 THE LAND REFERRED TO HEREIN BELOW IS SITUTATED IN THE  
 24 COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS  
 25 FOLLOWS:  
 26

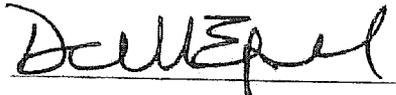
27 PARCEL 1:  
 28



1 DEDICATED UPON THE MAP OF SAID TRACT 2901, WHICH ADJOINS SAID  
2 LOTS ON THE WEST, VACATED BY RESOLUTION NO. C-2231 OF THE CITY  
3 COUNCIL OF SAID CITY, A COPY OF WHICH RECORDED AUGUST 1, 1977 AS  
4 INSTRUMENT NO. 77-833919, BOUNDED NORTHERLY BY THE WESTERLY  
5 PROLOGATION OF THE NORTHERLY LINE OF SAID LOT 36, AND BOUNDED  
6 SOUTHERLY BY THE WESTERLY PROLOGATION OF THE SOUTHERLY LINE OF  
7 SAID LOT 39.  
8

9  
10 Dated October 14, 2016

Law offices of Zelner & Karpel

11 

12 Donald Karpel, Attorney for  
13 Khaled A. Tawansy  
14

15 I declare that the owners of the property have been served via  
16 registered mail with a copy of this lis pendens on October 14,  
2016

17 

18 Donald Karpel, Attorney  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

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California

10/14/16 AT 03:03PM

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TAXES:	0.00
OTHER:	0.00
PAID:	27.00



LEADSHEET



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00012785255



007873779

SEQ:  
01

DAR - Counter (Upfront Scan)



THIS FORM IS NOT TO BE DUPLICATED



1 WHEN RECORDED RETURN TO:  
 2 DONALD KARPEL, ATTORNEY  
 3 16633 VENTURA BLVD. SUITE 735  
 4 ENCINO, CA 91346  
 5 310-273-8444  
 6 323-720-8852  
 7 dkarpel@deklawfirm.com

8 Attorney for Defendant  
 9 Khaled A. Tawansy, An Individual

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
 11 FOR THE COUNTY OF LOS ANGELES-SOUTH DISTRICT

12	JK PER ANGUSTA AD FELICITAS LLC,	)	Case No. NC060799
13	a California Limited Liability	)	
14	Company	)	
15		)	NOTICE OF LIS PENDENS PENDENCY
16	Plaintiff,	)	OF ACTION (CCP 405.20)
17	vs.	)	
18	MARGARET KUSKA, an Individual;	)	REAL PROPERTY LOCATED AT 3200
19	CAROLINE WARNER TUGEL, an	)	N. LONG BEACH BOULEVARD IN
20	Individual; RICHARD S. WARNER	)	LONG BEACH, CALIFORNIA
21	AND TARA J. WARNDER, Trustees of	)	APN: 7207-001-030,
22	the RICHARD S. WARNER AND TRA J.	)	7207-001-033,
23	WARNER FAMILY TRUST 1993; KHALED	)	7207-001-034
24	A. TAWANSY, an Individual AND	)	
25	DOES 1-20 INCLUSIVE,	)	Assigned to Honorable Judge
26		)	Ross M. Klein
27	Defendants.	)	
28		)	Dept.27
29	KHALED A. TAWANSY, an	)	
30	Individual,	)	Case Filed September 09, 2016
31		)	
32	Cross Complainant	)	
33		)	
34	Vs.	)	
35		)	
36		)	
37		)	
38		)	

NOTICE OF LIS PENDENS  
 KHADED A. TAWANSY, M.D. V. JENNIFER SOHOL-Case NC060799

1 JENNIFER SOHOL, an Individual; )  
 2 JK PER ANGUSTA AD FELISCITAS )  
 3 LLC, a California Limited )  
 4 Liability Company; 2H )  
 5 PROPERTY 3060 LLC, A California )  
 6 Limited Liability Company; )  
 7 2H Construction, Inc., A )  
 8 California Corporation; Sean R. )  
 9 Hitchcock; Ericka Burton; and )  
 10 Rows 1 Through 20, )  
 11 )  
 12 Cross Defendants. )

---

13 NOTICE IS HEREBY GIVEN THAT THERE IS NOW A PENDING CASE IN  
 14 THE LOS ANGELES SUPERIOR COURT IN THE SOUTH BRANCH, LONG BEACH  
 15 SUPERIOR COURT, THAT AFFECTS TITLE TO THAT PARCEL OF REAL  
 16 PROPERTY LOCATED AT 3200 N. LONG BEACH BOULEVARD IN LONG BEACH  
 17 CALIFORNIA.

18 This Lis Pendens is filed by Dr. Khaled A. Tawnasy relating  
 19 the ownership of the following piece of real estate in Long  
 20 Beach, California.

21 1) This Action concerns the title to the following piece of  
 22 real estate in the City of Long Beach, located at 3200 N. Long  
 23 Beach Blvd and described as:

24 THE LAND REFERRED TO HEREIN BELOW IS SITUTATED IN THE  
 25 COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS  
 26 FOLLOWS:

27 PARCEL 1:  
 28

1            LOTS 17, 18 AND 19 IN BLOCK "A" OF TRACT 2901, IN THE CITY  
2 OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS  
3 PER MAP RECORDED IN BOOK 36 PAGE(S) 83 OF MAPS IN THE OFFICE OF  
4 THE COUNTY RECORDER OF SAID COUNTY, TOGETHER WITH THAT PORTION  
5 OF THE WESTERLY HALD OF THAT CERTAIN ALLEY, 20 FEET SIDE, AS  
6 SHOWN AND DEDICATED UPON THE MAP OF SAID TRACT NO. 2901, WHICH  
7 ADJOINS SAID LOTS ON THE EAST, VACATED BY RESOLUTION NO. C-22311  
8 OF THE CITY COUNCIL OF SAID CITY, A COPY OF WHICH WAS RECORDED  
9 AUGUST 1, 1977 AS INSTRUMENT NO. 77-833919, BOUNDED NORTHELY BY  
10 THE EASTERNLY PROLOGNATION OF THE NORTHERLY LINE OF SAID LOT 17,  
11 AND BOUNDED SOUTHERLY BY THE EASTERLY PROLONGATION OF THE  
12 SOUTHERNLY LINE OF SAID LOT 19.  
13  
14

15  
16            EXCEPT THEREON ALL OIL MINERALS, AND OTHER HYDROCARBONS  
17 SUSTANCES IN AND UNDER SAID LAND LYING BELOW A DEPTH OF 500 FEET  
18 FROM THE SURFACE, WITHOUT HOWEVER, THE RIGHT TO USE ANY PART OF  
19 THE SURFACE THEREOF, AS EXCEPTED AND RESERVED IN VARIOUS DEEDS  
20 RECORDED ON JUNE 17, 1964.  
21

22            PARCEL 2:

23  
24            LOTS 36, 27 AND 38 IN BLOCK "A" OF TRACT 2901, AS PER MAP  
25 RECORDED IN BLOOK 36, PAGE 63 OF MAPS, IN THE OFFICE OF THE  
26 COUNTY RECORDER OF SAID O SAID COUNTY WITH THAT PORTION OF THE  
27 EASTERLY HALF OF THAT CERTAIN ALLYE, 20 FEET WIDE, AS SHOWN AND  
28

   NOTICE OF LIS PENDENS  
   KHADED A. TAWANSY, M.D. V. JENNIFER SOHOL-Case NC060799

1 DEDICATED UPON THE MAP OF SAID TRACT 2901, WHICH ADJOINS SAID  
2 LOTS ON THE WEST, VACATED BY RESOLUTION NO. C-2231 OF THE CITY  
3 COUNCIL OF SAID CITY, A COPY OF WHICH RECORDED AUGUST 1, 1977 AS  
4 INSTRUMENT NO. 77-833919, BOUNDED NORTHERLY BY THE WESTERLY  
5 PROLOGATION OF THE NORTHERLY LINE OF SAID LOT 36, AND BOUNDED  
6 SOUTHERLY BY THE WESTERLY PROLOGATION OF THE SOUTHERLY LINE OF  
7 SAID LOT 39.

8  
9  
10 Dated October 14, 2016

Law offices of Zelner & Karpel



11  
12 Donald Karpel, Attorney for  
13 Khaled A. Tawansy

14  
15 I declare that the owners of the property have been served via  
16 registered mail with a copy of this lis pendens on October 14,  
2016

17  
18 

19 Donald Karpel, Attorney

# EXHIBIT "K"



2H Property 3060, LLC  
2H Property 4101, LLC  
Spring Property, LLC

October 6, 2016

Dr. Khaled Tawansy  
3200 Long Beach Blvd., Unit A  
Long Beach, CA 90708

7447 N. Figueroa, Suite #200  
Los Angeles, CA 90041

Re: New Property Ownership and Management  
3200 Long Beach Blvd., Long Beach, CA

Please allow me to introduce myself. My name is Ericka Burton and I am with 2H Properties. We are the new owners and managers of the property located at 3200 Long Beach Blvd. in Long Beach, CA.

Attached you will find a copy of a blank month to month lease that was sent to you last month. Please kindly sign and return two (2) original leases to my attention. I will forward you a fully executed copy upon receipt. Your rent payment was due October 1, 2016 and is late as of October 5, 2016. Please read the lease in regards to late payments on page 12.

Please issue an insurance certificate and name 2H Property 3060, LLC as additional insured.

All correspondence and your rent payments should be addressed to:

Please make checks payable to: **2H Property 3060, LLC**  
**2653 Walnut Ave.**  
**Signal Hill, CA 90755**

Should you have any questions please feel free to contact me.

Thank you,

A handwritten signature in black ink, appearing to read 'Ericka Burton', written over a horizontal line.

Ericka Burton  
Property Manager

LAW OFFICES OF

*Zelner & Karpel*

16633 VENTURA BOULEVARD • SUITE 735  
ENCINO, CALIFORNIA 91436-1833

DONALD E. KARPEL  
BARRY S. ZELNER

TELEPHONE (310) 273-8444  
FACSIMILE (323) 720-8852  
EMAIL  
DKARPEL@DEKLAWFIRM.COM

October 14, 2016

Sean Hichcock  
Erika Burton  
2H Property3060, LLC  
2H Construction, Inc.  
2653 Walnut St.  
Signal Hill, CA 90755  
Tel No. 562-424-5576

Mr Hitchcock, Ms. Burton, 2H Properties 3060 LLC and 2H Construction, Inc.:

Our clients Dr. Khaled A. Tawansy and Children's Retina Institute just received a notice that you and your companies are planning to do construction work in the building in which Dr. Tawansy and Children's Retina Institute occupy located at 3200 N. Long Beach Blvd. in Long Beach, California.

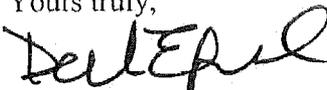
Any such action would invade and disturb my clients' rights to quiet enjoyment of the space being occupied by Dr. Tawansy and by Children's Retina Institute. Dr. Tawansy has the right and interest to the entire building and he is current on his rent.

Dr. Tawansy has invested many tens of thousands of dollars or more in the 3200 building in the middle suite and in the surgery center. Any appearance by you to demolish anything would be a violation of the terms of Dr. Tawansy and Children's Retina Institute right to occupy the entire property.

Should you wish to come onto the property we will resist the attempt and seek immediate relief through the Los Angeles Superior Court.

If you wish to discuss this matter, please give me a call.

Yours truly,



Donald E. Karpel, Esq.

Date: November 18, 2016

TO: Khaled A. Tawansy, M.D.  
3200 Long Beach Boulevard  
Long Beach, California 90807

Khaled A. Tawansy, M.D.  
dba Children's Retina Institute  
3200 Long Beach Boulevard  
Long Beach, California 90807

Renaissance Surgical Holdings, LLC  
3200 Long Beach Boulevard  
Long Beach, California



2H Property 3060, LLC  
2H Property 4101, LLC  
Spring Property, LLC

You are hereby notified that pursuant to Civ. Code, § 1946 that the tenancy from month-to-month under which you hold the possession of the premises described in this notice is terminated thirty (30) days after service on you of this notice.

By this notice you are required to quit and deliver up the possession of the described premises to the undersigned lessor, who is authorized to receive possession of the premises on or before the expiration of the thirty (30) days' period.

You are further notified that it is the purpose and intent of this notice to terminate the tenancy at the expiration of the thirty (30) days' period, and that if at the expiration of that period you fail to quit the premises and deliver up possession of the premises to 2H Property 3060, LLC will institute legal proceedings for unlawful detainer against you to recover possession of the premises.

The premises that are the subject of this notice are:

PARCEL 1:

LOTS 17, 18 AND 19 IN BLOCK "A" OF TRACT 2901, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36 PAGE(S) 63 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TOGETHER WITH THAT PORTION OF THE WESTERLY HALF OF THAT CERTAIN ALLEY, 20 FEET WIDE, AS SHOWN AND DEDICATED UPON THE MAP OF SAID TRACT NO. 2901, WHICH ADJOINS SAID LOTS ON THE EAST, VACATED BY RESOLUTION NO. C-22311 OF THE CITY COUNCIL OF SAID CITY, A COPY OF WHICH WAS RECORDED AUGUST 1, 1977 AS INSTRUMENT NO. 77-833919, BOUNDED NORTHERLY BY THE EASTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID LOT 17, AND BOUNDED SOUTHERLY BY THE EASTERLY PROLONGATION OF THE SOUTHERLY LINE OF SAID LOT 19. EXCEPT THEREFROM ALL OIL, MINERALS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND LYING BELOW A DEPTH OF 500

FEET FROM THE SURFACE, WITHOUT HOWEVER, THE RIGHT TO USE ANY PART OF THE SURFACE THEREOF, AS EXCEPTED AND RESERVED IN VARIOUS DEEDS RECORDED JULY 17, 1964.

PARCEL 2:

LOTS 36, 37 AND 38 IN BLOCK "A" OF TRACT 2901, AS PER MAP RECORDED IN BOOK 36, PAGE 63 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TOGETHER WITH THAT PORTION OF THE EASTERLY HALF OF THAT CERTAIN ALLEY, 20 FEET WIDE, AS SHOWN AND DEDICATED UPON THE MAP OF SAID TRACT 2901, WHICH ADJOINS SAID LOTS ON THE WEST, VACATED BY RESOLUTION NO. C-2231 OF THE CITY COUNCIL OF SAID CITY, A COPY OF WHICH RECORDED AUGUST 1, 1977 AS INSTRUMENT NO. 77-833919, BOUNDED NORTHERLY BY THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID LOT 36, AND BOUNDED SOUTHERLY BY THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF SAID LOT 38.

Dated: November \_\_\_\_, 2016.

2H PROPERTY 3060, LLC

By:

  
Sean R. Hitchcock

# EXHIBIT "L"



AIR COMMERCIAL REAL ESTATE ASSOCIATION
STANDARD INDUSTRIAL/COMMERCIAL MULTI-TENANT LEASE - NET

1. Basic Provisions ("Basic Provisions").
1.1 Parties: This Lease ("Lease"), dated for reference purposes only September 26, 2016
is made by and between 2H Property 3060, LLC
and Khaled A. Tawansy, MD / Children's Retina Institute ("Lessor")

1.2(a) Premises: That certain portion of the Project (as defined below), including all improvements therein or to be provided by Lessor
under the terms of this Lease, commonly known by the street address of 3200 Long Beach Blvd., Unit A
located in the City of Long Beach, County of Los Angeles, State of California, with zip code 90807, as outlined on Exhibit attached hereto ("Premises")
and generally described as (describe briefly the nature of the Premises): An approximate 5,689 Sq. Ft. medical office
unit.

In addition to Lessee's rights to use and occupy the Premises as hereinafter specified, Lessee shall have non-exclusive rights to any utility raceways of
the building containing the Premises ("Building") and to the common Areas (as defined in Paragraph 2.7 below), but shall not have any rights to the
roof or exterior walls of the Building or to any other buildings in the Project. The Premises, the Building, the Common Areas, the land upon which they
are located, along with all other buildings and improvements thereon, are herein collectively referred to as the "Project." (See also Paragraph 2)

1.2(b) Parking: 25 unreserved vehicle parking spaces. (See also Paragraph 2.6)
1.3 Term: Month to Month years and months ("Original Term")
commencing October 1, 2016 ("Commencement Date") and ending
with 30 day notice from either party. ("Expiration Date"). (See also Paragraph 3)
1.4 Early Possession: If the Premises are available Lessee may have non-exclusive possession of the Premises commencing
n/a ("Early Possession Date").
(See also Paragraphs 3.2 and 3.3)

1.5 Base Rent: \$ 15,000.00 per month ("Base Rent"), payable on the 1st
day of each month commencing October 1, 2016. (See also Paragraph 4)

□ If this box is checked, there are provisions in this Lease for the Base Rent to be adjusted. See Paragraph
1.6 Lessee's Share of Common Area Operating Expenses: thirty - eight percent (38 %) ("Lessee's Share").
In the event that the size of the Premises and/or the Project are modified during the term of this Lease, Lessor shall recalculate Lessee's Share to
reflect such modification.

1.7 Base Rent and Other Monies Paid Upon Execution:
(a) Base Rent: \$15,000.00 for the period October 1 - 31, 2016
(b) Common Area Operating Expenses: \$TBD for the period
(c) Security Deposit: \$11,500.00 ("Security Deposit"). (See also Paragraph 5)
(d) Other: \$n/a for n/a
(e) Total Due Upon Execution of this Lease:
\$15,000.00 for base rent (security deposit transferred from sale)

1.8 Agreed Use: Medical office.
(See also Paragraph 8)

1.9 Insuring Party. Lessor is the "Insuring Party". (See also Paragraph 8)
1.10 Real Estate Brokers: (See also Paragraph 15 and 25)
(a) Representation: The following real estate brokers (the "Brokers") and brokerage relationships exist in this transaction
(check applicable boxes).

☐ represents Lessor exclusively ("Lessor's Broker");
☐ represents Lessee exclusively ("Lessee's Broker"); or
☐ represents both Lessor and Lessee ("Dual Agency").

(b) Payment to Brokers: Upon execution and delivery of this Lease by both Parties, Lessor shall pay to the Brokers the
brokerage fee agreed to in a separate written agreement (or if there is no such agreement, the sum of or % of the
total Base Rent) for the brokerage services rendered by the Brokers.

1.11 Guarantor. The obligations of the Lessee under this Lease are to be guaranteed by
("Guarantor"). (See also Paragraph 37)

- 1.12 Attachments. Attached hereto are the following, all of which constitute a part of this Lease:
☐ an Addendum consisting of Paragraphs through ;
☐ a site plan depicting the Premises;
☐ a site plan depicting the Project;
☐ a current set of the Rules and Regulations for the Project;
☐ a current set of the Rules and Regulations adopted by the owners' association;

INITIALS

INITIALS

- a Work Letter;  
 other (specify); \_\_\_\_\_

2. Premises.

2.1 **Letting.** Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Premises, for the term, at the rental, and upon all of the terms, covenants and conditions set forth in this Lease. While the approximate square footage of the Premises may have been used in the marketing of the Premises for purposes of comparison, the Base Rent stated herein is NOT tied to square footage and is not subject to adjustment should the actual size be determined to be different. **NOTE: Lessee is advised to verify the actual size prior to executing this Lease.**

2.2 **Condition.** Lessor shall deliver that portion of the Premises contained within the Building ("Unit") to Lessee broom clean and free of debris on the Commencement Date or the Early Possession Date, whichever first occurs ("Start Date"), and, so long as the required service contracts described in Paragraph 7.1(b) below are obtained by Lessee and in effect within thirty days following the Start Date, warrants that the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and air conditioning systems ("HVAC"), loading doors, sump pumps, if any, and all other such elements in the Unit, other than those constructed by Lessee, shall be in good operating condition on said date, that the structural elements of the roof, bearing walls and foundation of the Unit shall be free of material defects, and that the Unit does not contain hazardous levels of any mold or fungi defined as toxic under applicable state or federal law. If a non-compliance with such warranty exists as of the Start Date, or if one of such systems or elements should malfunction or fail within the appropriate warranty period, Lessor shall, as Lessor's sole obligation with respect to such matter, except as otherwise provided in this Lease, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, malfunction or failure, rectify same at Lessor's expense. The warranty periods shall be as follows: (i) 6 months as to the HVAC systems, and (ii) 30 days as to the remaining systems and other elements of the Unit. If Lessee does not give Lessor the required notice within the appropriate warranty period, correction of any such non-compliance, malfunction or failure shall be the obligation of Lessee at Lessee's sole cost and expense (except for the repairs to the fire sprinkler systems, roof, foundations, and/or bearing walls - see Paragraph 7). Lessor also warrants, that unless otherwise specified in writing, Lessor is unaware of (i) any recorded Notices of Default affecting the Premise; (ii) any delinquent amounts due under any loan secured by the Premises; and (iii) any bankruptcy proceeding affecting the Premises.

2.3 **Compliance.** Lessor warrants that to the best of its knowledge the improvements on the Premises comply with the building codes, applicable laws, covenants or restrictions of record, regulations, and ordinances ("Applicable Requirements") that were in effect at the time that each improvement, or portion thereof, was constructed. Said warranty does not apply to the use to which Lessee will put the Premises, modifications which may be required by the Americans with Disabilities Act or any similar laws as a result of Lessee's use (see Paragraph 49), or to any Alterations or Utility Installations (as defined in Paragraph 7.3(a)) made or to be made by Lessee. **NOTE: Lessee is responsible for determining whether or not the Applicable Requirements and especially the zoning are appropriate for Lessee's intended use, and acknowledges that past uses of the Premises may no longer be allowed.** If the Premises do not comply with said warranty, Lessor shall, except as otherwise provided, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, rectify the same at Lessor's expense. If Lessee does not give Lessor written notice of a non-compliance with this warranty within 6 months following the Start Date, correction of that non-compliance shall be the obligation of Lessee at Lessee's sole cost and expense. If the Applicable Requirements are hereafter changed so as to require during the term of this Lease the construction of an addition to or an alteration of the Unit, Premises and/or Building, the remediation of any Hazardous Substance, or the reinforcement or other physical modification of the Unit, Premises and/or Building ("Capital Expenditure"), Lessor and Lessee shall allocate the cost of such work as follows:

(a) Subject to Paragraph 2.3(c) below, if such Capital Expenditures are required as a result of the specific and unique use of the Premises by Lessee as compared with uses by tenants in general, Lessee shall be fully responsible for the cost thereof, provided, however that if such Capital Expenditure is required during the last 2 years of this Lease and the cost thereof exceeds 6 months' Base Rent, Lessee may instead terminate this Lease unless Lessor notifies Lessee, in writing, within 10 days after receipt of Lessee's termination notice that Lessor has elected to pay the difference between the actual cost thereof and the amount equal to 6 months' Base Rent. If Lessee elects termination, Lessee shall immediately cease the use of the Premises which requires such Capital Expenditure and deliver to Lessor written notice specifying a termination date at least 90 days thereafter. Such termination date shall, however, in no event be earlier than the last day that Lessee could legally utilize the Premises without commencing such Capital Expenditure.

(b) If such Capital Expenditure is not the result of the specific and unique use of the Premises by Lessee (such as, governmentally mandated seismic modifications), then Lessor shall pay for such Capital Expenditure and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease or any extension thereof, on the date that on which the Base Rent is due, an amount equal to 1/144th of the portion of such costs reasonably attributable to the Premises. Lessee shall pay interest on the balance but may prepay its obligation at any time. If, however, such Capital Expenditure is required during the last 2 years of this Lease or if Lessor reasonably determines that it is not economically feasible to pay its share thereof, Lessor shall have the option to terminate this Lease upon 90 days prior written notice to Lessee unless Lessee notifies Lessor, in writing, within 10 days after receipt of Lessor's termination notice that Lessee will pay for such Capital Expenditure. If Lessor does not elect to terminate, and fails to tender its share of any such Capital Expenditure, Lessee may advance such funds and deduct same, with interest, from Rent until Lessor's share of such costs have been fully paid. If Lessee is unable to finance Lessor's share, or if the balance of the Rent due and payable for the remainder of this Lease is not sufficient to fully reimburse Lessee on an offset basis, Lessee shall have the right to terminate this Lease upon 30 days written notice to Lessor.

(c) Notwithstanding the above, the provisions concerning Capital Expenditures are intended to apply only to non-voluntary, unexpected, and new Applicable Requirements. If the Capital Expenditures are instead triggered by Lessee as a result of an actual or proposed change in use, change in intensity of use, or modification to the Premises then, and in that event, Lessee shall either: (i) immediately cease such changed use or intensity of use and/or take such other steps as may be necessary to eliminate the requirement for such Capital Expenditure, or (ii) complete such Capital Expenditure at its own expense. Lessee shall not have any right to terminate this Lease.

2.4 **Acknowledgements.** Lessee acknowledges that: (a) it has been given an opportunity to inspect and measure the Premises, (b) it has been advised by Lessor and/or Brokers to satisfy itself with respect to the size and condition of the Premises (including but not limited to the electrical, HVAC and fire sprinkler systems, security, environmental aspects, and compliance with Applicable Requirements and the Americans with Disabilities Act), and their suitability for Lessee's intended use, (c) Lessee has made such investigation as it deems necessary with reference to such matters and assumes all responsibility therefor as the same relate to its occupancy of the Premises, (d) it is not relying on any representation as to the size of the Premises made by Brokers or Lessor, (e) the square footage of the Premises was not material to Lessee's decision to lease the Premises and pay the Rent stated herein, and (f) neither Lessor, Lessor's agents, nor Brokers have made any oral or written representations or warranties with respect to said matters other than as set forth in this Lease. In addition, Lessor acknowledges that: (i) Brokers have made no representations, promises or warranties concerning Lessee's ability to honor the Lease or suitability to occupy the Premises, and (ii) it is Lessor's sole responsibility to investigate the financial capability and/or suitability of all proposed tenants.

2.5 **Lessee as Prior Owner/Occupant.** The warranties made by Lessor in Paragraph 2 shall be of no force or effect if immediately prior to the Start Date Lessee was the owner or occupant of the Premises. In such event, Lessee shall be responsible for any necessary corrective

work.

2.6 **Vehicle Parking.** Lessee shall be entitled to use the number of parking spaces specified in Paragraph 1.2(b) on those portions of the Common Areas designated from time to time by Lessor for parking. Lessee shall not use more parking spaces than said number. Said parking spaces shall be used for parking by vehicles no larger than full-size passenger automobiles or pick-up trucks, herein called "Permitted Size Vehicles." Lessor may regulate the loading and unloading of vehicles by adopting Rules and Regulations as provided in Paragraph 2.9. No vehicles other than Permitted Size Vehicles may be parked in the Common Area without the prior written permission of Lessor. In addition:

(a) Lessee shall not permit or allow any vehicles that belong to or are controlled by Lessee or Lessee's employees, suppliers, shippers, customers, contractors or invitees to be loaded, unloaded, or parked in areas other than those designated by Lessor for such activities.

(b) Lessee shall not service or store any vehicles in the Common Areas.

(c) If Lessee permits or allows any of the prohibited activities described in this Paragraph 2.6, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove or tow away the vehicle involved and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

2.7 **Common Areas - Definition.** The term "Common Areas" is defined as all areas and facilities outside the Premises and within the exterior boundary line of the Project and interior utility raceways and installations within the Unit that are provided and designated by the Lessor from time to time for the general non-exclusive use of Lessor, Lessee and other tenants of the Project and their respective employees, suppliers, shippers, customers, contractors and invitees, including parking areas, loading and unloading areas, trash areas, roadways, walkways, driveways and landscaped areas.

2.8 **Common Areas - Lessee's Rights.** Lessor grants to Lessee, for the benefit of Lessee and its employees, suppliers, shippers, contractors, customers and invitees, during the term of this Lease, the non-exclusive right to use, in common with others entitled to such use, the Common Areas as they exist from time to time, subject to any rights, powers, and privileges reserved by Lessor under the terms hereof or under the terms of any rules and regulations or restrictions governing the use of the Project. Under no circumstances shall the right herein granted to use the Common Areas be deemed to include the right to store any property, temporarily or permanently, in the Common Areas. Any such storage shall be permitted only by the prior written consent of Lessor or Lessor's designated agent, which consent may be revoked at any time. In the event that any unauthorized storage shall occur then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove the property and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

2.9 **Common Areas - Rules and Regulations.** Lessor or such other person(s) as Lessor may appoint shall have the exclusive control and management of the Common Areas and shall have the right, from time to time, to establish, modify, amend and enforce reasonable rules and regulations ("Rules and Regulations") for the management, safety, care, and cleanliness of the grounds, the parking and unloading of vehicles and the preservation of good order, as well as for the convenience of other occupants or tenants of the Building and the Project and their invitees. Lessee agrees to abide by and conform to all such Rules and Regulations, and shall use its best efforts to cause its employees, suppliers, shippers, customers, contractors and invitees to so abide and conform. Lessor shall not be responsible to Lessee for the non-compliance with said Rules and Regulations by other tenants of the Project.

2.10 **Common Areas - Changes.** Lessor shall have the right, in Lessor's sole discretion, from time to time:

(a) To make changes to the Common Areas, including, without limitation, changes in the location, size, shape and number of driveways, entrances, parking spaces, parking areas, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas, walkways and utility raceways;

(b) To close temporarily any of the Common Areas for maintenance purposes so long as reasonable access to the Premises remains available;

(c) To designate other land outside the boundaries of the Project to be a part of the Common Areas;

(d) To add additional buildings and improvements to the Common Areas;

(e) To use the Common Areas while engaged in making additional improvements, repairs or alterations to the Project, or any portion thereof; and

(f) To do and perform such other acts and make such other changes in, to or with respect to the Common Areas and Project as Lessor may, in the exercise of sound business judgment, deem to be appropriate.

3. **Term.**

3.1 **Term.** The Commencement Date, Expiration Date and Original Term of this Lease are as specified in Paragraph 1.3.

3.2 **Early Possession.** Any provision herein granting Lessee Early Possession of the Premises is subject to and conditioned upon the Premises being available for such possession prior to the Commencement Date. Any grant of Early Possession only conveys a non-exclusive right to occupy the Premises. If Lessee totally or partially occupies the Premises prior to the Commencement Date, the obligation to pay Base Rent shall be abated for the period of such Early Possession. All other terms of this Lease (including but not limited to the obligations to pay Lessee's Share of Common Area Operating Expenses, Real Property Taxes and insurance premiums and to maintain the Premises) shall be in effect during such period. Any such Early Possession shall not affect the Expiration Date.

3.3 **Delay In Possession.** Lessor agrees to use its best commercially reasonable efforts to deliver possession of the Premises to Lessee by the Commencement Date. If, despite said efforts, Lessor is unable to deliver possession by such date, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or change the Expiration Date. Lessee shall not, however, be obligated to pay Rent or perform its other obligations until Lessor delivers possession of the Premises and any period of rent abatement that Lessee would otherwise have enjoyed shall run from the date of delivery of possession and continue for a period equal to what Lessee would otherwise have enjoyed under the terms hereof, but minus any days of delay caused by the acts or omissions of Lessee. If possession is not delivered within 60 days after the Commencement Date, as the same may be extended under the terms of any Work Letter executed by Parties, Lessee may, at its option, by notice in writing within 10 days after the end of such 60 day period, cancel this Lease, in which event the Parties shall be discharged from all obligations hereunder. If such written notice is not received by Lessor within said 10 day period, Lessee's right to cancel shall terminate. If possession of the Premises is not delivered within 120 days after the Commencement Date, this Lease shall terminate unless other agreements are reached between Lessor and Lessee, in writing.

3.4 **Lessee Compliance.** Lessor shall not be required to tender possession of the Premises to Lessee until Lessee complies with its obligation to provide evidence of insurance (Paragraph 8.5). Pending delivery of such evidence, Lessee shall be required to perform all of its obligations under this Lease from and after the Start Date, including the payment of Rent, notwithstanding Lessor's election to withhold possession pending receipt of such evidence of insurance. Further, if Lessee is required to perform any other conditions prior to or concurrent with the Start Date, the Start Date shall occur but Lessor may elect to withhold possession until such conditions are satisfied.

4. **Rent.**

4.1 **Rent Defined.** All monetary obligations of Lessee to Lessor under the terms of this Lease (except for the Security Deposit) are deemed to be rent ("Rent").

4.2 **Common Area Operating Expenses.** Lessee shall pay to Lessor during the term hereof, in addition to the Base Rent, Lessee's Share (as specified in Paragraph 1.6) of all Common Area Operating Expenses, as hereinafter defined, during each calendar year of the term of this Lease, in accordance with the following provisions:

(a) "Common Area Operating Expenses" are defined, for purposes of this Lease, as all costs relating to the ownership and operation of the Project, including, but not limited to, the following:

(i) The operation, repair and maintenance, in neat, clean, good order and condition, and if necessary the replacement, of the following:

(aa) The Common Areas and Common Area improvements, including parking areas, loading and unloading areas, trash areas, roadways, parkways, walkways, driveways, landscaped areas, bumpers, irrigation systems, Common Area lighting facilities, fences and gates, elevators, roofs, exterior walls of the buildings, building systems and roof drainage systems.

(bb) Exterior signs and any tenant directories.

(cc) Any fire sprinkler systems.

(dd) All other areas and improvements that are within the exterior boundaries of the Project but outside of the Premises and/or any other space occupied by a tenant.

(ii) The cost of water, gas, electricity and telephone to service the Common Areas and any utilities not separately metered.

(iii) The cost of trash disposal, pest control services, property management, security services, owners' association dues and fees, the cost to repaint the exterior of any structures and the cost of any environmental inspections.

(iv) Reserves set aside for maintenance, repair and/or replacement of Common Area improvements and equipment.

(v) Real Property Taxes (as defined in Paragraph 10).

(vi) The cost of the premiums for the insurance maintained by Lessor pursuant to Paragraph 8.

(vii) Any deductible portion of an insured loss concerning the Building or the Common Areas.

(viii) Auditors', accountants' and attorneys' fees and costs related to the operation, maintenance, repair and replacement of the Project.

(ix) The cost of any capital improvement to the Building or the Project not covered under the provisions of Paragraph 2.3 provided; however, that Lessor shall allocate the cost of any such capital improvement over a 12 year period and Lessee shall not be required to pay more than Lessee's Share of 1/144th of the cost of such capital improvement in any given month.

(x) The cost of any other services to be provided by Lessor that are stated elsewhere in this Lease to be a Common Area Operating Expense.

(b) Any Common Area Operating Expenses and Real Property Taxes that are specifically attributable to the Unit, the Building or to any other building in the Project or to the operation, repair and maintenance thereof, shall be allocated entirely to such Unit, Building, or other building. However, any Common Area Operating Expenses and Real Property Taxes that are not specifically attributable to the Building or to any other building or to the operation, repair and maintenance thereof, shall be equitably allocated by Lessor to all buildings in the Project.

(c) The inclusion of the improvements, facilities and services set forth in Subparagraph 4.2(a) shall not be deemed to impose an obligation upon Lessor to either have said improvements or facilities or to provide those services unless the Project already has the same, Lessor already provides the services, or Lessor has agreed elsewhere in this Lease to provide the same or some of them.

(d) Lessee's Share of Common Area Operating Expenses is payable monthly on the same day as the Base Rent is due hereunder. The amount of such payments shall be based on Lessor's estimate of the annual Common Area Operating Expenses. Within 60 days after written request (but not more than once each year) Lessor shall deliver to Lessee a reasonably detailed statement showing Lessee's Share of the actual Common Area Operating Expenses for the preceding year. If Lessee's payments during such year exceed Lessee's Share, Lessor shall credit the amount of such over-payment against Lessee's future payments. If Lessee's payments during such year were less than Lessee's Share, Lessee shall pay to Lessor the amount of the deficiency within 10 days after delivery by Lessor to Lessee of the statement.

(e) Common Area Operating Expenses shall not include any expenses paid by any tenant directly to third parties, or as to which Lessor is otherwise reimbursed by any third party, other tenant, or insurance proceeds.

4.3 **Payment.** Lessee shall cause payment of Rent to be received by Lessor in lawful money of the United States, without offset or deduction (except as specifically permitted in this Lease), on or before the day on which it is due. All monetary amounts shall be rounded to the nearest whole dollar. In the event that any invoice prepared by Lessor is inaccurate such inaccuracy shall not constitute a waiver and Lessee shall be obligated to pay the amount set forth in this Lease. Rent for any period during the term hereof which is for less than one full calendar month shall be prorated based upon the actual number of days of said month. Payment of Rent shall be made to Lessor at its address stated herein or to such other persons or place as Lessor may from time to time designate in writing. Acceptance of a payment which is less than the amount then due shall not be a waiver of Lessor's rights to the balance of such Rent, regardless of Lessor's endorsement of any check so stating. In the event that any check, draft, or other instrument of payment given by Lessee to Lessor is dishonored for any reason, Lessee agrees to pay to Lessor the sum of \$25 in addition to any Late Charge and Lessor, at its option, may require all future Rent be paid by cashier's check. Payments will be applied first to accrued late charges and attorney's fees, second to accrued interest, then to Base Rent and Common Area Operating Expenses, and any remaining amount to any other outstanding charges or costs.

5. **Security Deposit.** Lessee shall deposit with Lessor upon execution hereof the Security Deposit as security for Lessee's faithful performance of its obligations under this Lease. If Lessee fails to pay Rent, or otherwise Defaults under this Lease, Lessor may use, apply or retain all or any portion of said Security Deposit for the payment of any amount already due Lessor, for Rents which will be due in the future, and/ or to reimburse or compensate Lessor for any liability, expense, loss or damage which Lessor may suffer or incur by reason thereof. If Lessor uses or applies all or any portion of the Security Deposit, Lessee shall within 10 days after written request therefor deposit monies with Lessor sufficient to restore said Security Deposit to the full amount required by this Lease. If the Base Rent increases during the term of this Lease, Lessee shall, upon written request from Lessor, deposit additional monies with Lessor so that the total amount of the Security Deposit shall at all times bear the same proportion to the increased Base Rent as the initial Security Deposit bore to the initial Base Rent. Should the Agreed Use be amended to accommodate a material change in the business of Lessee or to accommodate a sublessee or assignee, Lessor shall have the right to increase the Security Deposit to the extent necessary, in Lessor's reasonable judgment, to account for any increased wear and tear that the Premises may suffer as a result thereof. If a change in control of Lessee occurs during this Lease and following such change the financial condition of Lessee is, in Lessor's reasonable judgment, significantly reduced, Lessee shall deposit such additional monies with Lessor as shall be sufficient to cause the Security Deposit to be at a commercially reasonable level based on such change in financial condition. Lessor shall not be required to keep the Security Deposit separate from its general accounts. Within 90 days after the expiration or termination of this Lease, Lessor shall return that portion of the Security Deposit not used or applied by Lessor. Lessor shall upon written request provide Lessee with an accounting showing how that portion of the Security Deposit that was not returned was applied. No part of the Security Deposit shall be considered to be held in trust, to bear interest or to be prepayment for any monies to be

paid by Lessee under this Lease. THE SECURITY DEPOSIT SHALL NOT BE USED BY LESSEE IN LIEU OF PAYMENT OF THE LAST MONTH'S RENT.

6. Use.

6.1 Use. Lessee shall use and occupy the Premises only for the Agreed Use, or any other legal use which is reasonably comparable thereto, and for no other purpose. Lessee shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste or a nuisance, or that disturbs occupants or causes damage to neighboring premises or properties. Other than guide, signal and seeing eye dogs, Lessee shall not keep or allow in the Premises any pets, animals, birds, fish, or reptiles. Lessor shall not unreasonably withhold or delay its consent to any request for a modification of the Agreed Use, so long as the same will not impair the structural integrity of the Building or the mechanical or electrical systems therein, and/or is not significantly more burdensome to the Project. If Lessor elects to withhold consent, Lessor shall within 7 days after such request give written notification of same, which notice shall include an explanation of Lessor's objections to the change in the Agreed Use.

6.2 Hazardous Substances.

(a) Reportable Uses Require Consent. The term "Hazardous Substance" as used in this Lease shall mean any product, substance, or waste whose presence, use, manufacture, disposal, transportation, or release, either by itself or in combination with other materials expected to be on the Premises, is either: (i) potentially injurious to the public health, safety or welfare, the environment or the Premises, (ii) regulated or monitored by any governmental authority, or (iii) a basis for potential liability of Lessor to any governmental agency or third party under any applicable statute or common law theory. Hazardous Substances shall include, but not be limited to, hydrocarbons, petroleum, gasoline, and/or crude oil or any products, by-products or fractions thereof. Lessee shall not engage in any activity in or on the Premises which constitutes a Reportable Use of Hazardous Substances without the express prior written consent of Lessor and timely compliance (at Lessee's expense) with all Applicable Requirements. "Reportable Use" shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority, and/or (iii) the presence at the Premises of a Hazardous Substance with respect to which any Applicable Requirements requires that a notice be given to persons entering or occupying the Premises or neighboring properties. Notwithstanding the foregoing, Lessee may use any ordinary and customary materials reasonably required to be used in the normal course of the Agreed Use, ordinary office supplies (copier toner, liquid paper, glue, etc.) and common household cleaning materials, so long as such use is in compliance with all Applicable Requirements, is not a Reportable Use, and does not expose the Premises or neighboring property to any meaningful risk of contamination or damage or expose Lessor to any liability therefor. In addition, Lessor may condition its consent to any Reportable Use upon receiving such additional assurances as Lessor reasonably deems necessary to protect itself, the public, the Premises and/or the environment against damage, contamination, injury and/or liability, including, but not limited to, the installation (and removal on or before Lease expiration or termination) of protective modifications (such as concrete encasements) and/or increasing the Security Deposit.

(b) Duty to Inform Lessor. If Lessee knows, or has reasonable cause to believe, that a Hazardous Substance has come to be located in, on, under or about the Premises, other than as previously consented to by Lessor, Lessee shall immediately give written notice of such fact to Lessor, and provide Lessor with a copy of any report, notice, claim or other documentation which it has concerning the presence of such Hazardous Substance.

(c) Lessee Remediation. Lessee shall not cause or permit any Hazardous Substance to be spilled or released in, on, under, or about the Premises (including through the plumbing or sanitary sewer system) and shall promptly, at Lessee's expense, comply with all Applicable Requirements and take all investigatory and/or remedial action reasonably recommended, whether or not formally ordered or required, for the cleanup of any contamination of, and for the maintenance, security and/or monitoring of the Premises or neighboring properties, that was caused or materially contributed to by Lessee, or pertaining to or involving any Hazardous Substance brought onto the Premises during the term of this Lease, by or for Lessee, or any third party.

(d) Lessee Indemnification. Lessee shall indemnify, defend and hold Lessor, its agents, employees, lenders and ground lessor, if any, harmless from and against any and all loss of rents and/or damages, liabilities, judgments, claims, expenses, penalties, and attorneys' fees arising out of or involving any Hazardous Substance brought onto the Premises by or for Lessee, or any third party (provided, however, that Lessee shall have no liability under this Lease with respect to underground migration of any Hazardous Substance under the Premises from areas outside of the Project not caused or contributed to by Lessee). Lessee's obligations shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Lessee, and the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease. No termination, cancellation or release agreement entered into by Lessor and Lessee shall release Lessee from its obligations under this Lease with respect to Hazardous Substances, unless specifically so agreed by Lessor in writing at the time of such agreement.

(e) Lessor Indemnification. Except as otherwise provided in paragraph 8.7, Lessor and its successors and assigns shall indemnify, defend, reimburse and hold Lessee, its employees and lenders, harmless from and against any and all environmental damages, including the cost of remediation, which are suffered as a direct result of Hazardous Substances on the Premises prior to Lessee taking possession or which are caused by the gross negligence or willful misconduct of Lessor, its agents or employees. Lessor's obligations, as and when required by the Applicable Requirements, shall include, but not be limited to, the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease.

(f) Investigations and Remediations. Lessor shall retain the responsibility and pay for any investigations or remediation measures required by governmental entities having jurisdiction with respect to the existence of Hazardous Substances on the Premises prior to the Lessee taking possession, unless such remediation measure is required as a result of Lessee's use (including "Alterations", as defined in paragraph 7.3(a) below) of the Premises, in which event Lessee shall be responsible for such payment. Lessee shall cooperate fully in any such activities at the request of Lessor, including allowing Lessor and Lessor's agents to have reasonable access to the Premises at reasonable times in order to carry out Lessor's investigative and remedial responsibilities.

(g) Lessor Termination Option. If a Hazardous Substance Condition (see Paragraph 9.1(e)) occurs during the term of this Lease, unless Lessee is legally responsible therefor (in which case Lessee shall make the investigation and remediation thereof required by the Applicable Requirements and this Lease shall continue in full force and effect, but subject to Lessor's rights under Paragraph 6.2(d) and Paragraph 13), Lessor may, at Lessor's option, either (i) investigate and remediate such Hazardous Substance Condition, if required, as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) if the estimated cost to remediate such condition exceeds 12 times the then monthly Base Rent or \$100,000, whichever is greater, give written notice to Lessee, within 30 days after receipt by Lessor of knowledge of the occurrence of such Hazardous Substance Condition, of Lessor's desire to terminate this Lease as of the date 60 days following the date of such notice. In the event Lessor elects to give a termination notice, Lessee may, within 10 days thereafter, give written notice to Lessor of Lessee's commitment to pay the amount by which the cost of the remediation of such Hazardous Substance Condition exceeds an amount equal to 12 times the then monthly Base Rent or \$100,000, whichever is greater. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days following such commitment. In such event, this Lease shall continue in full force and effect, and Lessor shall proceed to make such remediation as soon as reasonably possible after the required funds are available. If Lessee does not give such notice and provide the required funds or assurance

thereof within the time provided, this Lease shall terminate as of the date specified in Lessor's notice of termination.

**6.3 Lessee's Compliance with Applicable Requirements.** Except as otherwise provided in this Lease, Lessee shall, at Lessee's sole expense, fully, diligently and in a timely manner, materially comply with all Applicable Requirements, the requirements of any applicable fire insurance underwriter or rating bureau, and the recommendations of Lessor's engineers and/or consultants which relate in any manner to the Premises, without regard to whether said Applicable Requirements are now in effect or become effective after the Start Date. Lessee shall, within 10 days after receipt of Lessor's written request, provide Lessor with copies of all permits and other documents, and other information evidencing Lessee's compliance with any Applicable Requirements specified by Lessor, and shall immediately upon receipt, notify Lessor in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving the failure of Lessee or the Premises to comply with any Applicable Requirements. Likewise, Lessee shall immediately give written notice to Lessor of: (i) any water damage to the Premises and any suspected seepage, pooling, dampness or other condition conducive to the production of mold; or (ii) any mustiness or other odors that might indicate the presence of mold in the Premises.

**6.4 Inspection; Compliance.** Lessor and Lessor's "Lender" (as defined in Paragraph 30) and consultants authorized by Lessor shall have the right to enter into Premises at any time, in the case of an emergency, and otherwise at reasonable times after reasonable notice, for the purpose of inspecting and/or testing the condition of the Premises and/or for verifying compliance by Lessee with this Lease. The cost of any such inspections shall be paid by Lessor, unless a violation of Applicable Requirements, or a Hazardous Substance Condition (see paragraph 9.1) is found to exist or be imminent, or the inspection is requested or ordered by a governmental authority. In such case, Lessee shall upon request reimburse Lessor for the cost of such inspection, so long as such inspection is reasonably related to the violation or contamination. In addition, Lessee shall provide copies of all relevant material safety data sheets (MSDS) to Lessor within 10 days of the receipt of a written request therefore. Lessee acknowledges that any failure on its part to allow such inspections or testing will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, should the Lessee fail to allow such inspections and/or testing in a timely fashion the Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater for the remainder of the Lease. The Parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to allow such inspection and/or testing. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to such failure nor prevent the exercise of any of the other rights and remedies granted hereunder.

**7. Maintenance; Repairs, Utility Installations; Trade Fixtures and Alterations.**

**7.1 Lessee's Obligations.**

(a) **In General.** Subject to the provisions of Paragraph 2.2 (Condition), 2.3 (Compliance), 6.3 (Lessee's Compliance with Applicable Requirements), 7.2 (Lessor's Obligations), 9 (Damage or Destruction), and 14 (Condemnation), Lessee shall, at Lessee's sole expense, keep the Premises, Utility Installations (intended for Lessee's exclusive use, no matter where located), and Alterations in good order, condition and repair (whether or not the portion of the Premises requiring repairs, or the means of repairing the same, are reasonably or readily accessible to Lessee, and whether or not the need for such repairs occurs as a result of Lessee's use, any prior use, the elements or the age of such portion of the Premises), including, but not limited to, all equipment or facilities, such as plumbing, HVAC equipment, electrical, lighting facilities, boilers, pressure vessels, fixtures, interior walls, interior surfaces of exterior walls, ceilings, floors, windows, doors, plate glass, and skylights but excluding any items which are the responsibility of Lessor pursuant to Paragraph 7.2. Lessee, in keeping the Premises in good order, condition and repair, shall exercise and perform good maintenance practices, specifically including the procurement and maintenance of the service contracts required by Paragraph 7.1(b) below. Lessee's obligations shall include restorations, replacements or renewals when necessary to keep the Premises and all improvements thereon or a part thereof in good order, condition and state of repair.

(b) **Service Contracts.** Lessee shall, at Lessee's sole expense, procure and maintain contracts, with copies to Lessor, in customary form and substance for, and with contractors specializing and experienced in the maintenance of the following equipment and improvements, if any, if and when installed on the Premises: (i) HVAC equipment, (ii) boiler and pressure vessels, and (iii) clarifiers. However, Lessor reserves the right, upon notice to Lessee, to procure and maintain any or all of such service contracts, and Lessee shall reimburse Lessor, upon demand, for the cost thereof.

(c) **Failure to Perform.** If Lessee fails to perform Lessee's obligations under this Paragraph 7.1, Lessor may enter upon the Premises after 10 days' prior written notice to Lessee (except in the case of an emergency, in which case no notice shall be required), perform such obligations on Lessee's behalf, and put the Premises in good order, condition and repair, and Lessee shall promptly pay to Lessor a sum equal to 115% of the cost thereof.

(d) **Replacement.** Subject to Lessee's indemnification of Lessor as set forth in Paragraph 6.7 below, and without relieving Lessee of liability resulting from Lessee's failure to exercise and perform good maintenance practices, if an item described in Paragraph 7.1(b) cannot be repaired other than at a cost which is in excess of 50% of the cost of replacing such item, then such item shall be replaced by Lessor, and the cost thereof shall be prorated between the Parties and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease, on the date on which Base Rent is due, an amount equal to the product of multiplying the cost of such replacement by a fraction, the numerator of which is one, and the denominator of which is 144 (ie. 1/144th of the cost per month). Lessee shall pay interest on the unamortized balance but may prepay its obligation at any time.

**7.2 Lessor's Obligations.** Subject to the provisions of Paragraphs 2.2 (Condition), 2.3 (Compliance), 4.2 (Common Area Operating Expenses), 6 (Use), 7.1 (Lessee's Obligations), 9 (Damage or Destruction) and 14 (Condemnation), Lessor, subject to reimbursement pursuant to Paragraph 4.2, shall keep in good order, condition and repair the foundations, exterior walls, structural condition of interior bearing walls, exterior roof, fire sprinkler system, Common Area fire alarm and/or smoke detection systems, fire hydrants, parking lots, walkways, parkways, driveways, landscaping, fences, signs and utility systems serving the Common Areas and all parts thereof, as well as providing the services for which there is a Common Area Operating Expense pursuant to Paragraph 4.2. Lessor shall not be obligated to paint the exterior or interior surfaces of exterior walls nor shall Lessor be obligated to maintain, repair or replace windows, doors or plate glass of the Premises. Lessee expressly waives the benefit of any statute now or hereafter in effect to the extent it is inconsistent with the terms of this Lease.

**7.3 Utility Installations; Trade Fixtures; Alterations.**

(a) **Definitions.** The term "Utility Installations" refers to all floor and window coverings, air and/or vacuum lines, power panels, electrical distribution, security and fire protection systems, communication cabling, lighting fixtures, HVAC equipment, plumbing, and fencing in or on the Premises. The term "Trade Fixtures" shall mean Lessee's machinery and equipment that can be removed without doing material damage to the Premises. The term "Alterations" shall mean any modification of the improvements, other than Utility Installations or Trade Fixtures, whether by addition or deletion. "Lessee Owned Alterations and/or Utility Installations" are defined as Alterations and/or Utility Installations made by Lessee that are not yet owned by Lessor pursuant to Paragraph 7.4(a).

(b) **Consent.** Lessee shall not make any Alterations or Utility Installations to the Premises without Lessor's prior written consent. Lessee may, however, make non-structural Alterations or Utility Installations to the interior of the Premises (excluding the roof) without such consent but upon notice to Lessor, as long as they are not visible from the outside, do not involve puncturing, relocating or removing the roof or any existing walls, will not affect the electrical, plumbing, HVAC, and/or life safety systems, do not trigger the requirement for additional modifications and/or

improvements to the Premises resulting from Applicable Requirements, such as compliance with Title 24, and/or life safety systems, and the cumulative cost thereof during this Lease as extended does not exceed a sum equal to 3 month's Base Rent in the aggregate or a sum equal to one month's Base Rent in any one year. Notwithstanding the foregoing, Lessee shall not make or permit any roof penetrations and/or install anything on the roof without the prior written approval of Lessor. Lessor may, as a precondition to granting such approval, require Lessee to utilize a contractor chosen and/or approved by Lessor. Any Alterations or Utility Installations that Lessee shall desire to make and which require the consent of the Lessor shall be presented to Lessor in written form with detailed plans. Consent shall be deemed conditioned upon Lessee's: (i) acquiring all applicable governmental permits, (ii) furnishing Lessor with copies of both the permits and the plans and specifications prior to commencement of the work, and (iii) compliance with all conditions of said permits and other Applicable Requirements in a prompt and expeditious manner. Any Alterations or Utility Installations shall be performed in a workmanlike manner with good and sufficient materials. Lessee shall promptly upon completion furnish Lessor with as-built plans and specifications. For work which costs an amount in excess of one month's Base Rent, Lessor may condition its consent upon Lessee providing a lien and completion bond in an amount equal to 150% of the estimated cost of such Alteration or Utility Installation and/or upon Lessee's posting an additional Security Deposit with Lessor.

(c) **Liens; Bonds.** Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use on the Premises, which claims are or may be secured by any mechanic's or materialman's lien against the Premises or any interest therein. Lessee shall give Lessor not less than 10 days notice prior to the commencement of any work in, on or about the Premises, and Lessor shall have the right to post notices of non-responsibility. If Lessee shall contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend and protect itself, Lessor and the Premises against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof. If Lessor shall require, Lessee shall furnish a surety bond in an amount equal to 150% of the amount of such contested lien, claim or demand, indemnifying Lessor against liability for the same. If Lessor elects to participate in any such action, Lessee shall pay Lessor's attorneys' fees and costs.

**7.4 Ownership; Removal; Surrender; and Restoration.**

(a) **Ownership.** Subject to Lessor's right to require removal or elect ownership as hereinafter provided, all Alterations and Utility Installations made by Lessee shall be the property of Lessee, but considered a part of the Premises. Lessor may, at any time, elect in writing to be the owner of all or any specified part of the Lessee Owned Alterations and Utility Installations. Unless otherwise instructed per paragraph 7.4(b) hereof, all Lessee Owned Alterations and Utility Installations shall, at the expiration or termination of this Lease, become the property of Lessor and be surrendered by Lessee with the Premises.

(b) **Removal.** By delivery to Lessee of written notice from Lessor not earlier than 90 and not later than 30 days prior to the end of the term of this Lease, Lessor may require that any or all Lessee Owned Alterations or Utility Installations be removed by the expiration or termination of this Lease. Lessor may require the removal at any time of all or any part of any Lessee Owned Alterations or Utility Installations made without the required consent.

(c) **Surrender; Restoration.** Lessee shall surrender the Premises by the Expiration Date or any earlier termination date, with all of the improvements, parts and surfaces thereof broom clean and free of debris, and in good operating order, condition and state of repair, ordinary wear and tear excepted. "Ordinary wear and tear" shall not include any damage or deterioration that would have been prevented by good maintenance practice. Notwithstanding the foregoing, if the Lessee occupies the Premises for 12 months or less, then Lessee shall surrender the Premises in the same condition as delivered to Lessee on the Start Date with NO allowance for ordinary wear and tear. Lessee shall repair any damage occasioned by the installation, maintenance or removal of Trade Fixtures, Lessee owned Alterations and/or Utility Installations, furnishings, and equipment as well as the removal of any storage tank installed by or for Lessee. Lessee shall also remove from the Premises any and all Hazardous Substances brought onto the Premises by or for Lessee, or any third party (except Hazardous Substances which were deposited via underground migration from areas outside of the Project) to the level specified in Applicable Requirements. Trade Fixtures shall remain the property of Lessee and shall be removed by Lessee. Any personal property of Lessee not removed on or before the Expiration Date or any earlier termination date shall be deemed to have been abandoned by Lessee and may be disposed of or retained by Lessor as Lessor may desire. The failure by Lessee to timely vacate the Premises pursuant to this Paragraph 7.4(c) without the express written consent of Lessor shall constitute a holdover under the provisions of Paragraph 26 below.

**8. Insurance; Indemnity.**

8.1 **Payment of Premiums.** The cost of the premiums for the insurance policies required to be carried by Lessor, pursuant to Paragraphs 8.2(b), 8.3(a) and 8.3(b), shall be a Common Area Operating Expense. Premiums for policy periods commencing prior to, or extending beyond, the term of this Lease shall be prorated to coincide with the corresponding Start Date or Expiration Date.

**8.2 Liability Insurance.**

(a) **Carried by Lessee.** Lessee shall obtain and keep in force a Commercial General Liability policy of insurance protecting Lessee and Lessor as an additional insured against claims for bodily injury, personal injury and property damage based upon or arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than \$1,000,000 per occurrence with an annual aggregate of not less than \$2,000,000. Lessee shall add Lessor as an additional insured by means of an endorsement at least as broad as the Insurance Service Organization's "Additional Insured-Managers or Lessors of Premises" Endorsement. The policy shall not contain any intra-insured exclusions as between insured persons or organizations, but shall include coverage for liability assumed under this Lease as an "insured contract" for the performance of Lessee's indemnity obligations under this Lease. The limits of said insurance shall not, however, limit the liability of Lessee nor relieve Lessee of any obligation hereunder. Lessee shall provide an endorsement on its liability policy(ies) which provides that its insurance shall be primary to and not contributory with any similar insurance carried by Lessor, whose insurance shall be considered excess insurance only.

(b) **Carried by Lessor.** Lessor shall maintain liability insurance as described in Paragraph 8.2(a), in addition to, and not in lieu of, the insurance required to be maintained by Lessee. Lessee shall not be named as an additional insured therein.

**8.3 Property Insurance - Building, Improvements and Rental Value.**

(a) **Building and Improvements.** Lessor shall obtain and keep in force a policy or policies of insurance in the name of Lessor, with loss payable to Lessor, any ground-lessor, and to any Lender insuring loss or damage to the Premises. The amount of such insurance shall be equal to the full insurable replacement cost of the Premises, as the same shall exist from time to time, or the amount required by any Lender, but in no event more than the commercially reasonable and available insurable value thereof. Lessee Owned Alterations and Utility Installations, Trade Fixtures, and Lessee's personal property shall be insured by Lessee not by Lessor. If the coverage is available and commercially appropriate, such policy or policies shall insure against all risks of direct physical loss or damage (except the perils of flood and/or earthquake unless required by a Lender), including coverage for debris removal and the enforcement of any Applicable Requirements requiring the upgrading, demolition, reconstruction or replacement of any portion of the Premises as the result of a covered loss. Said policy or policies shall also contain an agreed valuation provision in lieu of any coinsurance clause, waiver of subrogation, and inflation guard protection causing an increase in the annual property insurance coverage amount by a factor of not less than the adjusted U.S. Department of Labor Consumer Price Index for All Urban Consumers for the city nearest to where the Premises are located. If such insurance coverage has a deductible clause, the deductible amount shall not exceed \$5,000 per occurrence.

(b) **Rental Value.** Lessor shall also obtain and keep in force a policy or policies in the name of Lessor with loss payable to Lessor and any Lender, insuring the loss of the full Rent for one year with an extended period of indemnity for an additional 180 days ("Rental Value Insurance"). Said insurance shall contain an agreed valuation provision in lieu of any coinsurance clause, and the amount of coverage shall be adjusted annually to reflect the projected Rent otherwise payable by Lessee, for the next 12 month period.

(c) **Adjacent Premises.** Lessee shall pay for any increase in the premiums for the property insurance of the Building and for the Common Areas or other buildings in the Project if said increase is caused by Lessee's acts, omissions, use or occupancy of the Premises.

(d) **Lessee's Improvements.** Since Lessor is the Insuring Party, Lessor shall not be required to insure Lessee Owned Alterations and Utility Installations unless the item in question has become the property of Lessor under the terms of this Lease.

**8.4 Lessee's Property; Business Interruption Insurance; Worker's Compensation Insurance.**

(a) **Property Damage.** Lessee shall obtain and maintain insurance coverage on all of Lessee's personal property, Trade Fixtures, and Lessee Owned Alterations and Utility Installations. Such insurance shall be full replacement cost coverage with a deductible of not to exceed \$1,000 per occurrence. The proceeds from any such insurance shall be used by Lessee for the replacement of personal property, Trade Fixtures and Lessee Owned Alterations and Utility Installations.

(b) **Business Interruption.** Lessee shall obtain and maintain loss of income and extra expense insurance in amounts as will reimburse Lessee for direct or indirect loss of earnings attributable to all perils commonly insured against by prudent lessees in the business of Lessee or attributable to prevention of access to the Premises as a result of such perils.

(c) **Worker's Compensation Insurance.** Lessee shall obtain and maintain Worker's Compensation Insurance in such amount as may be required by Applicable Requirements. Such policy shall include a 'Waiver of Subrogation' endorsement. Lessee shall provide Lessor with a copy of such endorsement along with the certificate of insurance or copy of the policy required by paragraph 8.5.

(d) **No Representation of Adequate Coverage.** Lessor makes no representation that the limits or forms of coverage of insurance specified herein are adequate to cover Lessee's property, business operations or obligations under this Lease.

**8.5 Insurance Policies.** Insurance required herein shall be by companies maintaining during the policy term a "General Policyholders Rating" of at least A-, VII, as set forth in the most current issue of "Best's Insurance Guide", or such other rating as may be required by a Lender. Lessee shall not do or permit to be done anything which invalidates the required insurance policies. Lessee shall, prior to the Start Date, deliver to Lessor certified copies of policies of such insurance or certificates with copies of the required endorsements evidencing the existence and amounts of the required insurance. No such policy shall be cancelable or subject to modification except after 30 days prior written notice to Lessor. Lessee shall, at least 10 days prior to the expiration of such policies, furnish Lessor with evidence of renewals or "insurance binders" evidencing renewal thereof, or Lessor may increase his liability insurance coverage and charge the cost thereof to Lessee, which amount shall be payable by Lessee to Lessor upon demand. Such policies shall be for a term of at least one year, or the length of the remaining term of this Lease, whichever is less. If either Party shall fail to procure and maintain the insurance required to be carried by it, the other Party may, but shall not be required to, procure and maintain the same.

**8.6 Waiver of Subrogation.** Without affecting any other rights or remedies, Lessee and Lessor each hereby release and relieve the other, and waive their entire right to recover damages against the other, for loss of or damage to its property arising out of or incident to the perils required to be insured against herein. The effect of such releases and waivers is not limited by the amount of insurance carried or required, or by any deductibles applicable hereto. The Parties agree to have their respective property damage insurance carriers waive any right to subrogation that such companies may have against Lessor or Lessee, as the case may be, so long as the insurance is not invalidated thereby.

**8.7 Indemnity.** Except for Lessor's gross negligence or willful misconduct, Lessee shall indemnify, protect, defend and hold harmless the Premises, Lessor and its agents, Lessor's master or ground lessor, partners and Lenders, from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving, or in connection with, the use and/or occupancy of the Premises by Lessee. If any action or proceeding is brought against Lessor by reason of any of the foregoing matters, Lessee shall upon notice defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessee in such defense. Lessor need not have first paid any such claim in order to be defended or indemnified.

**8.8 Exemption of Lessor and its Agents from Liability.** Notwithstanding the negligence or breach of this Lease by Lessor or its agents, neither Lessor nor its agents shall be liable under any circumstances for: (i) injury or damage to the person or goods, wares, merchandise or other property of Lessee, Lessee's employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, indoor air quality, the presence of mold or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, HVAC or lighting fixtures, or from any other cause, whether the said injury or damage results from conditions arising upon the Premises or upon other portions of the Building, or from other sources or places, (ii) any damages arising from any act or neglect of any other tenant of Lessor or from the failure of Lessor or its agents to enforce the provisions of any other lease in the Project, or (iii) injury to Lessee's business or for any loss of income or profit therefrom. Instead, it is intended that Lessee's sole recourse in the event of such damages or injury be to file a claim on the insurance policy(ies) that Lessee is required to maintain pursuant to the provisions of paragraph 8.

**8.9 Failure to Provide Insurance.** Lessee acknowledges that any failure on its part to obtain or maintain the insurance required herein will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, for any month or portion thereof that Lessee does not maintain the required insurance and/or does not provide Lessor with the required binders or certificates evidencing the existence of the required insurance, the Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater. The parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to maintain the required insurance. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to maintain such insurance, prevent the exercise of any of the other rights and remedies granted hereunder, nor relieve Lessee of its obligation to maintain the insurance specified in this Lease.

**9. Damage or Destruction.**

**9.1 Definitions.**

(a) "**Premises Partial Damage**" shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations, which can reasonably be repaired in 3 months or less from the date of the damage or destruction, and the cost thereof does not exceed a sum equal to 6 month's Base Rent. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(b) "**Premises Total Destruction**" shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which cannot reasonably be repaired in 3 months or less from the date of the damage or destruction and/or the cost thereof exceeds a sum equal to 6 month's Base Rent. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(c) "**Insured Loss**" shall mean damage or destruction to improvements on the Premises, other than Lessee Owned

Alterations and Utility Installations and Trade Fixtures, which was caused by an event required to be covered by the insurance described in Paragraph 8.3(a), irrespective of any deductible amounts or coverage limits involved.

(d) "Replacement Cost" shall mean the cost to repair or rebuild the improvements owned by Lessor at the time of the occurrence to their condition existing immediately prior thereto, including demolition, debris removal and upgrading required by the operation of Applicable Requirements, and without deduction for depreciation.

(e) "Hazardous Substance Condition" shall mean the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Substance, in, on, or under the Premises which requires restoration.

9.2 **Partial Damage - Insured Loss.** If a Premises Partial Damage that is an Insured Loss occurs, then Lessor shall, at Lessor's expense, repair such damage (but not Lessee's Trade Fixtures or Lessee Owned Alterations and Utility Installations) as soon as reasonably possible and this Lease shall continue in full force and effect; provided, however, that Lessee shall, at Lessor's election, make the repair of any damage or destruction the total cost to repair of which is \$10,000 or less, and, in such event, Lessor shall make any applicable insurance proceeds available to Lessee on a reasonable basis for that purpose. Notwithstanding the foregoing, if the required insurance was not in force or the insurance proceeds are not sufficient to effect such repair, the Insuring Party shall promptly contribute the shortage in proceeds as and when required to complete said repairs. In the event, however, such shortage was due to the fact that, by reason of the unique nature of the improvements, full replacement cost insurance coverage was not commercially reasonable and available, Lessor shall have no obligation to pay for the shortage in insurance proceeds or to fully restore the unique aspects of the Premises unless Lessee provides Lessor with the funds to cover same, or adequate assurance thereof, within 10 days following receipt of written notice of such shortage and request therefor. If Lessor receives said funds or adequate assurance thereof within said 10 day period, the party responsible for making the repairs shall complete them as soon as reasonably possible and this Lease shall remain in full force and effect. If such funds or assurance are not received, Lessor may nevertheless elect by written notice to Lessee within 10 days thereafter to: (i) make such restoration and repair as is commercially reasonable with Lessor paying any shortage in proceeds, in which case this Lease shall remain in full force and effect, or (ii) have this Lease terminate 30 days thereafter. Lessee shall not be entitled to reimbursement of any funds contributed by Lessee to repair any such damage or destruction. Premises Partial Damage due to flood or earthquake shall be subject to Paragraph 9.3, notwithstanding that there may be some insurance coverage, but the net proceeds of any such insurance shall be made available for the repairs if made by either Party.

9.3 **Partial Damage - Uninsured Loss.** If a Premises Partial Damage that is not an Insured Loss occurs, unless caused by a negligent or willful act of Lessee (in which event Lessee shall make the repairs at Lessee's expense), Lessor may either: (i) repair such damage as soon as reasonably possible at Lessor's expense (subject to reimbursement pursuant to Paragraph 4.2), in which event this Lease shall continue in full force and effect, or (ii) terminate this Lease by giving written notice to Lessee within 30 days after receipt by Lessor of knowledge of the occurrence of such damage. Such termination shall be effective 60 days following the date of such notice. In the event Lessor elects to terminate this Lease, Lessee shall have the right within 10 days after receipt of the termination notice to give written notice to Lessor of Lessee's commitment to pay for the repair of such damage without reimbursement from Lessor. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days after making such commitment. In such event this Lease shall continue in full force and effect, and Lessor shall proceed to make such repairs as soon as reasonably possible after the required funds are available. If Lessee does not make the required commitment, this Lease shall terminate as of the date specified in the termination notice.

9.4 **Total Destruction.** Notwithstanding any other provision hereof, if a Premises Total Destruction occurs, this Lease shall terminate 60 days following such Destruction. If the damage or destruction was caused by the gross negligence or willful misconduct of Lessee, Lessor shall have the right to recover Lessor's damages from Lessee, except as provided in Paragraph 8.6.

9.5 **Damage Near End of Term.** If at any time during the last 6 months of this Lease there is damage for which the cost to repair exceeds one month's Base Rent, whether or not an Insured Loss, Lessor may terminate this Lease effective 60 days following the date of occurrence of such damage by giving a written termination notice to Lessee within 30 days after the date of occurrence of such damage. Notwithstanding the foregoing, if Lessee at that time has an exercisable option to extend this Lease or to purchase the Premises, then Lessee may preserve this Lease by, (a) exercising such option and (b) providing Lessor with any shortage in insurance proceeds (or adequate assurance thereof) needed to make the repairs on or before the earlier of (i) the date which is 10 days after Lessee's receipt of Lessor's written notice purporting to terminate this Lease, or (ii) the day prior to the date upon which such option expires. If Lessee duly exercises such option during such period and provides Lessor with funds (or adequate assurance thereof) to cover any shortage in insurance proceeds, Lessor shall, at Lessor's commercially reasonable expense, repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. If Lessee fails to exercise such option and provide such funds or assurance during such period, then this Lease shall terminate on the date specified in the termination notice and Lessee's option shall be extinguished.

9.6 **Abatement of Rent; Lessee's Remedies.**

(a) **Abatement.** In the event of Premises Partial Damage or Premises Total Destruction or a Hazardous Substance Condition for which Lessee is not responsible under this Lease, the Rent payable by Lessee for the period required for the repair, remediation or restoration of such damage shall be abated in proportion to the degree to which Lessee's use of the Premises is impaired, but not to exceed the proceeds received from the Rental Value insurance. All other obligations of Lessee hereunder shall be performed by Lessee, and Lessor shall have no liability for any such damage, destruction, remediation, repair or restoration except as provided herein.

(b) **Remedies.** If Lessor is obligated to repair or restore the Premises and does not commence, in a substantial and meaningful way, such repair or restoration within 90 days after such obligation shall accrue, Lessee may, at any time prior to the commencement of such repair or restoration, give written notice to Lessor and to any Lenders of which Lessee has actual notice, of Lessee's election to terminate this Lease on a date not less than 60 days following the giving of such notice. If Lessee gives such notice and such repair or restoration is not commenced within 30 days thereafter, this Lease shall terminate as of the date specified in said notice. If the repair or restoration is commenced within such 30 days, this Lease shall continue in full force and effect. "Commence" shall mean either the unconditional authorization of the preparation of the required plans, or the beginning of the actual work on the Premises, whichever first occurs.

9.7 **Termination; Advance Payments.** Upon termination of this Lease pursuant to Paragraph 6.2(g) or Paragraph 9, an equitable adjustment shall be made concerning advance Base Rent and any other advance payments made by Lessee to Lessor. Lessor shall, in addition, return to Lessee so much of Lessee's Security Deposit as has not been, or is not then required to be, used by Lessor.

10. **Real Property Taxes.**

10.1 **Definition.** As used herein, the term "Real Property Taxes" shall include any form of assessment; real estate, general, special, ordinary or extraordinary, or rental levy or tax (other than inheritance, personal income or estate taxes); improvement bond; and/or license fee imposed upon or levied against any legal or equitable interest of Lessor in the Project, Lessor's right to other income therefrom, and/or Lessor's business of leasing, by any authority having the direct or indirect power to tax and where the funds are generated with reference to the Project address. The term "Real Property Taxes" shall also include any tax, fee, levy, assessment or charge, or any increase therein: (i) imposed by reason of events occurring during the term of this Lease, including but not limited to, a change in the ownership of the Project, (ii) a change in the improvements thereon, and/or (iii) levied or assessed on machinery or equipment provided by Lessor to Lessee pursuant to this Lease. In calculating Real Property Taxes for any calendar year, the Real Property Taxes for any real estate tax year shall be included in the calculation of Real Property Taxes for such calendar year

based upon the number of days which such calendar year and tax year have in common.

10.2 **Payment of Taxes.** Except as otherwise provided in Paragraph 10.3, Lessor shall pay the Real Property Taxes applicable to the Project, and said payments shall be included in the calculation of Common Area Operating Expenses in accordance with the provisions of Paragraph 4.2.

10.3 **Additional Improvements.** Common Area Operating Expenses shall not include Real Property Taxes specified in the tax assessor's records and work sheets as being caused by additional improvements placed upon the Project by other lessees or by Lessor for the exclusive enjoyment of such other lessees. Notwithstanding Paragraph 10.2 hereof, Lessee shall, however, pay to Lessor at the time Common Area Operating Expenses are payable under Paragraph 4.2, the entirety of any increase in Real Property Taxes if assessed solely by reason of Alterations, Trade Fixtures or Utility Installations placed upon the Premises by Lessee or at Lessee's request or by reason of any alterations or improvements to the Premises made by Lessor subsequent to the execution of this Lease by the Parties.

10.4 **Joint Assessment.** If the Building is not separately assessed, Real Property Taxes allocated to the Building shall be an equitable proportion of the Real Property Taxes for all of the land and improvements included within the tax parcel assessed, such proportion to be determined by Lessor from the respective valuations assigned in the assessor's work sheets or such other information as may be reasonably available. Lessor's reasonable determination thereof, in good faith, shall be conclusive.

10.5 **Personal Property Taxes.** Lessee shall pay prior to delinquency all taxes assessed against and levied upon Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all personal property of Lessee contained in the Premises. When possible, Lessee shall cause its Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Lessor. If any of Lessee's said property shall be assessed with Lessor's real property, Lessee shall pay Lessor the taxes attributable to Lessee's property within 10 days after receipt of a written statement setting forth the taxes applicable to Lessee's property.

11. **Utilities and Services.** Lessee shall pay for all water, gas, heat, light, power, telephone, trash disposal and other utilities and services supplied to the Premises, together with any taxes thereon. Notwithstanding the provisions of Paragraph 4.2, if at any time in Lessor's sole judgment, Lessor determines that Lessee is using a disproportionate amount of water, electricity or other commonly metered utilities, or that Lessee is generating such a large volume of trash as to require an increase in the size of the trash receptacle and/or an increase in the number of times per month that it is emptied, then Lessor may increase Lessee's Base Rent by an amount equal to such increased costs. There shall be no abatement of Rent and Lessor shall not be liable in any respect whatsoever for the inadequacy, stoppage, interruption or discontinuance of any utility or service due to riot, strike, labor dispute, breakdown, accident, repair or other cause beyond Lessor's reasonable control or in cooperation with governmental request or directions.

12. **Assignment and Subletting.**

12.1 **Lessor's Consent Required.**

(a) Lessee shall not voluntarily or by operation of law assign, transfer, mortgage or encumber (collectively, "assign or assignment") or sublet all or any part of Lessee's interest in this Lease or in the Premises without Lessor's prior written consent.

(b) Unless Lessee is a corporation and its stock is publicly traded on a national stock exchange, a change in the control of Lessee shall constitute an assignment requiring consent. The transfer, on a cumulative basis, of 25% or more of the voting control of Lessee shall constitute a change in control for this purpose.

(c) The involvement of Lessee or its assets in any transaction, or series of transactions (by way of merger, sale, acquisition, financing, transfer, leveraged buy-out or otherwise), whether or not a formal assignment or hypothecation of this Lease or Lessee's assets occurs, which results or will result in a reduction of the Net Worth of Lessee by an amount greater than 25% of such Net Worth as it was represented at the time of the execution of this Lease or at the time of the most recent assignment to which Lessor has consented, or as it exists immediately prior to said transaction or transactions constituting such reduction, whichever was or is greater, shall be considered an assignment of this Lease to which Lessor may withhold its consent. "Net Worth of Lessee" shall mean the net worth of Lessee (excluding any guarantors) established under generally accepted accounting principles.

(d) An assignment or subletting without consent shall, at Lessor's option, be a Default curable after notice per Paragraph 13.1(d), or a noncurable Breach without the necessity of any notice and grace period. If Lessor elects to treat such unapproved assignment or subletting as a noncurable Breach, Lessor may either: (i) terminate this Lease, or (ii) upon 30 days written notice, increase the monthly Base Rent to 110% of the Base Rent then in effect. Further, in the event of such Breach and rental adjustment, (i) the purchase price of any option to purchase the Premises held by Lessee shall be subject to similar adjustment to 110% of the price previously in effect, and (ii) all fixed and non-fixed rental adjustments scheduled during the remainder of the Lease term shall be increased to 110% of the scheduled adjusted rent.

(e) Lessee's remedy for any breach of Paragraph 12.1 by Lessor shall be limited to compensatory damages and/or injunctive relief.

(f) Lessor may reasonably withhold consent to a proposed assignment or subletting if Lessee is in Default at the time consent is requested.

(g) Notwithstanding the foregoing, allowing a de minimis portion of the Premises, i.e. 20 square feet or less, to be used by a third party vendor in connection with the installation of a vending machine or payphone shall not constitute a subletting.

12.2 **Terms and Conditions Applicable to Assignment and Subletting.**

(a) Regardless of Lessor's consent, no assignment or subletting shall: (i) be effective without the express written assumption by such assignee or sublessee of the obligations of Lessee under this Lease, (ii) release Lessee of any obligations hereunder, or (iii) alter the primary liability of Lessee for the payment of Rent or for the performance of any other obligations to be performed by Lessee.

(b) Lessor may accept Rent or performance of Lessee's obligations from any person other than Lessee pending approval or disapproval of an assignment. Neither a delay in the approval or disapproval of such assignment nor the acceptance of Rent or performance shall constitute a waiver or estoppel of Lessor's right to exercise its remedies for Lessee's Default or Breach.

(c) Lessor's consent to any assignment or subletting shall not constitute consent to any subsequent assignment or subletting.

(d) In the event of any Default or Breach by Lessee, Lessor may proceed directly against Lessee, any Guarantors or anyone else responsible for the performance of Lessee's obligations under this Lease, including any assignee or sublessee, without first exhausting Lessor's remedies against any other person or entity responsible therefore to Lessor, or any security held by Lessor.

(e) Each request for consent to an assignment or subletting shall be in writing, accompanied by information relevant to Lessor's determination as to the financial and operational responsibility and appropriateness of the proposed assignee or sublessee, including but not limited to the intended use and/or required modification of the Premises, if any, together with a fee of \$500 as consideration for Lessor's considering and processing said request. Lessee agrees to provide Lessor with such other or additional information and/or documentation as may be reasonably requested. (See also Paragraph 38)

(f) Any assignee of, or sublessee under, this Lease shall, by reason of accepting such assignment, entering into such sublease, or entering into possession of the Premises or any portion thereof, be deemed to have assumed and agreed to conform and comply with

each and every term, covenant, condition and obligation herein to be observed or performed by Lessee during the term of said assignment or sublease, other than such obligations as are contrary to or inconsistent with provisions of an assignment or sublease to which Lessor has specifically consented to in writing.

(g) Lessor's consent to any assignment or subletting shall not transfer to the assignee or sublessee any Option granted to the original Lessee by this Lease unless such transfer is specifically consented to by Lessor in writing. (See Paragraph 39.2)

**12.3 Additional Terms and Conditions Applicable to Subletting.** The following terms and conditions shall apply to any subletting by Lessee of all or any part of the Premises and shall be deemed included in all subleases under this Lease whether or not expressly incorporated therein:

(a) Lessee hereby assigns and transfers to Lessor all of Lessee's interest in all Rent payable on any sublease, and Lessor may collect such Rent and apply same toward Lessee's obligations under this Lease; provided, however, that until a Breach shall occur in the performance of Lessee's obligations, Lessee may collect said Rent. In the event that the amount collected by Lessor exceeds Lessee's then outstanding obligations any such excess shall be refunded to Lessee. Lessor shall not, by reason of the foregoing or any assignment of such sublease, nor by reason of the collection of Rent, be deemed liable to the sublessee for any failure of Lessee to perform and comply with any of Lessee's obligations to such sublessee. Lessee hereby irrevocably authorizes and directs any such sublessee, upon receipt of a written notice from Lessor stating that a Breach exists in the performance of Lessee's obligations under this Lease, to pay to Lessor all Rent due and to become due under the sublease. Sublessee shall rely upon any such notice from Lessor and shall pay all Rents to Lessor without any obligation or right to inquire as to whether such Breach exists, notwithstanding any claim from Lessee to the contrary.

(b) In the event of a Breach by Lessee, Lessor may, at its option, require sublessee to atton to Lessor, in which event Lessor shall undertake the obligations of the sublessor under such sublease from the time of the exercise of said option to the expiration of such sublease; provided, however, Lessor shall not be liable for any prepaid rents or security deposit paid by such sublessee to such sublessor or for any prior Defaults or Breaches of such sublessor.

(c) Any matter requiring the consent of the sublessor under a sublease shall also require the consent of Lessor.

(d) No sublessee shall further assign or sublet all or any part of the Premises without Lessor's prior written consent.

(e) Lessor shall deliver a copy of any notice of Default or Breach by Lessee to the sublessee, who shall have the right to cure the Default of Lessee within the grace period, if any, specified in such notice. The sublessee shall have a right of reimbursement and offset from and against Lessee for any such Defaults cured by the sublessee.

**13. Default; Breach; Remedies.**

**13.1 Default; Breach.** A "Default" is defined as a failure by the Lessee to comply with or perform any of the terms, covenants, conditions or Rules and Regulations under this Lease. A "Breach" is defined as the occurrence of one or more of the following Defaults, and the failure of Lessee to cure such Default within any applicable grace period:

(a) The abandonment of the Premises; or the vacating of the Premises without providing a commercially reasonable level of security, or where the coverage of the property insurance described in Paragraph 8.3 is jeopardized as a result thereof, or without providing reasonable assurances to minimize potential vandalism.

(b) The failure of Lessee to make any payment of Rent or any Security Deposit required to be made by Lessee hereunder, whether to Lessor or to a third party, when due, to provide reasonable evidence of insurance or surety bond, or to fulfill any obligation under this Lease which endangers or threatens life or property, where such failure continues for a period of 3 business days following written notice to Lessee. THE ACCEPTANCE BY LESSOR OF A PARTIAL PAYMENT OF RENT OR SECURITY DEPOSIT SHALL NOT CONSTITUTE A WAIVER OF ANY OF LESSOR'S RIGHTS, INCLUDING LESSOR'S RIGHT TO RECOVER POSSESSION OF THE PREMISES.

(c) The failure of Lessee to allow Lessor and/or its agents access to the Premises or the commission of waste, act or acts constituting public or private nuisance, and/or an illegal activity on the Premises by Lessee, where such actions continue for a period of 3 business days following written notice to Lessee. In the event that Lessee commits waste, a nuisance or an illegal activity a second time then, the Lessor may elect to treat such conduct as a non-curable Breach rather than a Default.

(d) The failure by Lessee to provide (i) reasonable written evidence of compliance with Applicable Requirements, (ii) the service contracts, (iii) the rescission of an unauthorized assignment or subletting, (iv) an Estoppel Certificate or financial statements, (v) a requested subordination, (vi) evidence concerning any guaranty and/or Guarantor, (vii) any document requested under Paragraph 41, (viii) material data safety sheets (MSDS), or (ix) any other documentation or information which Lessor may reasonably require of Lessee under the terms of this Lease, where any such failure continues for a period of 10 days following written notice to Lessee.

(e) A Default by Lessee as to the terms, covenants, conditions or provisions of this Lease, or of the rules adopted under Paragraph 2.9 hereof, other than those described in subparagraphs 13.1(a), (b), (c) or (d), above, where such Default continues for a period of 30 days after written notice; provided, however, that if the nature of Lessee's Default is such that more than 30 days are reasonably required for its cure, then it shall not be deemed to be a Breach if Lessee commences such cure within said 30 day period and thereafter diligently prosecutes such cure to completion.

(f) The occurrence of any of the following events: (i) the making of any general arrangement or assignment for the benefit of creditors; (ii) becoming a "debtor" as defined in 11 U.S.C. § 101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within 60 days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within 30 days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within 30 days; provided, however, in the event that any provision of this subparagraph is contrary to any applicable law, such provision shall be of no force or effect, and not affect the validity of the remaining provisions.

(g) The discovery that any financial statement of Lessee or of any Guarantor given to Lessor was materially false.

(h) If the performance of Lessee's obligations under this Lease is guaranteed: (i) the death of a Guarantor, (ii) the termination of a Guarantor's liability with respect to this Lease other than in accordance with the terms of such guaranty, (iii) a Guarantor's becoming insolvent or the subject of a bankruptcy filing, (iv) a Guarantor's refusal to honor the guaranty, or (v) a Guarantor's breach of its guaranty obligation on an anticipatory basis, and Lessee's failure, within 60 days following written notice of any such event, to provide written alternative assurance or security, which, when coupled with the then existing resources of Lessee, equals or exceeds the combined financial resources of Lessee and the Guarantors that existed at the time of execution of this Lease.

**13.2 Remedies.** If Lessee fails to perform any of its affirmative duties or obligations, within 10 days after written notice (or in case of an emergency, without notice), Lessor may, at its option, perform such duty or obligation on Lessee's behalf, including but not limited to the obtaining of reasonably required bonds, insurance policies, or governmental licenses, permits or approvals. Lessee shall pay to Lessor an amount equal to 115% of the costs and expenses incurred by Lessor in such performance upon receipt of an invoice therefor. In the event of a Breach, Lessor may, with or without further notice or demand, and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such Breach:

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession to Lessor. In such event Lessor shall be entitled to recover from Lessee: (i) the unpaid Rent which

had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that the Lessee proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by the Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expenses of retletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, and that portion of any leasing commission paid by Lessor in connection with this Lease applicable to the unexpired term of this Lease. The worth at the time of award of the amount referred to in provision (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of the District within which the Premises are located at the time of award plus one percent. Efforts by Lessor to mitigate damages caused by Lessee's Breach of this Lease shall not waive Lessor's right to recover any damages to which Lessor is otherwise entitled. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Lessor shall have the right to recover in such proceeding any unpaid Rent and damages as are recoverable therein, or Lessor may reserve the right to recover all or any part thereof in a separate suit. If a notice and grace period required under Paragraph 13.1 was not previously given, a notice to pay rent or quit, or to perform or quit given to Lessee under the unlawful detainer statute shall also constitute the notice required by Paragraph 13.1. In such case, the applicable grace period required by Paragraph 13.1 and the unlawful detainer statute shall run concurrently, and the failure of Lessee to cure the Default within the greater of the two such grace periods shall constitute both an unlawful detainer and a Breach of this Lease entitling Lessor to the remedies provided for in this Lease and/or by said statute.

(b) Continue the Lease and Lessee's right to possession and recover the Rent as it becomes due, in which event Lessee may sublet or assign, subject only to reasonable limitations. Acts of maintenance, efforts to relet, and/or the appointment of a receiver to protect the Lessor's interests, shall not constitute a termination of the Lessee's right to possession.

(c) Pursue any other remedy now or hereafter available under the laws or judicial decisions of the state wherein the Premises are located. The expiration or termination of this Lease and/or the termination of Lessee's right to possession shall not relieve Lessee from liability under any indemnity provisions of this Lease as to matters occurring or accruing during the term hereof or by reason of Lessee's occupancy of the Premises.

**13.3 Inducement Recapture.** Any agreement for free or abated rent or other charges, the cost of tenant improvements for Lessee paid for or performed by Lessor, or for the giving or paying by Lessor to or for Lessee of any cash or other bonus, inducement or consideration for Lessee's entering into this Lease, all of which concessions are hereinafter referred to as "**Inducement Provisions**", shall be deemed conditioned upon Lessee's full and faithful performance of all of the terms, covenants and conditions of this Lease. Upon Breach of this Lease by Lessee, any such Inducement Provision shall automatically be deemed deleted from this Lease and of no further force or effect, and any rent, other charge, bonus, inducement or consideration theretofore abated, given or paid by Lessor under such an Inducement Provision shall be immediately due and payable by Lessee to Lessor, notwithstanding any subsequent cure of said Breach by Lessee. The acceptance by Lessor of rent or the cure of the Breach which initiated the operation of this paragraph shall not be deemed a waiver by Lessor of the provisions of this paragraph unless specifically so stated in writing by Lessor at the time of such acceptance.

**13.4 Late Charges.** Lessee hereby acknowledges that late payment by Lessee of Rent will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Lessor by any Lender. Accordingly, if any Rent shall not be received by Lessor within 5 days after such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall immediately pay to Lessor a one-time late charge equal to 10% of each such overdue amount or \$100, whichever is greater. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of such late payment. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's Default or Breach with respect to such overdue amount, nor prevent the exercise of any of the other rights and remedies granted hereunder. In the event that a late charge is payable hereunder, whether or not collected, for 3 consecutive installments of Base Rent, then notwithstanding any provision of this Lease to the contrary, Base Rent shall, at Lessor's option, become due and payable quarterly in advance.

**13.5 Interest.** Any monetary payment due Lessor hereunder, other than late charges, not received by Lessor, when due shall bear interest from the 31st day after it was due. The interest ("Interest") charged shall be computed at the rate of 10% per annum but shall not exceed the maximum rate allowed by law. Interest is payable in addition to the potential late charge provided for in Paragraph 13.4.

**13.6 Breach by Lessor.**

(a) **Notice of Breach.** Lessor shall not be deemed in breach of this Lease unless Lessor fails within a reasonable time to perform an obligation required to be performed by Lessor. For purposes of this Paragraph, a reasonable time shall in no event be less than 30 days after receipt by Lessor, and any Lender whose name and address shall have been furnished Lessee in writing for such purpose, of written notice specifying wherein such obligation of Lessor has not been performed; provided, however, that if the nature of Lessor's obligation is such that more than 30 days are reasonably required for its performance, then Lessor shall not be in breach if performance is commenced within such 30 day period and thereafter diligently pursued to completion.

(b) **Performance by Lessee on Behalf of Lessor.** In the event that neither Lessor nor Lender cures said breach within 30 days after receipt of said notice, or if having commenced said cure they do not diligently pursue it to completion, then Lessee may elect to cure said breach at Lessee's expense and offset from Rent the actual and reasonable cost to perform such cure, provided however, that such offset shall not exceed an amount equal to the greater of one month's Base Rent or the Security Deposit, reserving Lessee's right to reimbursement from Lessor for any such expense in excess of such offset. Lessee shall document the cost of said cure and supply said documentation to Lessor.

**14. Condemnation.** If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively "**Condemnation**"), this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than 10% of the floor area of the Unit, or more than 25% of the parking spaces is taken by Condemnation, Lessee may, at Lessee's option, to be exercised in writing within 10 days after Lessor shall have given Lessee written notice of such taking (or in the absence of such notice, within 10 days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If Lessee does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Base Rent shall be reduced in proportion to the reduction in utility of the Premises caused by such Condemnation. Condemnation awards and/or payments shall be the property of Lessor, whether such award shall be made as compensation for diminution in value of the leasehold, the value of the part taken, or for severance damages, provided, however, that Lessee shall be entitled to any compensation paid by the condemnor for Lessee's relocation expenses, loss of business goodwill and/or Trade Fixtures, without regard to whether or not this Lease is terminated pursuant to the provisions of this Paragraph. All Alterations and Utility Installations made to the Premises by Lessee, for purposes of Condemnation only, shall be considered the property of the Lessee and Lessee shall be entitled to any and all compensation which is payable therefor. In the event that this Lease is not terminated by reason of the Condemnation, Lessor shall repair any damage to the Premises caused by such Condemnation.

**15. Brokerage Fees.**

15.1 **Additional Commission.** In addition to the payments owed pursuant to Paragraph 1.10 above, Lessor agrees that: (a) if Lessee exercises any Option, (b) if Lessee or anyone affiliated with Lessee acquires from Lessor any rights to the Premises or other premises owned by Lessor and located within the Project, (c) if Lessee remains in possession of the Premises, with the consent of Lessor, after the expiration of this Lease, or (d) if Base Rent is increased, whether by agreement or operation of an escalation clause herein, then, Lessor shall pay Brokers a fee in accordance with the fee schedule of the Brokers in effect at the time the Lease was executed.

15.2 **Assumption of Obligations.** Any buyer or transferee of Lessor's interest in this Lease shall be deemed to have assumed Lessor's obligation hereunder. Brokers shall be third party beneficiaries of the provisions of Paragraphs 1.10, 15, 22 and 31. If Lessor fails to pay to Brokers any amounts due as and for brokerage fees pertaining to this Lease when due, then such amounts shall accrue interest. In addition, if Lessor fails to pay any amounts to Lessee's Broker when due, Lessee's Broker may send written notice to Lessor and Lessee of such failure and if Lessor fails to pay such amounts within 10 days after said notice, Lessee shall pay said monies to its Broker and offset such amounts against Rent. In addition, Lessee's Broker shall be deemed to be a third party beneficiary of any commission agreement entered into by and/or between Lessor and Lessor's Broker for the limited purpose of collecting any brokerage fee owed.

15.3 **Representations and Indemnities of Broker Relationships.** Lessee and Lessor each represent and warrant to the other that it has had no dealings with any person, firm, broker or finder (other than the Brokers, if any) in connection with this Lease, and that no one other than said named Brokers is entitled to any commission or finder's fee in connection herewith. Lessee and Lessor do each hereby agree to indemnify, protect, defend and hold the other harmless from and against liability for compensation or charges which may be claimed by any such unnamed broker, finder or other similar party by reason of any dealings or actions of the indemnifying Party, including any costs, expenses, attorneys' fees reasonably incurred with respect thereto.

16. **Estoppel Certificates.**

(a) Each Party (as "Responding Party") shall within 10 days after written notice from the other Party (the "Requesting Party") execute, acknowledge and deliver to the Requesting Party a statement in writing in form similar to the then most current "Estoppel Certificate" form published by the AIR Commercial Real Estate Association, plus such additional information, confirmation and/or statements as may be reasonably requested by the Requesting Party.

(b) If the Responding Party shall fail to execute or deliver the Estoppel Certificate within such 10 day period, the Requesting Party may execute an Estoppel Certificate stating that: (i) the Lease is in full force and effect without modification except as may be represented by the Requesting Party, (ii) there are no uncured defaults in the Requesting Party's performance, and (iii) if Lessor is the Requesting Party, not more than one month's rent has been paid in advance. Prospective purchasers and encumbrancers may rely upon the Requesting Party's Estoppel Certificate, and the Responding Party shall be estopped from denying the truth of the facts contained in said Certificate. In addition, Lessee acknowledges that any failure on its part to provide such an Estoppel Certificate will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, should the Lessee fail to execute and/or deliver a requested Estoppel Certificate in a timely fashion the monthly Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater for remainder of the Lease. The Parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to provide the Estoppel Certificate. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to provide the Estoppel Certificate nor prevent the exercise of any of the other rights and remedies granted hereunder.

(c) If Lessor desires to finance, refinance, or sell the Premises, or any part thereof, Lessee and all Guarantors shall within 10 days after written notice from Lessor deliver to any potential lender or purchaser designated by Lessor such financial statements as may be reasonably required by such lender or purchaser, including but not limited to Lessee's financial statements for the past 3 years. All such financial statements shall be received by Lessor and such lender or purchaser in confidence and shall be used only for the purposes herein set forth.

17. **Definition of Lessor.** The term "Lessor" as used herein shall mean the owner or owners at the time in question of the fee title to the Premises, or, if this is a sublease, of the Lessee's interest in the prior lease. In the event of a transfer of Lessor's title or interest in the Premises or this Lease, Lessor shall deliver to the transferee or assignee (in cash or by credit) any unused Security Deposit held by Lessor. Upon such transfer or assignment and delivery of the Security Deposit, as aforesaid, the prior Lessor shall be relieved of all liability with respect to the obligations and/or covenants under this Lease thereafter to be performed by the Lessor. Subject to the foregoing, the obligations and/or covenants in this Lease to be performed by the Lessor shall be binding only upon the Lessor as hereinabove defined.

18. **Severability.** The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

19. **Days.** Unless otherwise specifically indicated to the contrary, the word "days" as used in this Lease shall mean and refer to calendar days.

20. **Limitation on Liability.** The obligations of Lessor under this Lease shall not constitute personal obligations of Lessor, or its partners, members, directors, officers or shareholders, and Lessee shall look to the Premises, and to no other assets of Lessor, for the satisfaction of any liability of Lessor with respect to this Lease, and shall not seek recourse against Lessor's partners, members, directors, officers or shareholders, or any of their personal assets for such satisfaction.

21. **Time of Essence.** Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties under this Lease.

22. **No Prior or Other Agreements; Broker Disclaimer.** This Lease contains all agreements between the Parties with respect to any matter mentioned herein, and no other prior or contemporaneous agreement or understanding shall be effective. Lessor and Lessee each represents and warrants to the Brokers that it has made, and is relying solely upon, its own investigation as to the nature, quality, character and financial responsibility of the other Party to this Lease and as to the use, nature, quality and character of the Premises. Brokers have no responsibility with respect thereto or with respect to any default or breach hereof by either Party.

23. **Notices.**

23.1 **Notice Requirements.** All notices required or permitted by this Lease or applicable law shall be in writing and may be delivered in person (by hand or by courier) or may be sent by regular, certified or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by facsimile transmission, or by email, and shall be deemed sufficiently given if served in a manner specified in this Paragraph 23. The addresses noted adjacent to a Party's signature on this Lease shall be that Party's address for delivery or mailing of notices. Either Party may by written notice to the other specify a different address for notice, except that upon Lessee's taking possession of the Premises, the Premises shall constitute Lessee's address for notice. A copy of all notices to Lessor shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to time hereafter designate in writing.

23.2 **Date of Notice.** Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. If sent by regular mail the notice shall be deemed given 72 hours after the same is addressed as required herein and mailed with postage prepaid. Notices delivered by United States Express Mail or overnight courier that guarantees next day delivery shall be deemed given 24 hours after delivery of the same to the Postal Service or courier. Notices delivered by hand, or

transmitted by facsimile transmission or by email shall be deemed delivered upon actual receipt. If notice is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

24. **Waivers.**

(a) No waiver by Lessor of the Default or Breach of any term, covenant or condition hereof by Lessee, shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent Default or Breach by Lessee of the same or of any other term, covenant or condition hereof. Lessor's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Lessor's consent to, or approval of, any subsequent or similar act by Lessee, or be construed as the basis of an estoppel to enforce the provision or provisions of this Lease requiring such consent.

(b) The acceptance of Rent by Lessor shall not be a waiver of any Default or Breach by Lessee. Any payment by Lessee may be accepted by Lessor on account of moneys or damages due Lessor, notwithstanding any qualifying statements or conditions made by Lessee in connection therewith, which such statements and/or conditions shall be of no force or effect whatsoever unless specifically agreed to in writing by Lessor at or before the time of deposit of such payment.

(c) THE PARTIES AGREE THAT THE TERMS OF THIS LEASE SHALL GOVERN WITH REGARD TO ALL MATTERS RELATED THERETO AND HEREBY WAIVE THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE TO THE EXTENT THAT SUCH STATUTE IS INCONSISTENT WITH THIS LEASE.

25. **Disclosures Regarding The Nature of a Real Estate Agency Relationship.**

(a) When entering into a discussion with a real estate agent regarding a real estate transaction, a Lessor or Lessee should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction. Lessor and Lessee acknowledge being advised by the Brokers in this transaction, as follows:

(i) **Lessor's Agent.** A Lessor's agent under a listing agreement with the Lessor acts as the agent for the Lessor only. A Lessor's agent or subagent has the following affirmative obligations: **To the Lessor:** A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessor. **To the Lessee and the Lessor:** (a) Diligent exercise of reasonable skills 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 which does not involve the affirmative duties set forth above.

(ii) **Lessee's Agent.** An agent can agree to act as agent for the Lessee only. In these situations, the agent is not the Lessor's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Lessor. An agent acting only for a Lessee has the following affirmative obligations. **To the Lessee:** A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessee. **To the Lessee and the Lessor:** (a) Diligent exercise of reasonable skills 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 which does not involve the affirmative duties set forth above.

(iii) **Agent Representing Both Lessor and Lessee.** A real estate agent, either acting directly or through one or more associate licenses, can legally be the agent of both the Lessor and the Lessee in a transaction, but only with the knowledge and consent of both the Lessor and the Lessee. In a dual agency situation, the agent has the following affirmative obligations to both the Lessor and the Lessee: (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Lessor or the Lessee. (b) Other duties to the Lessor and the Lessee as stated above in subparagraphs (i) or (ii). In representing both Lessor and Lessee, the agent may not without the express permission of the respective Party, disclose to the other Party that the Lessor will accept rent in an amount less than that indicated in the listing or that the Lessee is willing to pay a higher rent than that offered. The above duties of the agent in a real estate transaction do not relieve a Lessor or Lessee from the responsibility to protect their own interests. Lessor and Lessee should carefully read all agreements to assure that they adequately express their 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.

(b) Brokers have no responsibility with respect to any Default or Breach hereof by either Party. The Parties agree that no lawsuit or other legal proceeding involving any breach of duty, error or omission relating to this Lease may be brought against Broker more than one year after the Start Date and that the liability (including court costs and attorneys' fees), of any Broker with respect to any such lawsuit and/or legal proceeding shall not exceed the fee received by such Broker pursuant to this Lease; provided, however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker.

(c) Lessor and Lessee agree to identify to Brokers as "Confidential" any communication or information given Brokers that is considered by such Party to be confidential.

26. **No Right To Holdover.** Lessee has no right to retain possession of the Premises or any part thereof beyond the expiration or termination of this Lease. In the event that Lessee holds over, then the Base Rent shall be increased to 150% of the Base Rent applicable immediately preceding the expiration or termination. Holdover Base Rent shall be calculated on monthly basis. Nothing contained herein shall be construed as consent by Lessor to any holding over by Lessee.

27. **Cumulative Remedies.** No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

28. **Covenants and Conditions; Construction of Agreement.** All provisions of this Lease to be observed or performed by Lessee are both covenants and conditions. In construing this Lease, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Lease. Whenever required by the context, the singular shall include the plural and vice versa. This Lease shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

29. **Binding Effect; Choice of Law.** This Lease shall be binding upon the parties, their personal representatives, successors and assigns and be governed by the laws of the State in which the Premises are located. Any litigation between the Parties hereto concerning this Lease shall be initiated in the county in which the Premises are located.

30. **Subordination; Attornment; Non-Disturbance.**

30.1 **Subordination.** This Lease and any Option granted hereby shall be subject and subordinate to any ground lease, mortgage, deed of trust, or other hypothecation or security device (collectively, "Security Device"), now or hereafter placed upon the Premises, to any and all advances made on the security thereof, and to all renewals, modifications, and extensions thereof. Lessee agrees that the holders of any such Security Devices (in this Lease together referred to as "Lender") shall have no liability or obligation to perform any of the obligations of Lessor under this Lease. Any Lender may elect to have this Lease and/or any Option granted hereby superior to the lien of its Security Device by giving written notice thereof to Lessee, whereupon this Lease and such Options shall be deemed prior to such Security Device, notwithstanding the relative dates of the documentation or recordation thereof.

30.2 **Attornment.** In the event that Lessor transfers title to the Premises, or the Premises are acquired by another upon the foreclosure or termination of a Security Device to which this Lease is subordinated (i) Lessee shall, subject to the non-disturbance provisions of Paragraph 30.3, attorn to such new owner, and upon request, enter into a new lease, containing all of the terms and provisions of this Lease, with such new owner for

the remainder of the term hereof, or, at the election of the new owner, this Lease will automatically become a new lease between Lessee and such new owner, and (ii) Lessor shall thereafter be relieved of any further obligations hereunder and such new owner shall assume all of Lessor's obligations, except that such new owner shall not: (a) be liable for any act or omission of any prior lessor or with respect to events occurring prior to acquisition of ownership; (b) be subject to any offsets or defenses which Lessee might have against any prior lessor, (c) be bound by prepayment of more than one month's rent, or (d) be liable for the return of any security deposit paid to any prior lessor which was not paid or credited to such new owner.

**30.3 Non-Disturbance.** With respect to Security Devices entered into by Lessor after the execution of this Lease, Lessee's subordination of this Lease shall be subject to receiving a commercially reasonable non-disturbance agreement (a "Non-Disturbance Agreement") from the Lender which Non-Disturbance Agreement provides that Lessee's possession of the Premises, and this Lease, including any options to extend the term hereof, will not be disturbed so long as Lessee is not in Breach hereof and attorns to the record owner of the Premises. Further, within 60 days after the execution of this Lease, Lessor shall, if requested by Lessee, use its commercially reasonable efforts to obtain a Non-Disturbance Agreement from the holder of any pre-existing Security Device which is secured by the Premises. In the event that Lessor is unable to provide the Non-Disturbance Agreement within said 60 days, then Lessee may, at Lessee's option, directly contact Lender and attempt to negotiate for the execution and delivery of a Non-Disturbance Agreement.

**30.4 Self-Executing.** The agreements contained in this Paragraph 30 shall be effective without the execution of any further documents; provided, however, that, upon written request from Lessor or a Lender in connection with a sale, financing or refinancing of the Premises, Lessee and Lessor shall execute such further writings as may be reasonably required to separately document any subordination, attornment and/or Non-Disturbance Agreement provided for herein.

**31. Attorneys' Fees.** If any Party or Broker brings an action or proceeding involving the Premises whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term, "Prevailing Party" shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. In addition, Lessor shall be entitled to attorneys' fees, costs and expenses incurred in the preparation and service of notices of Default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such Default or resulting Default (\$200 is a reasonable minimum per occurrence for such services and consultation).

**32. Lessor's Access; Showing Premises; Repairs.** Lessor and Lessor's agents shall have the right to enter the Premises at any time, in the case of an emergency, and otherwise at reasonable times after reasonable prior notice for the purpose of showing the same to prospective purchasers, lenders, or tenants, and making such alterations, repairs, improvements or additions to the Premises as Lessor may deem necessary or desirable and the erecting, using and maintaining of utilities, services, pipes and conduits through the Premises and/or other premises as long as there is no material adverse effect on Lessee's use of the Premises. All such activities shall be without abatement of rent or liability to Lessee.

**33. Auctions.** Lessee shall not conduct, nor permit to be conducted, any auction upon the Premises without Lessor's prior written consent. Lessor shall not be obligated to exercise any standard of reasonableness in determining whether to permit an auction.

**34. Signs.** Lessor may place on the Premises ordinary "For Sale" signs at any time and ordinary "For Lease" signs during the last 6 months of the term hereof. Except for ordinary "For Sublease" signs which may be placed only on the Premises, Lessee shall not place any sign upon the Project without Lessor's prior written consent. All signs must comply with all Applicable Requirements.

**35. Termination; Merger.** Unless specifically stated otherwise in writing by Lessor, the voluntary or other surrender of this Lease by Lessee, the mutual termination or cancellation hereof, or a termination hereof by Lessor for Breach by Lessee, shall automatically terminate any sublease or lesser estate in the Premises; provided, however, that Lessor may elect to continue any one or all existing subtenancies. Lessor's failure within 10 days following any such event to elect to the contrary by written notice to the holder of any such lesser interest, shall constitute Lessor's election to have such event constitute the termination of such interest.

**36. Consents.** All requests for consent shall be in writing. Except as otherwise provided herein, wherever in this Lease the consent of a Party is required to an act by or for the other Party, such consent shall not be unreasonably withheld or delayed. Lessor's actual reasonable costs and expenses (including but not limited to architects', attorneys', engineers' and other consultants' fees) incurred in the consideration of, or response to, a request by Lessee for any Lessor consent, including but not limited to consents to an assignment, a subletting or the presence or use of a Hazardous Substance, shall be paid by Lessee upon receipt of an invoice and supporting documentation therefor. Lessor's consent to any act, assignment or subletting shall not constitute an acknowledgment that no Default or Breach by Lessee of this Lease exists, nor shall such consent be deemed a waiver of any then existing Default or Breach, except as may be otherwise specifically stated in writing by Lessor at the time of such consent. The failure to specify herein any particular condition to Lessor's consent shall not preclude the imposition by Lessor at the time of consent of such further or other conditions as are then reasonable with reference to the particular matter for which consent is being given. In the event that either Party disagrees with any determination made by the other hereunder and reasonably requests the reasons for such determination, the determining party shall furnish its reasons in writing and in reasonable detail within 10 business days following such request.

**37. Guarantor.**

**37.1 Execution.** The Guarantors, if any, shall each execute a guaranty in the form most recently published by the AIR Commercial Real Estate Association.

**37.2 Default.** It shall constitute a Default of the Lessee if any Guarantor fails or refuses, upon request to provide: (a) evidence of the execution of the guaranty, including the authority of the party signing on Guarantor's behalf to obligate Guarantor, and in the case of a corporate Guarantor, a certified copy of a resolution of its board of directors authorizing the making of such guaranty, (b) current financial statements, (c) an Estoppel Certificate, or (d) written confirmation that the guaranty is still in effect.

**38. Quiet Possession.** Subject to payment by Lessee of the Rent and performance of all of the covenants, conditions and provisions on Lessee's part to be observed and performed under this Lease, Lessee shall have quiet possession and quiet enjoyment of the Premises during the term hereof.

**39. Options.** If Lessee is granted any option, as defined below, then the following provisions shall apply.

**39.1 Definition.** "Option" shall mean: (a) the right to extend or reduce the term of or renew this Lease or to extend or reduce the term of or renew any lease that Lessee has on other property of Lessor; (b) the right of first refusal or first offer to lease either the Premises or other property of Lessor; (c) the right to purchase, the right of first offer to purchase or the right of first refusal to purchase the Premises or other property of Lessor.

**39.2 Options Personal To Original Lessee.** Any Option granted to Lessee in this Lease is personal to the original Lessee, and cannot be assigned or exercised by anyone other than said original Lessee and only while the original Lessee is in full possession of the Premises and, if requested by Lessor, with Lessee certifying that Lessee has no intention of thereafter assigning or subletting.

**39.3 Multiple Options.** In the event that Lessee has any multiple Options to extend or renew this Lease, a later Option cannot be exercised unless the prior Options have been validly exercised.

**39.4 Effect of Default on Options.**

(a) Lessee shall have no right to exercise an Option. (i) during the period commencing with the giving of any notice of Default and continuing until said Default is cured, (ii) during the period of time any Rent is unpaid (without regard to whether notice thereof is given Lessee), (iii) during the time Lessee is in Breach of this Lease, or (iv) in the event that Lessee has been given 3 or more notices of separate Default, whether or not the Defaults are cured, during the 12 month period immediately preceding the exercise of the Option.

(b) The period of time within which an Option may be exercised shall not be extended or enlarged by reason of Lessee's inability to exercise an Option because of the provisions of Paragraph 39.4(a).

(c) An Option shall terminate and be of no further force or effect, notwithstanding Lessee's due and timely exercise of the Option, if, after such exercise and prior to the commencement of the extended term or completion of the purchase, (i) Lessee fails to pay Rent for a period of 30 days after such Rent becomes due (without any necessity of Lessor to give notice thereof), or (ii) if Lessee commits a Breach of this Lease.

40. **Security Measures.** Lessee hereby acknowledges that the Rent payable to Lessor hereunder does not include the cost of guard service or other security measures, and that Lessor shall have no obligation whatsoever to provide same. Lessee assumes all responsibility for the protection of the Premises, Lessee, its agents and invitees and their property from the acts of third parties.

41. **Reservations.** Lessor reserves the right: (i) to grant, without the consent or joinder of Lessee, such easements, rights and dedications that Lessor deems necessary, (ii) to cause the recordation of parcel maps and restrictions, and (iii) to create and/or install new utility raceways, so long as such easements, rights, dedications, maps, restrictions, and utility raceways do not unreasonably interfere with the use of the Premises by Lessee. Lessee agrees to sign any documents reasonably requested by Lessor to effectuate such rights.

42. **Performance Under Protest.** If at any time a dispute shall arise as to any amount or sum of money to be paid by one Party to the other under the provisions hereof, the Party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" and such payment shall not be regarded as a voluntary payment and there shall survive the right on the part of said Party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said Party to pay such sum or any part thereof, said Party shall be entitled to recover such sum or so much thereof as it was not legally required to pay. A Party who does not initiate suit for the recovery of sums paid "under protest" within 6 months shall be deemed to have waived its right to protest such payment.

43. **Authority; Multiple Parties; Execution.**

(a) If either Party hereto is a corporation, trust, limited liability company, partnership, or similar entity, each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on its behalf. Each Party shall, within 30 days after request, deliver to the other Party satisfactory evidence of such authority.

(b) If this Lease is executed by more than one person or entity as "Lessee", each such person or entity shall be jointly and severally liable hereunder. It is agreed that any one of the named Lessees shall be empowered to execute any amendment to this Lease, or other document ancillary thereto and bind all of the named Lessees, and Lessor may rely on the same as if all of the named Lessees had executed such document.

(c) This Lease may be executed by the Parties in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

44. **Conflict.** Any conflict between the printed provisions of this Lease and the typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions.

45. **Offer.** Preparation of this Lease by either party or their agent and submission of same to the other Party shall not be deemed an offer to lease to the other Party. This Lease is not intended to be binding until executed and delivered by all Parties hereto.

46. **Amendments.** This Lease may be modified only in writing, signed by the Parties in interest at the time of the modification. As long as they do not materially change Lessee's obligations hereunder, Lessee agrees to make such reasonable non-monetary modifications to this Lease as may be reasonably required by a Lender in connection with the obtaining of normal financing or refinancing of the Premises.

47. **Waiver of Jury Trial.** THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING INVOLVING THE PROPERTY OR ARISING OUT OF THIS AGREEMENT.

48. **Arbitration of Disputes.** An Addendum requiring the Arbitration of all disputes between the Parties and/or Brokers arising out of this Lease  is  is not attached to this Lease.

49. **Accessibility; Americans with Disabilities Act.**

(a) The Premises:  have not undergone an inspection by a Certified Access Specialist (CASp).  have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises met all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq.  have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises did not meet all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq.

(b) Since compliance with the Americans with Disabilities Act (ADA) is dependent upon Lessee's specific use of the Premises, Lessor makes no warranty or representation as to whether or not the Premises comply with ADA or any similar legislation. In the event that Lessee's use of the Premises requires modifications or additions to the Premises in order to be in ADA compliance, Lessee agrees to make any such necessary modifications and/or additions at Lessee's expense.

50. This Standard Industrial/Commercial Multi-Tenant Lease-Net, has been prepared by Lee & Associates Commercial Real Estate Services, Inc. - South Bay dba Lee & Associates Los Angeles - Long Beach, Inc. at the request of Lessor and Lessee. This Lessor and Lessee agree to indemnify and hold harmless Lee & Associates Commercial Real Estate Services, Inc. - South Bay dba Lee & Associates Los Angeles - Long Beach, Inc., its respective Agents and Employees, for any liability of Loss, including without limitation, Attorney fees and costs that may be occasioned as a result of completing this Standard Industrial/Commercial Multi-Tenant Lease-Net. Lessor and Lessee acknowledge being advised by Lee & Associates Commercial Real Estate Services, Inc. - South Bay dba Lee & Associates Los Angeles - Long Beach, Inc. to have this Standard Industrial/Commercial Multi-Tenant Lease-Net reviewed by their respective Attorneys, Accountants, or Insurance Agents for professional advice. The information contained herein has been obtained from sources believed reliable, but not guaranteed. While we do not doubt its accuracy, we have not verified it and make no guarantee, warranty or representation about it. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the property. Lessee should conduct a careful, independent investigation of the property during their due diligence to determine to their satisfaction the accuracy and completeness of the information contained herein.

LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN, AND BY THE EXECUTION OF THIS LEASE SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES.

ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY THE AIR COMMERCIAL REAL ESTATE ASSOCIATION OR BY ANY BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS LEASE OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS LEASE.
2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PREMISES. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING OF

THE PREMISES, THE STRUCTURAL INTEGRITY, THE CONDITION OF THE ROOF AND OPERATING SYSTEMS, COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT AND THE SUITABILITY OF THE PREMISES FOR LESSEE'S INTENDED USE.

WARNING: IF THE PREMISES ARE LOCATED IN A STATE OTHER THAN CALIFORNIA, CERTAIN PROVISIONS OF THE LEASE MAY NEED TO BE REVISED TO COMPLY WITH THE LAWS OF THE STATE IN WHICH THE PREMISES ARE LOCATED.

The parties hereto have executed this Lease at the place and on the dates specified above their respective signatures.

Executed at: \_\_\_\_\_ Executed at: \_\_\_\_\_  
On: \_\_\_\_\_ On: \_\_\_\_\_

By LESSOR:  
2H Property 3060, LLC

By LESSEE:  
Khaled A. Tawansy, MD  
Children's Retina Institute

By: \_\_\_\_\_  
Name Printed: Sean Hitchcock  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name Printed: Khaled A. Tawansy  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name Printed: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: 2653 Walnut Ave.  
Signal Hill, CA 90755

By: \_\_\_\_\_  
Name Printed: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: 3200 Long Beach Blvd., Unit A  
Long Beach, CA 90807

Telephone: (562) 424-5567

Telephone: (323) 257-3937

Facsimile: ( )

Facsimile: ( )

Email: \_\_\_\_\_

Email: \_\_\_\_\_

Email: \_\_\_\_\_

Email: \_\_\_\_\_

Federal ID No. \_\_\_\_\_

Federal ID No. \_\_\_\_\_

BROKER: \_\_\_\_\_

BROKER: \_\_\_\_\_

Attn: \_\_\_\_\_

Attn: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: ( )

Telephone: ( )

Facsimile: ( )

Facsimile: ( )

Email: \_\_\_\_\_

Email: \_\_\_\_\_

Federal ID No. \_\_\_\_\_

Federal ID No. \_\_\_\_\_

Broker/Agent BRE License #: \_\_\_\_\_

Broker/Agent BRE License #: \_\_\_\_\_

NOTICE: These forms are often modified to meet changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most current form: AIR Commercial Real Estate Association, 500 N Brand Blvd, Suite 900, Glendale, CA 91203. Telephone No. (213) 687-8777. Fax No.: (213) 687-8816.

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From: Ericka Burton ericka@2hconstruction.com  
Subject: Re: 3200 Long Beach Blvd - new ownership and building management notification  
Date: Oct 12, 2016, 3:07:50 PM  
To: jfong@childrensretina.com,  
ktawansy@childrensretina.com, gershonne@gmail.com  
Cc: Sean Hitchcock sean@2hconstruction.com

Good afternoon all,

2H Properties will be conducting demolition in the vacant portion of the building on Monday, October 17, 2016. I wanted to make you aware of the work if you see anyone enter the building.

Please feel free to contact me if you have any questions.

Thank you,  
Ericka Burton  
Property Manager

Sent from my iPhone

On Oct 6, 2016, at 3:37 PM, Ericka Burton  
<[ericka@2hconstruction.com](mailto:ericka@2hconstruction.com)> wrote:

Good afternoon all,

My name is Ericka Burton and I am the new Property Manager for 3200 Long Beach Blvd., Long Beach, CA. 2H Property 3060, LLC purchased the building and escrow closed on Friday, September 30, 2016.

Attached please find a month to month lease agreement that was

sent to you last month that needs to be signed and returned. I have also attached a letter introducing myself and providing information of new ownership and building management. These items are also being mailed to you via Certified Mail. Your rent was due October 1, 2016 and becomes late as of October 5, 2016.

Please review, return signed leases along with October's rent and feel free to contact me should you have any questions.

Thank you,

We've Moved! Our new address is:  
2653 Walnut Ave., Signal Hill, CA 90755

Ericka Burton

Controller

[2H LOGO NO BORDER copy]

[cid:image004.jpg@01CD9008.75AF1900]

2653 Walnut Ave.

Signal Hill, CA 90755

c: (310)528-1961

o: (562)424-5567

www.2hconstruction.com<<http://www.2hconstruction.com/>>

<Lease Agreement.pdf>

<SKMBT\_42316100613540.pdf>

<image003.jpg>

<image004.jpg>



AIR COMMERCIAL REAL ESTATE ASSOCIATION
STANDARD INDUSTRIAL/COMMERCIAL MULTI-TENANT LEASE - NET

1. Basic Provisions ("Basic Provisions").

1.1 Parties: This Lease ("Lease"), dated for reference purposes only September 26, 2016 is made by and between 2H Property 3050, LLC ("Lessor") and Khaled A. Tavansy, MD / Children's Retina Institute

1.2(a) Premises: That certain portion of the Project (as defined below), including all improvements therein or to be provided by Lessor under the terms of this Lease, commonly known by the street address of 3200 Long Beach Blvd., Unit A located in the City of Long Beach, County of Los Angeles, State of California, with zip code 90807, as outlined on Exhibit attached hereto ("Premises") and generally described as (describe briefly the nature of the Premises): An approximate 5,689 Sq. Ft. medical office unit.

In addition to Lessee's rights to use and occupy the Premises as hereinafter specified, Lessee shall have non-exclusive rights to any utility raceways of the building containing the Premises ("Building") and to the common Areas (as defined in Paragraph 2.7 below), but shall not have any rights to the roof or exterior walls of the Building or to any other buildings in the Project. The Premises, the Building, the Common Areas, the land upon which they are located, along with all other buildings and improvements thereon, are herein collectively referred to as the "Project." (See also Paragraph 2)

1.2(b) Parking: 25 unreserved vehicle parking spaces. (See also Paragraph 2.6)
1.3 Term: Month to Month years and months ("Original Term") commencing October 1, 2016 ("Commencement Date") and ending with 30 day notice from either party. ("Expiration Date"). (See also Paragraph 3)

1.4 Early Possession: If the Premises are available Lessee may have non-exclusive possession of the Premises commencing n/a ("Early Possession Date"). (See also Paragraphs 3.2 and 3.3)

1.5 Base Rent: \$ 15,000.00 per month ("Base Rent"), payable on the 1st day of each month commencing October 1, 2016. (See also Paragraph 4)

1.6 Lessee's Share of Common Area Operating Expenses: thirty-eight percent (38%) ("Lessee's Share"). In the event that the size of the Premises and/or the Project are modified during the term of this Lease, Lessor shall recalculate Lessee's Share to reflect such modification.

1.7 Base Rent and Other Monies Paid Upon Execution:
(a) Base Rent: \$15,000.00 for the period October 1 - 31, 2016
(b) Common Area Operating Expenses: \$TBD for the period
(c) Security Deposit: \$11,500.00 ("Security Deposit"). (See also Paragraph 5)
(d) Other: \$n/a for n/a
(e) Total Due Upon Execution of this Lease: \$15,000.00 for base rent (security deposit transferred from sale)

1.8 Agreed Use: Medical office. (See also Paragraph 6)

1.9 Insuring Party: Lessor is the "Insuring Party". (See also Paragraph 8)
1.10 Real Estate Brokers: (See also Paragraph 15 and 25)

(a) Representation: The following real estate brokers (the "Brokers") and brokerage relationships exist in this transaction (check applicable boxes):
[ ] represents Lessor exclusively ("Lessor's Broker");
[ ] represents Lessee exclusively ("Lessee's Broker"); or
[ ] represents both Lessor and Lessee ("Dual Agency");

(b) Payment to Brokers: Upon execution and delivery of this Lease by both Parties, Lessor shall pay to the Brokers the brokerage fee agreed to in a separate written agreement (or if there is no such agreement, the sum of \_\_\_\_\_ or \_\_\_\_\_ % of the total Base Rent) for the brokerage services rendered by the Brokers.

1.11 Guarantor: The obligations of the Lessee under this Lease are to be guaranteed by \_\_\_\_\_ ("Guarantor"). (See also Paragraph 37)

1.12 Attachments: Attached hereto are the following, all of which constitute a part of this Lease:
[ ] an Addendum consisting of Paragraphs \_\_\_\_\_ through \_\_\_\_\_;
[ ] a site plan depicting the Premises;
[ ] a site plan depicting the Project;
[ ] a current set of the Rules and Regulations for the Project;
[ ] a current set of the Rules and Regulations adopted by the owners' association;

a Work Letter;

other (specify): \_\_\_\_\_

**2. Premises.**

**2.1 Letting.** Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Premises, for the term, at the rental, and upon all of the terms, covenants and conditions set forth in this Lease. While the approximate square footage of the Premises may have been used in the marketing of the Premises for purposes of comparison, the Base Rent stated herein is NOT tied to square footage and is not subject to adjustment should the actual size be determined to be different. **NOTE: Lessee is advised to verify the actual size prior to executing this Lease.**

**2.2 Condition.** Lessor shall deliver that portion of the Premises contained within the Building ("Unit") to Lessee broom clean and free of debris on the Commencement Date or the Early Possession Date, whichever first occurs ("Start Date"), and, so long as the required service contracts described in Paragraph 7.1(b) below are obtained by Lessee and in effect within thirty days following the Start Date, warrants that the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and air conditioning systems ("HVAC"), loading doors, sump pumps, if any, and all other such elements in the Unit, other than those constructed by Lessee, shall be in good operating condition on said date, that the structural elements of the roof, bearing walls and foundation of the Unit shall be free of material defects, and that the Unit does not contain hazardous levels of any mold or fungi defined as toxic under applicable state or federal law. If a non-compliance with such warranty exists as of the Start Date, or if one of such systems or elements should malfunction or fail within the appropriate warranty period, Lessor shall, as Lessor's sole obligation with respect to such matter, except as otherwise provided in this Lease, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, malfunction or failure, rectify same at Lessor's expense. The warranty periods shall be as follows: (i) 6 months as to the HVAC systems, and (ii) 30 days as to the remaining systems and other elements of the Unit. If Lessee does not give Lessor the required notice within the appropriate warranty period, correction of any such non-compliance, malfunction or failure shall be the obligation of Lessee at Lessee's sole cost and expense (except for the repairs to the fire sprinkler systems, roof, foundations, and/or bearing walls - see Paragraph 7). Lessor also warrants, that unless otherwise specified in writing, Lessor is unaware of (i) any recorded Notices of Default affecting the Premise; (ii) any delinquent amounts due under any loan secured by the Premises; and (iii) any bankruptcy proceeding affecting the Premises.

**2.3 Compliance.** Lessor warrants that to the best of its knowledge the improvements on the Premises comply with the building codes, applicable laws, covenants or restrictions of record, regulations, and ordinances ("Applicable Requirements") that were in effect at the time that each improvement, or portion thereof, was constructed. Said warranty does not apply to the use to which Lessee will put the Premises, modifications which may be required by the Americans with Disabilities Act or any similar laws as a result of Lessee's use (see Paragraph 49), or to any Alterations or Utility Installations (as defined in Paragraph 7.3(a)) made or to be made by Lessee. **NOTE: Lessee is responsible for determining whether or not the Applicable Requirements and especially the zoning are appropriate for Lessee's intended use, and acknowledges that past uses of the Premises may no longer be allowed.** If the Premises do not comply with said warranty, Lessor shall, except as otherwise provided, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, rectify the same at Lessor's expense. If Lessee does not give Lessor written notice of a non-compliance with this warranty within 6 months following the Start Date, correction of that non-compliance shall be the obligation of Lessee at Lessee's sole cost and expense. If the Applicable Requirements are hereafter changed so as to require during the term of this Lease the construction of an addition to or an alteration of the Unit, Premises and/or Building, the remediation of any Hazardous Substance, or the reinforcement or other physical modification of the Unit, Premises and/or Building ("Capital Expenditure"), Lessor and Lessee shall allocate the cost of such work as follows:

(a) Subject to Paragraph 2.3(c) below, if such Capital Expenditures are required as a result of the specific and unique use of the Premises by Lessee as compared with uses by tenants in general, Lessee shall be fully responsible for the cost thereof, provided, however that if such Capital Expenditure is required during the last 2 years of this Lease and the cost thereof exceeds 6 months' Base Rent, Lessee may instead terminate this Lease unless Lessor notifies Lessee, in writing, within 10 days after receipt of Lessee's termination notice that Lessor has elected to pay the difference between the actual cost thereof and the amount equal to 6 months' Base Rent. If Lessee elects termination, Lessee shall immediately cease the use of the Premises which requires such Capital Expenditure and deliver to Lessor written notice specifying a termination date at least 90 days thereafter. Such termination date shall, however, in no event be earlier than the last day that Lessee could legally utilize the Premises without commencing such Capital Expenditure.

(b) If such Capital Expenditure is not the result of the specific and unique use of the Premises by Lessee (such as, governmentally mandated seismic modifications), then Lessor shall pay for such Capital Expenditure and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease or any extension thereof, on the date that on which the Base Rent is due, an amount equal to 1/144th of the portion of such costs reasonably attributable to the Premises. Lessee shall pay Interest on the balance but may prepay its obligation at any time. If, however, such Capital Expenditure is required during the last 2 years of this Lease or if Lessor reasonably determines that it is not economically feasible to pay its share thereof, Lessor shall have the option to terminate this Lease upon 90 days prior written notice to Lessee unless Lessee notifies Lessor, in writing, within 10 days after receipt of Lessor's termination notice that Lessee will pay for such Capital Expenditure. If Lessor does not elect to terminate, and fails to tender its share of any such Capital Expenditure, Lessee may advance such funds and deduct same, with Interest, from Rent until Lessor's share of such costs have been fully paid. If Lessee is unable to finance Lessor's share, or if the balance of the Rent due and payable for the remainder of this Lease is not sufficient to fully reimburse Lessee on an offset basis, Lessee shall have the right to terminate this Lease upon 30 days written notice to Lessor.

(c) Notwithstanding the above, the provisions concerning Capital Expenditures are intended to apply only to non-voluntary, unexpected, and new Applicable Requirements. If the Capital Expenditures are instead triggered by Lessee as a result of an actual or proposed change in use, change in intensity of use, or modification to the Premises then, and in that event, Lessee shall either: (i) immediately cease such changed use or intensity of use and/or take such other steps as may be necessary to eliminate the requirement for such Capital Expenditure, or (ii) complete such Capital Expenditure at its own expense. Lessee shall not have any right to terminate this Lease.

**2.4 Acknowledgements.** Lessee acknowledges that: (a) it has been given an opportunity to inspect and measure the Premises, (b) it has been advised by Lessor and/or Brokers to satisfy itself with respect to the size and condition of the Premises (including but not limited to the electrical, HVAC and fire sprinkler systems, security, environmental aspects, and compliance with Applicable Requirements and the Americans with Disabilities Act), and their suitability for Lessee's intended use, (c) Lessee has made such investigation as it deems necessary with reference to such matters and assumes all responsibility therefor as the same relate to its occupancy of the Premises, (d) it is not relying on any representation as to the size of the Premises made by Brokers or Lessor, (e) the square footage of the Premises was not material to Lessee's decision to lease the Premises and pay the Rent stated herein, and (f) neither Lessor, Lessor's agents, nor Brokers have made any oral or written representations or warranties with respect to said matters other than as set forth in this Lease. In addition, Lessor acknowledges that: (i) Brokers have made no representations, promises or warranties concerning Lessee's ability to honor the Lease or suitability to occupy the Premises, and (ii) it is Lessor's sole responsibility to investigate the financial capability and/or suitability of all proposed tenants.

**2.5 Lessee as Prior Owner/Occupant.** The warranties made by Lessor in Paragraph 2 shall be of no force or effect if immediately prior to the Start Date Lessee was the owner or occupant of the Premises. In such event, Lessee shall be responsible for any necessary corrective

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work.

2.6 **Vehicle Parking.** Lessee shall be entitled to use the number of parking spaces specified in Paragraph 1.2(b) on those portions of the Common Areas designated from time to time by Lessor for parking. Lessee shall not use more parking spaces than said number. Said parking spaces shall be used for parking by vehicles no larger than full-size passenger automobiles or pick-up trucks, herein called "Permitted Size Vehicles." Lessor may regulate the loading and unloading of vehicles by adopting Rules and Regulations as provided in Paragraph 2.9. No vehicles other than Permitted Size Vehicles may be parked in the Common Area without the prior written permission of Lessor. In addition:

(a) Lessee shall not permit or allow any vehicles that belong to or are controlled by Lessee or Lessee's employees, suppliers, shippers, customers, contractors or invitees to be loaded, unloaded, or parked in areas other than those designated by Lessor for such activities.

(b) Lessee shall not service or store any vehicles in the Common Areas.

(c) If Lessee permits or allows any of the prohibited activities described in this Paragraph 2.6, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove or tow away the vehicle involved and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

2.7 **Common Areas - Definition.** The term "Common Areas" is defined as all areas and facilities outside the Premises and within the exterior boundary line of the Project and interior utility raceways and installations within the Unit that are provided and designated by the Lessor from time to time for the general non-exclusive use of Lessor, Lessee and other tenants of the Project and their respective employees, suppliers, shippers, customers, contractors and invitees, including parking areas, loading and unloading areas, trash areas, roadways, walkways, driveways and landscaped areas.

2.8 **Common Areas - Lessee's Rights.** Lessor grants to Lessee, for the benefit of Lessee and its employees, suppliers, shippers, contractors, customers and invitees, during the term of this Lease, the non-exclusive right to use, in common with others entitled to such use, the Common Areas as they exist from time to time, subject to any rights, powers, and privileges reserved by Lessor under the terms hereof or under the terms of any rules and regulations or restrictions governing the use of the Project. Under no circumstances shall the right herein granted to use the Common Areas be deemed to include the right to store any property, temporarily or permanently, in the Common Areas. Any such storage shall be permitted only by the prior written consent of Lessor or Lessor's designated agent, which consent may be revoked at any time. In the event that any unauthorized storage shall occur then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove the property and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

2.9 **Common Areas - Rules and Regulations.** Lessor or such other person(s) as Lessor may appoint shall have the exclusive control and management of the Common Areas and shall have the right, from time to time, to establish, modify, amend and enforce reasonable rules and regulations ("Rules and Regulations") for the management, safety, care, and cleanliness of the grounds, the parking and unloading of vehicles and the preservation of good order, as well as for the convenience of other occupants or tenants of the Building and the Project and their invitees. Lessee agrees to abide by and conform to all such Rules and Regulations, and shall use its best efforts to cause its employees, suppliers, shippers, customers, contractors and invitees to so abide and conform. Lessor shall not be responsible to Lessee for the non-compliance with said Rules and Regulations by other tenants of the Project.

2.10 **Common Areas - Changes.** Lessor shall have the right, in Lessor's sole discretion, from time to time:

(a) To make changes to the Common Areas, including, without limitation, changes in the location, size, shape and number of driveways, entrances, parking spaces, parking areas, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas, walkways and utility raceways;

(b) To close temporarily any of the Common Areas for maintenance purposes so long as reasonable access to the Premises remains available;

(c) To designate other land outside the boundaries of the Project to be a part of the Common Areas;

(d) To add additional buildings and improvements to the Common Areas;

(e) To use the Common Areas while engaged in making additional improvements, repairs or alterations to the Project, or any portion thereof; and

(f) To do and perform such other acts and make such other changes in, to or with respect to the Common Areas and Project as Lessor may, in the exercise of sound business judgment, deem to be appropriate.

### 3. Term.

3.1 **Term.** The Commencement Date, Expiration Date and Original Term of this Lease are as specified in Paragraph 1.3.

3.2 **Early Possession.** Any provision herein granting Lessee Early Possession of the Premises is subject to and conditioned upon the Premises being available for such possession prior to the Commencement Date. Any grant of Early Possession only conveys a non-exclusive right to occupy the Premises. If Lessee totally or partially occupies the Premises prior to the Commencement Date, the obligation to pay Base Rent shall be abated for the period of such Early Possession. All other terms of this Lease (including but not limited to the obligations to pay Lessee's Share of Common Area Operating Expenses, Real Property Taxes and insurance premiums and to maintain the Premises) shall be in effect during such period. Any such Early Possession shall not affect the Expiration Date.

3.3 **Delay In Possession.** Lessor agrees to use its best commercially reasonable efforts to deliver possession of the Premises to Lessee by the Commencement Date. If, despite said efforts, Lessor is unable to deliver possession by such date, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or change the Expiration Date. Lessee shall not, however, be obligated to pay Rent or perform its other obligations until Lessor delivers possession of the Premises and any period of rent abatement that Lessee would otherwise have enjoyed shall run from the date of delivery of possession and continue for a period equal to what Lessee would otherwise have enjoyed under the terms hereof, but minus any days of delay caused by the acts or omissions of Lessee. If possession is not delivered within 60 days after the Commencement Date, as the same may be extended under the terms of any Work Letter executed by Parties, Lessee may, at its option, by notice in writing within 10 days after the end of such 60 day period, cancel this Lease, in which event the Parties shall be discharged from all obligations hereunder. If such written notice is not received by Lessor within said 10 day period, Lessee's right to cancel shall terminate. If possession of the Premises is not delivered within 120 days after the Commencement Date, this Lease shall terminate unless other agreements are reached between Lessor and Lessee, in writing.

3.4 **Lessee Compliance.** Lessor shall not be required to tender possession of the Premises to Lessee until Lessee complies with its obligation to provide evidence of insurance (Paragraph 8.5). Pending delivery of such evidence, Lessee shall be required to perform all of its obligations under this Lease from and after the Start Date, including the payment of Rent, notwithstanding Lessor's election to withhold possession pending receipt of such evidence of insurance. Further, if Lessee is required to perform any other conditions prior to or concurrent with the Start Date, the Start Date shall occur but Lessor may elect to withhold possession until such conditions are satisfied.

### 4. Rent.

4.1 **Rent Defined.** All monetary obligations of Lessee to Lessor under the terms of this Lease (except for the Security Deposit) are deemed to be rent ("Rent").

4.2 **Common Area Operating Expenses.** Lessee shall pay to Lessor during the term hereof, in addition to the Base Rent, Lessee's Share (as specified in Paragraph 1.6) of all Common Area Operating Expenses, as hereinafter defined, during each calendar year of the term of this Lease, in accordance with the following provisions:

(a) **"Common Area Operating Expenses"** are defined, for purposes of this Lease, as all costs relating to the ownership and operation of the Project, including, but not limited to, the following:

(i) The operation, repair and maintenance, in neat, clean, good order and condition, and if necessary the replacement, of the following:

(aa) The Common Areas and Common Area improvements, including parking areas, loading and unloading areas, trash areas, roadways, parkways, walkways, driveways, landscaped areas, bumpers, irrigation systems, Common Area lighting facilities, fences and gates, elevators, roofs, exterior walls of the buildings, building systems and roof drainage systems.

(bb) Exterior signs and any tenant directories.

(cc) Any fire sprinkler systems.

(dd) All other areas and improvements that are within the exterior boundaries of the Project but outside of the Premises and/or any other space occupied by a tenant.

(ii) The cost of water, gas, electricity and telephone to service the Common Areas and any utilities not separately metered.

(iii) The cost of trash disposal, pest control services, property management, security services, owners' association dues and fees, the cost to repaint the exterior of any structures and the cost of any environmental inspections.

(iv) Reserves set aside for maintenance, repair and/or replacement of Common Area improvements and equipment.

(v) Real Property Taxes (as defined in Paragraph 10).

(vi) The cost of the premiums for the insurance maintained by Lessor pursuant to Paragraph 8.

(vii) Any deductible portion of an insured loss concerning the Building or the Common Areas.

(viii) Auditors', accountants' and attorneys' fees and costs related to the operation, maintenance, repair and replacement of the Project.

(ix) The cost of any capital improvement to the Building or the Project not covered under the provisions of Paragraph 2.3 provided; however, that Lessor shall allocate the cost of any such capital improvement over a 12 year period and Lessee shall not be required to pay more than Lessee's Share of 1/144th of the cost of such capital improvement in any given month.

(x) The cost of any other services to be provided by Lessor that are stated elsewhere in this Lease to be a Common Area Operating Expense.

(b) Any Common Area Operating Expenses and Real Property Taxes that are specifically attributable to the Unit, the Building or to any other building in the Project or to the operation, repair and maintenance thereof, shall be allocated entirely to such Unit, Building, or other building. However, any Common Area Operating Expenses and Real Property Taxes that are not specifically attributable to the Building or to any other building or to the operation, repair and maintenance thereof, shall be equitably allocated by Lessor to all buildings in the Project.

(c) The inclusion of the improvements, facilities and services set forth in Subparagraph 4.2(a) shall not be deemed to impose an obligation upon Lessor to either have said improvements or facilities or to provide those services unless the Project already has the same, Lessor already provides the services, or Lessor has agreed elsewhere in this Lease to provide the same or some of them.

(d) Lessee's Share of Common Area Operating Expenses is payable monthly on the same day as the Base Rent is due hereunder. The amount of such payments shall be based on Lessor's estimate of the annual Common Area Operating Expenses. Within 60 days after written request (but not more than once each year) Lessor shall deliver to Lessee a reasonably detailed statement showing Lessee's Share of the actual Common Area Operating Expenses for the preceding year. If Lessee's payments during such year exceed Lessee's Share, Lessor shall credit the amount of such over-payment against Lessee's future payments. If Lessee's payments during such year were less than Lessee's Share, Lessee shall pay to Lessor the amount of the deficiency within 10 days after delivery by Lessor to Lessee of the statement.

(e) Common Area Operating Expenses shall not include any expenses paid by any tenant directly to third parties, or as to which Lessor is otherwise reimbursed by any third party, other tenant, or insurance proceeds.

4.3 **Payment.** Lessee shall cause payment of Rent to be received by Lessor in lawful money of the United States, without offset or deduction (except as specifically permitted in this Lease), on or before the day on which it is due. All monetary amounts shall be rounded to the nearest whole dollar. In the event that any invoice prepared by Lessor is inaccurate such inaccuracy shall not constitute a waiver and Lessee shall be obligated to pay the amount set forth in this Lease. Rent for any period during the term hereof which is for less than one full calendar month shall be prorated based upon the actual number of days of said month. Payment of Rent shall be made to Lessor at its address stated herein or to such other persons or place as Lessor may from time to time designate in writing. Acceptance of a payment which is less than the amount then due shall not be a waiver of Lessor's rights to the balance of such Rent, regardless of Lessor's endorsement of any check so stating. In the event that any check, draft, or other instrument of payment given by Lessee to Lessor is dishonored for any reason, Lessee agrees to pay to Lessor the sum of \$25 in addition to any Late Charge and Lessor, at its option, may require all future Rent be paid by cashier's check. Payments will be applied first to accrued late charges and attorney's fees, second to accrued interest, then to Base Rent and Common Area Operating Expenses, and any remaining amount to any other outstanding charges or costs.

5 **Security Deposit.** Lessee shall deposit with Lessor upon execution hereof the Security Deposit as security for Lessee's faithful performance of its obligations under this Lease. If Lessee fails to pay Rent, or otherwise Defaults under this Lease, Lessor may use, apply or retain all or any portion of said Security Deposit for the payment of any amount already due Lessor, for Rents which will be due in the future, and/ or to reimburse or compensate Lessor for any liability, expense, loss or damage which Lessor may suffer or incur by reason thereof. If Lessor uses or applies all or any portion of the Security Deposit, Lessee shall within 10 days after written request therefor deposit monies with Lessor sufficient to restore said Security Deposit to the full amount required by this Lease. If the Base Rent increases during the term of this Lease, Lessee shall, upon written request from Lessor, deposit additional monies with Lessor so that the total amount of the Security Deposit shall at all times bear the same proportion to the increased Base Rent as the initial Security Deposit bore to the initial Base Rent. Should the Agreed Use be amended to accommodate a material change in the business of Lessee or to accommodate a sublessee or assignee, Lessor shall have the right to increase the Security Deposit to the extent necessary, in Lessor's reasonable judgment, to account for any increased wear and tear that the Premises may suffer as a result thereof. If a change in control of Lessee occurs during this Lease and following such change the financial condition of Lessee is, in Lessor's reasonable judgment, significantly reduced, Lessee shall deposit such additional monies with Lessor as shall be sufficient to cause the Security Deposit to be at a commercially reasonable level based on such change in financial condition. Lessor shall not be required to keep the Security Deposit separate from its general accounts. Within 90 days after the expiration or termination of this Lease, Lessor shall return that portion of the Security Deposit not used or applied by Lessor. Lessor shall upon written request provide Lessee with an accounting showing how that portion of the Security Deposit that was not returned was applied. No part of the Security Deposit shall be considered to be held in trust, to bear interest or to be prepayment for any monies to be

paid by Lessee under this Lease. THE SECURITY DEPOSIT SHALL NOT BE USED BY LESSEE IN LIEU OF PAYMENT OF THE LAST MONTH'S RENT.

6. Use.

6.1 Use. Lessee shall use and occupy the Premises only for the Agreed Use, or any other legal use which is reasonably comparable thereto, and for no other purpose. Lessee shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste or a nuisance, or that disturbs occupants of or causes damage to neighboring premises or properties. Other than guide, signal and seeing eye dogs, Lessee shall not keep or allow in the Premises any pets, animals, birds, fish, or reptiles. Lessor shall not unreasonably withhold or delay its consent to any request for a modification of the Agreed Use, so long as the same will not impair the structural integrity of the Building or the mechanical or electrical systems therein, and/or is not significantly more burdensome to the Project. If Lessor elects to withhold consent, Lessor shall within 7 days after such request give written notification of same, which notice shall include an explanation of Lessor's objections to the change in the Agreed Use.

6.2 Hazardous Substances.

(a) Reportable Uses Require Consent. The term "Hazardous Substance" as used in this Lease shall mean any product, substance, or waste whose presence, use, manufacture, disposal, transportation, or release, either by itself or in combination with other materials expected to be on the Premises, is either: (i) potentially injurious to the public health, safety or welfare, the environment or the Premises, (ii) regulated or monitored by any governmental authority, or (iii) a basis for potential liability of Lessor to any governmental agency or third party under any applicable statute or common law theory. Hazardous Substances shall include, but not be limited to, hydrocarbons, petroleum, gasoline, and/or crude oil or any products, by-products or fractions thereof. Lessee shall not engage in any activity in or on the Premises which constitutes a Reportable Use of Hazardous Substances without the express prior written consent of Lessor and timely compliance (at Lessee's expense) with all Applicable Requirements. "Reportable Use" shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority, and/or (iii) the presence at the Premises of a Hazardous Substance with respect to which any Applicable Requirements requires that a notice be given to persons entering or occupying the Premises or neighboring properties. Notwithstanding the foregoing, Lessee may use any ordinary and customary materials reasonably required to be used in the normal course of the Agreed Use, ordinary office supplies (copier toner, liquid paper, glue, etc.) and common household cleaning materials, so long as such use is in compliance with all Applicable Requirements, is not a Reportable Use, and does not expose the Premises or neighboring property to any meaningful risk of contamination or damage or expose Lessor to any liability therefor. In addition, Lessor may condition its consent to any Reportable Use upon receiving such additional assurances as Lessor reasonably deems necessary to protect itself, the public, the Premises and/or the environment against damage, contamination, injury and/or liability, including, but not limited to, the installation (and removal on or before Lease expiration or termination) of protective modifications (such as concrete encasements) and/or increasing the Security Deposit.

(b) Duty to Inform Lessor. If Lessee knows, or has reasonable cause to believe, that a Hazardous Substance has come to be located in, on, under or about the Premises, other than as previously consented to by Lessor, Lessee shall immediately give written notice of such fact to Lessor, and provide Lessor with a copy of any report, notice, claim or other documentation which it has concerning the presence of such Hazardous Substance.

(c) Lessee Remediation. Lessee shall not cause or permit any Hazardous Substance to be spilled or released in, on, under, or about the Premises (including through the plumbing or sanitary sewer system) and shall promptly, at Lessee's expense, comply with all Applicable Requirements and take all investigatory and/or remedial action reasonably recommended, whether or not formally ordered or required, for the cleanup of any contamination of, and for the maintenance, security and/or monitoring of the Premises or neighboring properties, that was caused or materially contributed to by Lessee, or pertaining to or involving any Hazardous Substance brought onto the Premises during the term of this Lease, by or for Lessee, or any third party.

(d) Lessee Indemnification. Lessee shall indemnify, defend and hold Lessor, its agents, employees, lenders and ground lessor, if any, harmless from and against any and all loss of rents and/or damages, liabilities, judgments, claims, expenses, penalties, and attorneys' and consultants' fees arising out of or involving any Hazardous Substance brought onto the Premises by or for Lessee, or any third party (provided, however, that Lessee shall have no liability under this Lease with respect to underground migration of any Hazardous Substance under the Premises from areas outside of the Project not caused or contributed to by Lessee). Lessee's obligations shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Lessee, and the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease. No termination, cancellation or release agreement entered into by Lessor and Lessee shall release Lessee from its obligations under this Lease with respect to Hazardous Substances, unless specifically so agreed by Lessor in writing at the time of such agreement.

(e) Lessor Indemnification. Except as otherwise provided in paragraph 6.7, Lessor and its successors and assigns shall indemnify, defend, reimburse and hold Lessee, its employees and lenders, harmless from and against any and all environmental damages, including the cost of remediation, which are suffered as a direct result of Hazardous Substances on the Premises prior to Lessee taking possession or which are caused by the gross negligence or willful misconduct of Lessor, its agents or employees. Lessor's obligations, as and when required by the Applicable Requirements, shall include, but not be limited to, the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease.

(f) Investigations and Remediations. Lessor shall retain the responsibility and pay for any investigations or remediation measures required by governmental entities having jurisdiction with respect to the existence of Hazardous Substances on the Premises prior to the Lessee taking possession, unless such remediation measure is required as a result of Lessee's use (including "Alterations", as defined in paragraph 7.3(a) below) of the Premises, in which event Lessee shall be responsible for such payment. Lessee shall cooperate fully in any such activities at the request of Lessor, including allowing Lessor and Lessor's agents to have reasonable access to the Premises at reasonable times in order to carry out Lessor's investigative and remedial responsibilities.

(g) Lessor Termination Option. If a Hazardous Substance Condition (see Paragraph 9.1(e)) occurs during the term of this Lease, unless Lessee is legally responsible therefor (in which case Lessee shall make the investigation and remediation thereof required by the Applicable Requirements and this Lease shall continue in full force and effect, but subject to Lessor's rights under Paragraph 6.2(d) and Paragraph 13), Lessor may, at Lessor's option, either (i) investigate and remediate such Hazardous Substance Condition, if required, as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) if the estimated cost to remediate such condition exceeds 12 times the then monthly Base Rent or \$100,000, whichever is greater, give written notice to Lessee, within 30 days after receipt by Lessor of knowledge of the occurrence of such Hazardous Substance Condition, of Lessor's desire to terminate this Lease as of the date 60 days following the date of such notice. In the event Lessor elects to give a termination notice, Lessee may, within 10 days thereafter, give written notice to Lessor of Lessee's commitment to pay the amount by which the cost of the remediation of such Hazardous Substance Condition exceeds an amount equal to 12 times the then monthly Base Rent or \$100,000, whichever is greater. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days following such commitment. In such event, this Lease shall continue in full force and effect, and Lessor shall proceed to make such remediation as soon as reasonably possible after the required funds are available. If Lessee does not give such notice and provide the required funds or assurance

thereof within the time provided, this Lease shall terminate as of the date specified in Lessor's notice of termination.

6.3 **Lessee's Compliance with Applicable Requirements.** Except as otherwise provided in this Lease, Lessee shall, at Lessee's sole expense, fully, diligently and in a timely manner, materially comply with all Applicable Requirements, the requirements of any applicable fire insurance underwriter or rating bureau, and the recommendations of Lessor's engineers and/or consultants which relate in any manner to the Premises, without regard to whether said Applicable Requirements are now in effect or become effective after the Start Date. Lessee shall, within 10 days after receipt of Lessor's written request, provide Lessor with copies of all permits and other documents, and other information evidencing Lessee's compliance with any Applicable Requirements specified by Lessor, and shall immediately upon receipt, notify Lessor in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving the failure of Lessee or the Premises to comply with any Applicable Requirements. Likewise, Lessee shall immediately give written notice to Lessor of: (i) any water damage to the Premises and any suspected seepage, pooling, dampness or other condition conducive to the production of mold; or (ii) any mustiness or other odors that might indicate the presence of mold in the Premises.

6.4 **Inspection; Compliance.** Lessor and Lessor's "Lender" (as defined in Paragraph 30) and consultants authorized by Lessor shall have the right to enter into Premises at any time, in the case of an emergency, and otherwise at reasonable times after reasonable notice, for the purpose of inspecting and/or testing the condition of the Premises and/or for verifying compliance by Lessee with this Lease. The cost of any such inspections shall be paid by Lessor, unless a violation of Applicable Requirements, or a Hazardous Substance Condition (see paragraph 9.1) is found to exist or be imminent, or the inspection is requested or ordered by a governmental authority. In such case, Lessee shall upon request reimburse Lessor for the cost of such inspection, so long as such inspection is reasonably related to the violation or contamination. In addition, Lessee shall provide copies of all relevant material safety data sheets (MSDS) to Lessor within 10 days of the receipt of a written request therefore. Lessee acknowledges that any failure on its part to allow such inspections or testing will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, should the Lessee fail to allow such inspections and/or testing in a timely fashion the Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater for the remainder of the Lease. The Parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to allow such inspection and/or testing. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to such failure nor prevent the exercise of any of the other rights and remedies granted hereunder.

7. **Maintenance; Repairs, Utility Installations; Trade Fixtures and Alterations.**

7.1 **Lessee's Obligations.**

(a) **In General.** Subject to the provisions of Paragraph 2.2 (Condition), 2.3 (Compliance), 6.3 (Lessee's Compliance with Applicable Requirements), 7.2 (Lessor's Obligations), 9 (Damage or Destruction), and 14 (Condemnation), Lessee shall, at Lessee's sole expense, keep the Premises, Utility Installations (intended for Lessee's exclusive use, no matter where located), and Alterations in good order, condition and repair (whether or not the portion of the Premises requiring repairs, or the means of repairing the same, are reasonably or readily accessible to Lessee, and whether or not the need for such repairs occurs as a result of Lessee's use, any prior use, the elements or the age of such portion of the Premises), including, but not limited to, all equipment or facilities, such as plumbing, HVAC equipment, electrical, lighting facilities, boilers, pressure vessels, fixtures, interior walls, interior surfaces of exterior walls, ceilings, floors, windows, doors, plate glass, and skylights but excluding any items which are the responsibility of Lessor pursuant to Paragraph 7.2. Lessee, in keeping the Premises in good order, condition and repair, shall exercise and perform good maintenance practices, specifically including the procurement and maintenance of the service contracts required by Paragraph 7.1(b) below. Lessee's obligations shall include restorations, replacements or renewals when necessary to keep the Premises and all improvements thereon or a part thereof in good order, condition and state of repair.

(b) **Service Contracts.** Lessee shall, at Lessee's sole expense, procure and maintain contracts, with copies to Lessor, in customary form and substance for, and with contractors specializing and experienced in the maintenance of the following equipment and improvements, if any, if and when installed on the Premises: (i) HVAC equipment, (ii) boiler and pressure vessels, and (iii) clarifiers. However, Lessor reserves the right, upon notice to Lessee, to procure and maintain any or all of such service contracts, and Lessee shall reimburse Lessor, upon demand, for the cost thereof.

(c) **Failure to Perform.** If Lessee fails to perform Lessee's obligations under this Paragraph 7.1, Lessor may enter upon the Premises after 10 days' prior written notice to Lessee (except in the case of an emergency, in which case no notice shall be required), perform such obligations on Lessee's behalf, and put the Premises in good order, condition and repair, and Lessee shall promptly pay to Lessor a sum equal to 115% of the cost thereof.

(d) **Replacement.** Subject to Lessee's indemnification of Lessor as set forth in Paragraph 8.7 below, and without relieving Lessee of liability resulting from Lessee's failure to exercise and perform good maintenance practices, if an item described in Paragraph 7.1(b) cannot be repaired other than at a cost which is in excess of 50% of the cost of replacing such item, then such item shall be replaced by Lessor, and the cost thereof shall be prorated between the Parties and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease, on the date on which Base Rent is due, an amount equal to the product of multiplying the cost of such replacement by a fraction, the numerator of which is one, and the denominator of which is 144 (ie. 1/144th of the cost per month). Lessee shall pay interest on the unamortized balance but may prepay its obligation at any time.

7.2 **Lessor's Obligations.** Subject to the provisions of Paragraphs 2.2 (Condition), 2.3 (Compliance), 4.2 (Common Area Operating Expenses), 6 (Use), 7.1 (Lessee's Obligations), 9 (Damage or Destruction) and 14 (Condemnation), Lessor, subject to reimbursement pursuant to Paragraph 4.2, shall keep in good order, condition and repair the foundations, exterior walls, structural condition of interior bearing walls, exterior roof, fire sprinkler system, Common Area fire alarm and/or smoke detection systems, fire hydrants, parking lots, walkways, parkways, driveways, landscaping, fences, signs and utility systems serving the Common Areas and all parts thereof, as well as providing the services for which there is a Common Area Operating Expense pursuant to Paragraph 4.2. Lessor shall not be obligated to paint the exterior or interior surfaces of exterior walls nor shall Lessor be obligated to maintain, repair or replace windows, doors or plate glass of the Premises. Lessee expressly waives the benefit of any statute now or hereafter in effect to the extent it is inconsistent with the terms of this Lease.

7.3 **Utility Installations; Trade Fixtures; Alterations.**

(a) **Definitions.** The term "Utility Installations" refers to all floor and window coverings, air and/or vacuum lines, power panels, electrical distribution, security and fire protection systems, communication cabling, lighting fixtures, HVAC equipment, plumbing, and fencing in or on the Premises. The term "Trade Fixtures" shall mean Lessee's machinery and equipment that can be removed without doing material damage to the Premises. The term "Alterations" shall mean any modification of the improvements, other than Utility Installations or Trade Fixtures, whether by addition or deletion. "Lessee Owned Alterations and/or Utility Installations" are defined as Alterations and/or Utility Installations made by Lessee that are not yet owned by Lessor pursuant to Paragraph 7.4(a).

(b) **Consent.** Lessee shall not make any Alterations or Utility Installations to the Premises without Lessor's prior written consent. Lessee may, however, make non-structural Alterations or Utility Installations to the interior of the Premises (excluding the roof) without such consent but upon notice to Lessor, as long as they are not visible from the outside, do not involve puncturing, relocating or removing the roof or any existing walls, will not affect the electrical, plumbing, HVAC, and/or life safety systems, do not trigger the requirement for additional modifications and/or

improvements to the Premises resulting from Applicable Requirements, such as compliance with Title 24, and/or life safety systems, and the cumulative cost thereof during this Lease as extended does not exceed a sum equal to 3 month's Base Rent in the aggregate or a sum equal to one month's Base Rent in any one year. Notwithstanding the foregoing, Lessee shall not make or permit any roof penetrations and/or install anything on the roof without the prior written approval of Lessor. Lessor may, as a precondition to granting such approval, require Lessee to utilize a contractor chosen and/or approved by Lessor. Any Alterations or Utility Installations that Lessee shall desire to make and which require the consent of the Lessor shall be presented to Lessor in written form with detailed plans. Consent shall be deemed conditioned upon Lessee's: (i) acquiring all applicable governmental permits, (ii) furnishing Lessor with copies of both the permits and the plans and specifications prior to commencement of the work, and (iii) compliance with all conditions of said permits and other Applicable Requirements in a prompt and expeditious manner. Any Alterations or Utility Installations shall be performed in a workmanlike manner with good and sufficient materials. Lessee shall promptly upon completion furnish Lessor with as-built plans and specifications. For work which costs an amount in excess of one month's Base Rent, Lessor may condition its consent upon Lessee providing a lien and completion bond in an amount equal to 150% of the estimated cost of such Alteration or Utility Installation and/or upon Lessee's posting an additional Security Deposit with Lessor.

(c) **Liens; Bonds.** Lessee shall pay when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use on the Premises, which claims are or may be secured by any mechanic's or materialman's lien against the Premises or any interest therein. Lessee shall give Lessor not less than 10 days notice prior to the commencement of any work in, on or about the Premises, and Lessor shall have the right to post notices of non-responsibility. If Lessee shall contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend and protect itself, Lessor and the Premises against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof. If Lessor shall require, Lessee shall furnish a surety bond in an amount equal to 150% of the amount of such contested lien, claim or demand, indemnifying Lessor against liability for the same. If Lessor elects to participate in any such action, Lessee shall pay Lessor's attorneys' fees and costs.

**7.4 Ownership; Removal; Surrender; and Restoration.**

(a) **Ownership.** Subject to Lessor's right to require removal or elect ownership as hereinafter provided, all Alterations and Utility Installations made by Lessee shall be the property of Lessee, but considered a part of the Premises. Lessor may, at any time, elect in writing to be the owner of all or any specified part of the Lessee Owned Alterations and Utility Installations. Unless otherwise instructed per paragraph 7.4(b) hereof, all Lessee Owned Alterations and Utility Installations shall, at the expiration or termination of this Lease, become the property of Lessor and be surrendered by Lessee with the Premises.

(b) **Removal.** By delivery to Lessee of written notice from Lessor not earlier than 90 and not later than 30 days prior to the end of the term of this Lease, Lessor may require that any or all Lessee Owned Alterations or Utility Installations be removed by the expiration or termination of this Lease. Lessor may require the removal at any time of all or any part of any Lessee Owned Alterations or Utility Installations made without the required consent.

(c) **Surrender; Restoration.** Lessee shall surrender the Premises by the Expiration Date or any earlier termination date, with all of the improvements, parts and surfaces thereof broom clean and free of debris, and in good operating order, condition and state of repair, ordinary wear and tear excepted. "Ordinary wear and tear" shall not include any damage or deterioration that would have been prevented by good maintenance practice. Notwithstanding the foregoing, if the Lessee occupies the Premises for 12 months or less, then Lessee shall surrender the Premises in the same condition as delivered to Lessee on the Start Date with NO allowance for ordinary wear and tear. Lessee shall repair any damage occasioned by the installation, maintenance or removal of Trade Fixtures, Lessee owned Alterations and/or Utility Installations, furnishings, and equipment as well as the removal of any storage tank installed by or for Lessee. Lessee shall also remove from the Premises any and all Hazardous Substances brought onto the Premises by or for Lessee, or any third party (except Hazardous Substances which were deposited via underground migration from areas outside of the Project) to the level specified in Applicable Requirements. Trade Fixtures shall remain the property of Lessee and shall be removed by Lessee. Any personal property of Lessee not removed on or before the Expiration Date or any earlier termination date shall be deemed to have been abandoned by Lessee and may be disposed of or retained by Lessor as Lessor may desire. The failure by Lessee to timely vacate the Premises pursuant to this Paragraph 7.4(c) without the express written consent of Lessor shall constitute a holdover under the provisions of Paragraph 26 below.

**8. Insurance; Indemnity.**

**8.1 Payment of Premiums.** The cost of the premiums for the insurance policies required to be carried by Lessor, pursuant to Paragraphs 8.2(b), 8.3(a) and 8.3(b), shall be a Common Area Operating Expense. Premiums for policy periods commencing prior to, or extending beyond, the term of this Lease shall be prorated to coincide with the corresponding Start Date or Expiration Date.

**8.2 Liability Insurance.**

(a) **Carried by Lessee.** Lessee shall obtain and keep in force a Commercial General Liability policy of insurance protecting Lessee and Lessor as an additional insured against claims for bodily injury, personal injury and property damage based upon or arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than \$1,000,000 per occurrence with an annual aggregate of not less than \$2,000,000. Lessee shall add Lessor as an additional insured by means of an endorsement at least as broad as the Insurance Service Organization's "Additional Insured-Managers or Lessors of Premises" Endorsement. The policy shall not contain any intra-insured exclusions as between insured persons or organizations, but shall include coverage for liability assumed under this Lease as an "insured contract" for the performance of Lessee's indemnity obligations under this Lease. The limits of said insurance shall not, however, limit the liability of Lessee nor relieve Lessee of any obligation hereunder. Lessee shall provide an endorsement on its liability policy(ies) which provides that its insurance shall be primary to and not contributory with any similar insurance carried by Lessor, whose insurance shall be considered excess insurance only.

(b) **Carried by Lessor.** Lessor shall maintain liability insurance as described in Paragraph 8.2(a), in addition to, and not in lieu of, the insurance required to be maintained by Lessee. Lessee shall not be named as an additional insured therein.

**8.3 Property Insurance - Building, Improvements and Rental Value.**

(a) **Building and Improvements.** Lessor shall obtain and keep in force a policy or policies of insurance in the name of Lessor, with loss payable to Lessor, any ground-lessor, and to any Lender insuring loss or damage to the Premises. The amount of such insurance shall be equal to the full insurable replacement cost of the Premises, as the same shall exist from time to time, or the amount required by any Lender, but in no event more than the commercially reasonable and available insurable value thereof. Lessee Owned Alterations and Utility Installations, Trade Fixtures, and Lessee's personal property shall be insured by Lessee not by Lessor. If the coverage is available and commercially appropriate, such policy or policies shall insure against all risks of direct physical loss or damage (except the perils of flood and/or earthquake unless required by a Lender), including coverage for debris removal and the enforcement of any Applicable Requirements requiring the upgrading, demolition, reconstruction or replacement of any portion of the Premises as the result of a covered loss. Said policy or policies shall also contain an agreed valuation provision in lieu of any coinsurance clause, waiver of subrogation, and inflation guard protection causing an increase in the annual property insurance coverage amount by a factor of not less than the adjusted U.S. Department of Labor Consumer Price Index for All Urban Consumers for the city nearest to where the Premises are located. If such insurance coverage has a deductible clause, the deductible amount shall not exceed \$5,000 per occurrence.

(b) **Rental Value.** Lessor shall also obtain and keep in force a policy or policies in the name of Lessor with loss payable to Lessor and any Lender, insuring the loss of the full Rent for one year with an extended period of indemnity for an additional 180 days ("Rental Value Insurance"). Said insurance shall contain an agreed valuation provision in lieu of any coinsurance clause, and the amount of coverage shall be adjusted annually to reflect the projected Rent otherwise payable by Lessee, for the next 12 month period.

(c) **Adjacent Premises.** Lessee shall pay for any increase in the premiums for the property insurance of the Building and for the Common Areas or other buildings in the Project if said increase is caused by Lessee's acts, omissions, use or occupancy of the Premises.

(d) **Lessee's Improvements.** Since Lessor is the Insuring Party, Lessor shall not be required to insure Lessee Owned Alterations and Utility Installations unless the item in question has become the property of Lessor under the terms of this Lease.

**8.4 Lessee's Property; Business Interruption Insurance; Worker's Compensation Insurance.**

(a) **Property Damage.** Lessee shall obtain and maintain insurance coverage on all of Lessee's personal property, Trade Fixtures, and Lessee Owned Alterations and Utility Installations. Such insurance shall be full replacement cost coverage with a deductible of not to exceed \$1,000 per occurrence. The proceeds from any such insurance shall be used by Lessee for the replacement of personal property, Trade Fixtures and Lessee Owned Alterations and Utility Installations.

(b) **Business Interruption.** Lessee shall obtain and maintain loss of income and extra expense insurance in amounts as will reimburse Lessee for direct or indirect loss of earnings attributable to all perils commonly insured against by prudent lessees in the business of Lessee or attributable to prevention of access to the Premises as a result of such perils.

(c) **Worker's Compensation Insurance.** Lessee shall obtain and maintain Worker's Compensation Insurance in such amount as may be required by Applicable Requirements. Such policy shall include a 'Waiver of Subrogation' endorsement. Lessee shall provide Lessor with a copy of such endorsement along with the certificate of insurance or copy of the policy required by paragraph 8.5.

(d) **No Representation of Adequate Coverage.** Lessor makes no representation that the limits or forms of coverage of insurance specified herein are adequate to cover Lessee's property, business operations or obligations under this Lease.

**8.5 Insurance Policies.** Insurance required herein shall be by companies maintaining during the policy term a "General Policyholders Rating" of at least A-, VII, as set forth in the most current issue of "Best's Insurance Guide", or such other rating as may be required by a Lender. Lessee shall not do or permit to be done anything which invalidates the required insurance policies. Lessee shall, prior to the Start Date, deliver to Lessor certified copies of policies of such insurance or certificates with copies of the required endorsements evidencing the existence and amounts of the required insurance. No such policy shall be cancelable or subject to modification except after 30 days prior written notice to Lessor. Lessee shall, at least 10 days prior to the expiration of such policies, furnish Lessor with evidence of renewals or "insurance binders" evidencing renewal thereof, or Lessor may increase his liability insurance coverage and charge the cost thereof to Lessee, which amount shall be payable by Lessee to Lessor upon demand. Such policies shall be for a term of at least one year, or the length of the remaining term of this Lease, whichever is less. If either Party shall fail to procure and maintain the insurance required to be carried by it, the other Party may, but shall not be required to, procure and maintain the same.

**8.6 Waiver of Subrogation.** Without affecting any other rights or remedies, Lessee and Lessor each hereby release and relieve the other, and waive their entire right to recover damages against the other, for loss of or damage to its property arising out of or incident to the perils required to be insured against herein. The effect of such releases and waivers is not limited by the amount of insurance carried or required, or by any deductibles applicable hereto. The Parties agree to have their respective property damage insurance carriers waive any right to subrogation that such companies may have against Lessor or Lessee, as the case may be, so long as the insurance is not invalidated thereby.

**8.7 Indemnity.** Except for Lessor's gross negligence or willful misconduct, Lessee shall indemnify, protect, defend and hold harmless the Premises, Lessor and its agents, Lessor's master or ground lessor, partners and Lenders, from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving, or in connection with, the use and/or occupancy of the Premises by Lessee. If any action or proceeding is brought against Lessor by reason of any of the foregoing matters, Lessee shall upon notice defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessee in such defense. Lessor need not have first paid any such claim in order to be defended or indemnified.

**8.8 Exemption of Lessor and its Agents from Liability.** Notwithstanding the negligence or breach of this Lease by Lessor or its agents, neither Lessor nor its agents shall be liable under any circumstances for: (i) injury or damage to the person or goods, wares, merchandise or other property of Lessee, Lessee's employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, indoor air quality, the presence of mold or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, HVAC or lighting fixtures, or from any other cause, whether the said injury or damage results from conditions arising upon the Premises or upon other portions of the Building, or from other sources or places, (ii) any damages arising from any act or neglect of any other tenant of Lessor or from the failure of Lessor or its agents to enforce the provisions of any other lease in the Project, or (iii) injury to Lessee's business or for any loss of income or profit therefrom. Instead, it is intended that Lessee's sole recourse in the event of such damages or injury be to file a claim on the insurance policy(ies) that Lessee is required to maintain pursuant to the provisions of paragraph 8.

**8.9 Failure to Provide Insurance.** Lessee acknowledges that any failure on its part to obtain or maintain the insurance required herein will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, for any month or portion thereof that Lessee does not maintain the required insurance and/or does not provide Lessor with the required binders or certificates evidencing the existence of the required insurance, the Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater. The parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to maintain the required insurance. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to maintain such insurance, prevent the exercise of any of the other rights and remedies granted hereunder, nor relieve Lessee of its obligation to maintain the insurance specified in this Lease.

**9. Damage or Destruction.**

**9.1 Definitions.**

(a) "**Premises Partial Damage**" shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations, which can reasonably be repaired in 3 months or less from the date of the damage or destruction, and the cost thereof does not exceed a sum equal to 6 month's Base Rent. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(b) "**Premises Total Destruction**" shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which cannot reasonably be repaired in 3 months or less from the date of the damage or destruction and/or the cost thereof exceeds a sum equal to 6 month's Base Rent. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(c) "**Insured Loss**" shall mean damage or destruction to improvements on the Premises, other than Lessee Owned

Alterations and Utility Installations and Trade Fixtures, which was caused by an event required to be covered by the insurance described in Paragraph 8.3(a), irrespective of any deductible amounts or coverage limits involved.

(d) **"Replacement Cost"** shall mean the cost to repair or rebuild the improvements owned by Lessor at the time of the occurrence to their condition existing immediately prior thereto, including demolition, debris removal and upgrading required by the operation of Applicable Requirements, and without deduction for depreciation.

(e) **"Hazardous Substance Condition"** shall mean the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Substance, in, on, or under the Premises which requires restoration.

9.2 **Partial Damage - Insured Loss.** If a Premises Partial Damage that is an Insured Loss occurs, then Lessor shall, at Lessor's expense, repair such damage (but not Lessee's Trade Fixtures or Lessee Owned Alterations and Utility Installations) as soon as reasonably possible and this Lease shall continue in full force and effect; provided, however, that Lessee shall, at Lessor's election, make the repair of any damage or destruction the total cost to repair of which is \$10,000 or less, and, in such event, Lessor shall make any applicable insurance proceeds available to Lessee on a reasonable basis for that purpose. Notwithstanding the foregoing, if the required insurance was not in force or the insurance proceeds are not sufficient to effect such repair, the Insuring Party shall promptly contribute the shortage in proceeds as and when required to complete said repairs. In the event, however, such shortage was due to the fact that, by reason of the unique nature of the improvements, full replacement cost insurance coverage was not commercially reasonable and available, Lessor shall have no obligation to pay for the shortage in insurance proceeds or to fully restore the unique aspects of the Premises unless Lessee provides Lessor with the funds to cover same, or adequate assurance thereof, within 10 days following receipt of written notice of such shortage and request therefor. If Lessor receives said funds or adequate assurance thereof within said 10 day period, the party responsible for making the repairs shall complete them as soon as reasonably possible and this Lease shall remain in full force and effect. If such funds or assurance are not received, Lessor may nevertheless elect by written notice to Lessee within 10 days thereafter to: (i) make such restoration and repair as is commercially reasonable with Lessor paying any shortage in proceeds, in which case this Lease shall remain in full force and effect, or (ii) have this Lease terminate 30 days thereafter. Lessee shall not be entitled to reimbursement of any funds contributed by Lessee to repair any such damage or destruction. Premises Partial Damage due to flood or earthquake shall be subject to Paragraph 9.3, notwithstanding that there may be some insurance coverage, but the net proceeds of any such insurance shall be made available for the repairs if made by either Party.

9.3 **Partial Damage - Uninsured Loss.** If a Premises Partial Damage that is not an Insured Loss occurs, unless caused by a negligent or willful act of Lessee (in which event Lessee shall make the repairs at Lessee's expense), Lessor may either: (i) repair such damage as soon as reasonably possible at Lessor's expense (subject to reimbursement pursuant to Paragraph 4.2), in which event this Lease shall continue in full force and effect, or (ii) terminate this Lease by giving written notice to Lessee within 30 days after receipt by Lessor of knowledge of the occurrence of such damage. Such termination shall be effective 60 days following the date of such notice. In the event Lessor elects to terminate this Lease, Lessee shall have the right within 10 days after receipt of the termination notice to give written notice to Lessor of Lessee's commitment to pay for the repair of such damage without reimbursement from Lessor. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days after making such commitment. In such event this Lease shall continue in full force and effect, and Lessor shall proceed to make such repairs as soon as reasonably possible after the required funds are available. If Lessee does not make the required commitment, this Lease shall terminate as of the date specified in the termination notice.

9.4 **Total Destruction.** Notwithstanding any other provision hereof, if a Premises Total Destruction occurs, this Lease shall terminate 60 days following such Destruction. If the damage or destruction was caused by the gross negligence or willful misconduct of Lessee, Lessor shall have the right to recover Lessor's damages from Lessee, except as provided in Paragraph 8.6.

9.5 **Damage Near End of Term.** If at any time during the last 6 months of this Lease there is damage for which the cost to repair exceeds one month's Base Rent, whether or not an Insured Loss, Lessor may terminate this Lease effective 60 days following the date of occurrence of such damage by giving a written termination notice to Lessee within 30 days after the date of occurrence of such damage. Notwithstanding the foregoing, if Lessee at that time has an exercisable option to extend this Lease or to purchase the Premises, then Lessee may preserve this Lease by, (a) exercising such option and (b) providing Lessor with any shortage in insurance proceeds (or adequate assurance thereof) needed to make the repairs on or before the earlier of (i) the date which is 10 days after Lessee's receipt of Lessor's written notice purporting to terminate this Lease, or (ii) the day prior to the date upon which such option expires. If Lessee duly exercises such option during such period and provides Lessor with funds (or adequate assurance thereof) to cover any shortage in insurance proceeds, Lessor shall, at Lessor's commercially reasonable expense, repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. If Lessee fails to exercise such option and provide such funds or assurance during such period, then this Lease shall terminate on the date specified in the termination notice and Lessee's option shall be extinguished.

9.6 **Abatement of Rent; Lessee's Remedies.**

(a) **Abatement.** In the event of Premises Partial Damage or Premises Total Destruction or a Hazardous Substance Condition for which Lessee is not responsible under this Lease, the Rent payable by Lessee for the period required for the repair, remediation or restoration of such damage shall be abated in proportion to the degree to which Lessee's use of the Premises is impaired, but not to exceed the proceeds received from the Rental Value insurance. All other obligations of Lessee hereunder shall be performed by Lessee, and Lessor shall have no liability for any such damage, destruction, remediation, repair or restoration except as provided herein.

(b) **Remedies.** If Lessor is obligated to repair or restore the Premises and does not commence, in a substantial and meaningful way, such repair or restoration within 90 days after such obligation shall accrue, Lessee may, at any time prior to the commencement of such repair or restoration, give written notice to Lessor and to any Lenders of which Lessee has actual notice, of Lessee's election to terminate this Lease on a date not less than 60 days following the giving of such notice. If Lessee gives such notice and such repair or restoration is not commenced within 30 days thereafter, this Lease shall terminate as of the date specified in said notice. If the repair or restoration is commenced within such 30 days, this Lease shall continue in full force and effect. "Commence" shall mean either the unconditional authorization of the preparation of the required plans, or the beginning of the actual work on the Premises, whichever first occurs.

9.7 **Termination; Advance Payments.** Upon termination of this Lease pursuant to Paragraph 6.2(g) or Paragraph 9, an equitable adjustment shall be made concerning advance Base Rent and any other advance payments made by Lessee to Lessor. Lessor shall, in addition, return to Lessee so much of Lessee's Security Deposit as has not been, or is not then required to be, used by Lessor.

10. **Real Property Taxes.**

10.1 **Definition** As used herein, the term "Real Property Taxes" shall include any form of assessment; real estate, general, special, ordinary or extraordinary, or rental levy or tax (other than inheritance, personal income or estate taxes); improvement bond; and/or license fee imposed upon or levied against any legal or equitable interest of Lessor in the Project, Lessor's right to other income therefrom, and/or Lessor's business of leasing, by any authority having the direct or indirect power to tax and where the funds are generated with reference to the Project address. The term "Real Property Taxes" shall also include any tax, fee, levy, assessment or charge, or any increase therein: (i) imposed by reason of events occurring during the term of this Lease, including but not limited to, a change in the ownership of the Project, (ii) a change in the improvements thereon, and/or (iii) levied or assessed on machinery or equipment provided by Lessor to Lessee pursuant to this Lease. In calculating Real Property Taxes for any calendar year, the Real Property Taxes for any real estate tax year shall be included in the calculation of Real Property Taxes for such calendar year

based upon the number of days which such calendar year and tax year have in common.

**10.2 Payment of Taxes** Except as otherwise provided in Paragraph 10.3, Lessor shall pay the Real Property Taxes applicable to the Project, and said payments shall be included in the calculation of Common Area Operating Expenses in accordance with the provisions of Paragraph 4.2.

**10.3 Additional Improvements.** Common Area Operating Expenses shall not include Real Property Taxes specified in the tax assessor's records and work sheets as being caused by additional improvements placed upon the Project by other lessees or by Lessor for the exclusive enjoyment of such other lessees. Notwithstanding Paragraph 10.2 hereof, Lessee shall, however, pay to Lessor at the time Common Area Operating Expenses are payable under Paragraph 4.2, the entirety of any increase in Real Property Taxes if assessed solely by reason of Alterations, Trade Fixtures or Utility Installations placed upon the Premises by Lessee or at Lessee's request or by reason of any alterations or improvements to the Premises made by Lessor subsequent to the execution of this Lease by the Parties.

**10.4 Joint Assessment.** If the Building is not separately assessed, Real Property Taxes allocated to the Building shall be an equitable proportion of the Real Property Taxes for all of the land and improvements included within the tax parcel assessed, such proportion to be determined by Lessor from the respective valuations assigned in the assessor's work sheets or such other information as may be reasonably available. Lessor's reasonable determination thereof, in good faith, shall be conclusive.

**10.5 Personal Property Taxes.** Lessee shall pay prior to delinquency all taxes assessed against and levied upon Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all personal property of Lessee contained in the Premises. When possible, Lessee shall cause its Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Lessor. If any of Lessee's said property shall be assessed with Lessor's real property, Lessee shall pay Lessor the taxes attributable to Lessee's property within 10 days after receipt of a written statement setting forth the taxes applicable to Lessee's property.

**11. Utilities and Services.** Lessee shall pay for all water, gas, heat, light, power, telephone, trash disposal and other utilities and services supplied to the Premises, together with any taxes thereon. Notwithstanding the provisions of Paragraph 4.2, if at any time in Lessor's sole judgment, Lessor determines that Lessee is using a disproportionate amount of water, electricity or other commonly metered utilities, or that Lessee is generating such a large volume of trash as to require an increase in the size of the trash receptacle and/or an increase in the number of times per month that it is emptied, then Lessor may increase Lessee's Base Rent by an amount equal to such increased costs. There shall be no abatement of Rent and Lessor shall not be liable in any respect whatsoever for the inadequacy, stoppage, interruption or discontinuance of any utility or service due to riot, strike, labor dispute, breakdown, accident, repair or other cause beyond Lessor's reasonable control or in cooperation with governmental request or directions.

**12. Assignment and Subletting.**

**12.1 Lessor's Consent Required.**

(a) Lessee shall not voluntarily or by operation of law assign, transfer, mortgage or encumber (collectively, "assign or assignment") or sublet all or any part of Lessee's interest in this Lease or in the Premises without Lessor's prior written consent.

(b) Unless Lessee is a corporation and its stock is publicly traded on a national stock exchange, a change in the control of Lessee shall constitute an assignment requiring consent. The transfer, on a cumulative basis, of 25% or more of the voting control of Lessee shall constitute a change in control for this purpose.

(c) The involvement of Lessee or its assets in any transaction, or series of transactions (by way of merger, sale, acquisition, financing, transfer, leveraged buy-out or otherwise), whether or not a formal assignment or hypothecation of this Lease or Lessee's assets occurs, which results or will result in a reduction of the Net Worth of Lessee by an amount greater than 25% of such Net Worth as it was represented at the time of the execution of this Lease or at the time of the most recent assignment to which Lessor has consented, or as it exists immediately prior to said transaction or transactions constituting such reduction, whichever was or is greater, shall be considered an assignment of this Lease to which Lessor may withhold its consent. "Net Worth of Lessee" shall mean the net worth of Lessee (excluding any guarantors) established under generally accepted accounting principles.

(d) An assignment or subletting without consent shall, at Lessor's option, be a Default curable after notice per Paragraph 13.1(d), or a noncurable Breach without the necessity of any notice and grace period. If Lessor elects to treat such unapproved assignment or subletting as a noncurable Breach, Lessor may either: (i) terminate this Lease, or (ii) upon 30 days written notice, increase the monthly Base Rent to 110% of the Base Rent then in effect. Further, in the event of such Breach and rental adjustment, (i) the purchase price of any option to purchase the Premises held by Lessee shall be subject to similar adjustment to 110% of the price previously in effect, and (ii) all fixed and non-fixed rental adjustments scheduled during the remainder of the Lease term shall be increased to 110% of the scheduled adjusted rent.

(e) Lessee's remedy for any breach of Paragraph 12.1 by Lessor shall be limited to compensatory damages and/or injunctive relief.

(f) Lessor may reasonably withhold consent to a proposed assignment or subletting if Lessee is in Default at the time consent is requested.

(g) Notwithstanding the foregoing, allowing a de minimis portion of the Premises, ie. 20 square feet or less, to be used by a third party vendor in connection with the installation of a vending machine or payphone shall not constitute a subletting.

**12.2 Terms and Conditions Applicable to Assignment and Subletting.**

(a) Regardless of Lessor's consent, no assignment or subletting shall: (i) be effective without the express written assumption by such assignee or sublessee of the obligations of Lessee under this Lease, (ii) release Lessee of any obligations hereunder, or (iii) alter the primary liability of Lessee for the payment of Rent or for the performance of any other obligations to be performed by Lessee.

(b) Lessor may accept Rent or performance of Lessee's obligations from any person other than Lessee pending approval or disapproval of an assignment. Neither a delay in the approval or disapproval of such assignment nor the acceptance of Rent or performance shall constitute a waiver or estoppel of Lessor's right to exercise its remedies for Lessee's Default or Breach.

(c) Lessor's consent to any assignment or subletting shall not constitute consent to any subsequent assignment or subletting.

(d) In the event of any Default or Breach by Lessee, Lessor may proceed directly against Lessee, any Guarantors or anyone else responsible for the performance of Lessee's obligations under this Lease, including any assignee or sublessee, without first exhausting Lessor's remedies against any other person or entity responsible therefore to Lessor, or any security held by Lessor.

(e) Each request for consent to an assignment or subletting shall be in writing, accompanied by information relevant to Lessor's determination as to the financial and operational responsibility and appropriateness of the proposed assignee or sublessee, including but not limited to the intended use and/or required modification of the Premises, if any, together with a fee of \$500 as consideration for Lessor's considering and processing said request. Lessee agrees to provide Lessor with such other or additional information and/or documentation as may be reasonably requested. (See also Paragraph 36)

(f) Any assignee of, or sublessee under, this Lease shall, by reason of accepting such assignment, entering into such sublease, or entering into possession of the Premises or any portion thereof, be deemed to have assumed and agreed to conform and comply with

each and every term, covenant, condition and obligation herein to be observed or performed by Lessee during the term of said assignment or sublease, other than such obligations as are contrary to or inconsistent with provisions of an assignment or sublease to which Lessor has specifically consented to in writing.

(g) Lessor's consent to any assignment or subletting shall not transfer to the assignee or sublessee any Option granted to the original Lessee by this Lease unless such transfer is specifically consented to by Lessor in writing. (See Paragraph 39.2)

**12.3 Additional Terms and Conditions Applicable to Subletting.** The following terms and conditions shall apply to any subletting by Lessee of all or any part of the Premises and shall be deemed included in all subleases under this Lease whether or not expressly incorporated therein:

(a) Lessee hereby assigns and transfers to Lessor all of Lessee's interest in all Rent payable on any sublease, and Lessor may collect such Rent and apply same toward Lessee's obligations under this Lease; provided, however, that until a Breach shall occur in the performance of Lessee's obligations, Lessee may collect said Rent. In the event that the amount collected by Lessor exceeds Lessee's then outstanding obligations any such excess shall be refunded to Lessee. Lessor shall not, by reason of the foregoing or any assignment of such sublease, nor by reason of the collection of Rent, be deemed liable to the sublessee for any failure of Lessee to perform and comply with any of Lessee's obligations to such sublessee. Lessee hereby irrevocably authorizes and directs any such sublessee, upon receipt of a written notice from Lessor stating that a Breach exists in the performance of Lessee's obligations under this Lease, to pay to Lessor all Rent due and to become due under the sublease. Sublessee shall rely upon any such notice from Lessor and shall pay all Rents to Lessor without any obligation or right to inquire as to whether such Breach exists, notwithstanding any claim from Lessee to the contrary.

(b) In the event of a Breach by Lessee, Lessor may, at its option, require sublessee to atton to Lessor, in which event Lessor shall undertake the obligations of the sublessor under such sublease from the time of the exercise of said option to the expiration of such sublease; provided, however, Lessor shall not be liable for any prepaid rents or security deposit paid by such sublessee to such sublessor or for any prior Defaults or Breaches of such sublessor.

(c) Any matter requiring the consent of the sublessor under a sublease shall also require the consent of Lessor.

(d) No sublessee shall further assign or sublet all or any part of the Premises without Lessor's prior written consent.

(e) Lessor shall deliver a copy of any notice of Default or Breach by Lessee to the sublessee, who shall have the right to cure the Default of Lessee within the grace period, if any, specified in such notice. The sublessee shall have a right of reimbursement and offset from and against Lessee for any such Defaults cured by the sublessee.

**13. Default; Breach; Remedies.**

**13.1 Default; Breach.** A "Default" is defined as a failure by the Lessee to comply with or perform any of the terms, covenants, conditions or Rules and Regulations under this Lease. A "Breach" is defined as the occurrence of one or more of the following Defaults, and the failure of Lessee to cure such Default within any applicable grace period:

(a) The abandonment of the Premises; or the vacating of the Premises without providing a commercially reasonable level of security, or where the coverage of the property insurance described in Paragraph 8.3 is jeopardized as a result thereof, or without providing reasonable assurances to minimize potential vandalism.

(b) The failure of Lessee to make any payment of Rent or any Security Deposit required to be made by Lessee hereunder, whether to Lessor or to a third party, when due, to provide reasonable evidence of insurance or surety bond, or to fulfill any obligation under this Lease which endangers or threatens life or property, where such failure continues for a period of 3 business days following written notice to Lessee. THE ACCEPTANCE BY LESSOR OF A PARTIAL PAYMENT OF RENT OR SECURITY DEPOSIT SHALL NOT CONSTITUTE A WAIVER OF ANY OF LESSOR'S RIGHTS, INCLUDING LESSOR'S RIGHT TO RECOVER POSSESSION OF THE PREMISES.

(c) The failure of Lessee to allow Lessor and/or its agents access to the Premises or the commission of waste, act or acts constituting public or private nuisance, and/or an illegal activity on the Premises by Lessee, where such actions continue for a period of 3 business days following written notice to Lessee. In the event that Lessee commits waste, a nuisance or an illegal activity a second time then, the Lessor may elect to treat such conduct as a non-curable Breach rather than a Default.

(d) The failure by Lessee to provide (i) reasonable written evidence of compliance with Applicable Requirements, (ii) the service contracts, (iii) the rescission of an unauthorized assignment or subletting, (iv) an Estoppel Certificate or financial statements, (v) a requested subordination, (vi) evidence concerning any guaranty and/or Guarantor, (vii) any document requested under Paragraph 41, (viii) material data safety sheets (MSDS), or (ix) any other documentation or information which Lessor may reasonably require of Lessee under the terms of this Lease, where any such failure continues for a period of 10 days following written notice to Lessee.

(e) A Default by Lessee as to the terms, covenants, conditions or provisions of this Lease, or of the rules adopted under Paragraph 2.9 hereof, other than those described in subparagraphs 13.1(a), (b), (c) or (d), above, where such Default continues for a period of 30 days after written notice; provided, however, that if the nature of Lessee's Default is such that more than 30 days are reasonably required for its cure, then it shall not be deemed to be a Breach if Lessee commences such cure within said 30 day period and thereafter diligently prosecutes such cure to completion.

(f) The occurrence of any of the following events: (i) the making of any general arrangement or assignment for the benefit of creditors; (ii) becoming a "debtor" as defined in 11 U.S.C. § 101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within 60 days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within 30 days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within 30 days; provided, however, in the event that any provision of this subparagraph is contrary to any applicable law, such provision shall be of no force or effect, and not affect the validity of the remaining provisions.

(g) The discovery that any financial statement of Lessee or of any Guarantor given to Lessor was materially false.

(h) If the performance of Lessee's obligations under this Lease is guaranteed: (i) the death of a Guarantor, (ii) the termination of a Guarantor's liability with respect to this Lease other than in accordance with the terms of such guaranty, (iii) a Guarantor's becoming insolvent or the subject of a bankruptcy filing, (iv) a Guarantor's refusal to honor the guaranty, or (v) a Guarantor's breach of its guaranty obligation on an anticipatory basis, and Lessee's failure, within 60 days following written notice of any such event, to provide written alternative assurance or security, which, when coupled with the then existing resources of Lessee, equals or exceeds the combined financial resources of Lessee and the Guarantors that existed at the time of execution of this Lease.

**13.2 Remedies.** If Lessee fails to perform any of its affirmative duties or obligations, within 10 days after written notice (or in case of an emergency, without notice), Lessor may, at its option, perform such duty or obligation on Lessee's behalf, including but not limited to the obtaining of reasonably required bonds, insurance policies, or governmental licenses, permits or approvals. Lessee shall pay to Lessor an amount equal to 115% of the costs and expenses incurred by Lessor in such performance upon receipt of an invoice therefor. In the event of a Breach, Lessor may, with or without further notice or demand, and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such Breach:

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession to Lessor. In such event Lessor shall be entitled to recover from Lessee: (i) the unpaid Rent which

had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that the Lessee proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by the Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, and that portion of any leasing commission paid by Lessor in connection with this Lease applicable to the unexpired term of this Lease. The worth at the time of award of the amount referred to in provision (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of the District within which the Premises are located at the time of award plus one percent. Efforts by Lessor to mitigate damages caused by Lessee's Breach of this Lease shall not waive Lessor's right to recover any damages to which Lessor is otherwise entitled. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Lessor shall have the right to recover in such proceeding any unpaid Rent and damages as are recoverable therein, or Lessor may reserve the right to recover all or any part thereof in a separate suit. If a notice and grace period required under Paragraph 13.1 was not previously given, a notice to pay rent or quit, or to perform or quit given to Lessee under the unlawful detainer statute shall also constitute the notice required by Paragraph 13.1. In such case, the applicable grace period required by Paragraph 13.1 and the unlawful detainer statute shall run concurrently, and the failure of Lessee to cure the Default within the greater of the two such grace periods shall constitute both an unlawful detainer and a Breach of this Lease entitling Lessor to the remedies provided for in this Lease and/or by said statute.

(b) Continue the Lease and Lessee's right to possession and recover the Rent as it becomes due, in which event Lessee may sublet or assign, subject only to reasonable limitations. Acts of maintenance, efforts to relet, and/or the appointment of a receiver to protect the Lessor's interests, shall not constitute a termination of the Lessee's right to possession.

(c) Pursue any other remedy now or hereafter available under the laws or judicial decisions of the state wherein the Premises are located. The expiration or termination of this Lease and/or the termination of Lessee's right to possession shall not relieve Lessee from liability under any indemnity provisions of this Lease as to matters occurring or accruing during the term hereof or by reason of Lessee's occupancy of the Premises.

**13.3 Inducement Recapture.** Any agreement for free or abated rent or other charges, the cost of tenant improvements for Lessee paid for or performed by Lessor, or for the giving or paying by Lessor to or for Lessee of any cash or other bonus, inducement or consideration for Lessee's entering into this Lease, all of which concessions are hereinafter referred to as "Inducement Provisions", shall be deemed conditioned upon Lessee's full and faithful performance of all of the terms, covenants and conditions of this Lease. Upon Breach of this Lease by Lessee, any such Inducement Provision shall automatically be deemed deleted from this Lease and of no further force or effect, and any rent, other charge, bonus, inducement or consideration theretofore abated, given or paid by Lessor under such an Inducement Provision shall be immediately due and payable by Lessee to Lessor, notwithstanding any subsequent cure of said Breach by Lessee. The acceptance by Lessor of rent or the cure of the Breach which initiated the operation of this paragraph shall not be deemed a waiver by Lessor of the provisions of this paragraph unless specifically so stated in writing by Lessor at the time of such acceptance.

**13.4 Late Charges.** Lessee hereby acknowledges that late payment by Lessee of Rent will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Lessor by any Lender. Accordingly, if any Rent shall not be received by Lessor within 5 days after such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall immediately pay to Lessor a one-time late charge equal to 10% of each such overdue amount or \$100, whichever is greater. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of such late payment. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's Default or Breach with respect to such overdue amount, nor prevent the exercise of any of the other rights and remedies granted hereunder. In the event that a late charge is payable hereunder, whether or not collected, for 3 consecutive installments of Base Rent, then notwithstanding any provision of this Lease to the contrary, Base Rent shall, at Lessor's option, become due and payable quarterly in advance.

**13.5 Interest.** Any monetary payment due Lessor hereunder, other than late charges, not received by Lessor, when due shall bear interest from the 31st day after it was due. The interest ("Interest") charged shall be computed at the rate of 10% per annum but shall not exceed the maximum rate allowed by law. Interest is payable in addition to the potential late charge provided for in Paragraph 13.4.

**13.6 Breach by Lessor.**

(a) **Notice of Breach.** Lessor shall not be deemed in breach of this Lease unless Lessor fails within a reasonable time to perform an obligation required to be performed by Lessor. For purposes of this Paragraph, a reasonable time shall in no event be less than 30 days after receipt by Lessor, and any Lender whose name and address shall have been furnished Lessee in writing for such purpose, of written notice specifying wherein such obligation of Lessor has not been performed; provided, however, that if the nature of Lessor's obligation is such that more than 30 days are reasonably required for its performance, then Lessor shall not be in breach if performance is commenced within such 30 day period and hereafter diligently pursued to completion.

(b) **Performance by Lessee on Behalf of Lessor.** In the event that neither Lessor nor Lender cures said breach within 30 days after receipt of said notice, or if having commenced said cure they do not diligently pursue it to completion, then Lessee may elect to cure said breach at Lessee's expense and offset from Rent the actual and reasonable cost to perform such cure, provided however, that such offset shall not exceed an amount equal to the greater of one month's Base Rent or the Security Deposit, reserving Lessee's right to reimbursement from Lessor for any such expense in excess of such offset. Lessee shall document the cost of said cure and supply said documentation to Lessor.

**14. Condemnation.** If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively "Condemnation"), this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than 10% of the floor area of the Unit, or more than 25% of the parking spaces is taken by Condemnation, Lessee may, at Lessee's option, to be exercised in writing within 10 days after Lessor shall have given Lessee written notice of such taking (or in the absence of such notice, within 10 days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If Lessee does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Base Rent shall be reduced in proportion to the reduction in utility of the Premises caused by such Condemnation. Condemnation awards and/or payments shall be the property of Lessor, whether such award shall be made as compensation for diminution in value of the leasehold, the value of the part taken, or for severance damages; provided, however, that Lessee shall be entitled to any compensation paid by the condemnor for Lessee's relocation expenses, loss of business goodwill and/or Trade Fixtures, without regard to whether or not this Lease is terminated pursuant to the provisions of this Paragraph. All Alterations and Utility Installations made to the Premises by Lessee, for purposes of Condemnation only, shall be considered the property of the Lessee and Lessee shall be entitled to any and all compensation which is payable therefor. In the event that this Lease is not terminated by reason of the Condemnation, Lessor shall repair any damage to the Premises caused by such Condemnation.

**15. Brokerage Fees.**

15.1 **Additional Commission.** In addition to the payments owed pursuant to Paragraph 1.10 above, Lessor agrees that: (a) if Lessee exercises any Option, (b) if Lessee or anyone affiliated with Lessee acquires from Lessor any rights to the Premises or other premises owned by Lessor and located within the Project, (c) if Lessee remains in possession of the Premises, with the consent of Lessor, after the expiration of this Lease, or (d) if Base Rent is increased, whether by agreement or operation of an escalation clause herein, then, Lessor shall pay Brokers a fee in accordance with the fee schedule of the Brokers in effect at the time the Lease was executed.

15.2 **Assumption of Obligations.** Any buyer or transferee of Lessor's interest in this Lease shall be deemed to have assumed Lessor's obligation hereunder. Brokers shall be third party beneficiaries of the provisions of Paragraphs 1.10, 15, 22 and 31. If Lessor fails to pay to Brokers any amounts due as and for brokerage fees pertaining to this Lease when due, then such amounts shall accrue Interest. In addition, if Lessor fails to pay any amounts to Lessee's Broker when due, Lessee's Broker may send written notice to Lessor and Lessee of such failure and if Lessor fails to pay such amounts within 10 days after said notice, Lessee shall pay said monies to its Broker and offset such amounts against Rent. In addition, Lessee's Broker shall be deemed to be a third party beneficiary of any commission agreement entered into by and/or between Lessor and Lessor's Broker for the limited purpose of collecting any brokerage fee owed.

15.3 **Representations and Indemnities of Broker Relationships.** Lessee and Lessor each represent and warrant to the other that it has had no dealings with any person, firm, broker or finder (other than the Brokers, if any) in connection with this Lease, and that no one other than said named Brokers is entitled to any commission or finder's fee in connection herewith. Lessee and Lessor do each hereby agree to indemnify, protect, defend and hold the other harmless from and against liability for compensation or charges which may be claimed by any such unnamed broker, finder or other similar party by reason of any dealings or actions of the indemnifying Party, including any costs, expenses, attorneys' fees reasonably incurred with respect thereto.

16. **Estoppel Certificates.**

(a) Each Party (as "Responding Party") shall within 10 days after written notice from the other Party (the "Requesting Party") execute, acknowledge and deliver to the Requesting Party a statement in writing in form similar to the then most current "Estoppel Certificate" form published by the AIR Commercial Real Estate Association, plus such additional information, confirmation and/or statements as may be reasonably requested by the Requesting Party.

(b) If the Responding Party shall fail to execute or deliver the Estoppel Certificate within such 10 day period, the Requesting Party may execute an Estoppel Certificate stating that: (i) the Lease is in full force and effect without modification except as may be represented by the Requesting Party, (ii) there are no uncured defaults in the Requesting Party's performance, and (iii) if Lessor is the Requesting Party, not more than one month's rent has been paid in advance. Prospective purchasers and encumbrancers may rely upon the Requesting Party's Estoppel Certificate, and the Responding Party shall be estopped from denying the truth of the facts contained in said Certificate. In addition, Lessee acknowledges that any failure on its part to provide such an Estoppel Certificate will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, should the Lessee fail to execute and/or deliver a requested Estoppel Certificate in a timely fashion the monthly Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater for remainder of the Lease. The Parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to provide the Estoppel Certificate. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to provide the Estoppel Certificate nor prevent the exercise of any of the other rights and remedies granted hereunder.

(c) If Lessor desires to finance, refinance, or sell the Premises, or any part thereof, Lessee and all Guarantors shall within 10 days after written notice from Lessor deliver to any potential lender or purchaser designated by Lessor such financial statements as may be reasonably required by such lender or purchaser, including but not limited to Lessee's financial statements for the past 3 years. All such financial statements shall be received by Lessor and such lender or purchaser in confidence and shall be used only for the purposes herein set forth.

17. **Definition of Lessor.** The term "Lessor" as used herein shall mean the owner or owners at the time in question of the fee title to the Premises, or, if this is a sublease, of the Lessee's interest in the prior lease. In the event of a transfer of Lessor's title or interest in the Premises or this Lease, Lessor shall deliver to the transferee or assignee (in cash or by credit) any unused Security Deposit held by Lessor. Upon such transfer or assignment and delivery of the Security Deposit, as aforesaid, the prior Lessor shall be relieved of all liability with respect to the obligations and/or covenants under this Lease thereafter to be performed by the Lessor. Subject to the foregoing, the obligations and/or covenants in this Lease to be performed by the Lessor shall be binding only upon the Lessor as hereinabove defined.

18. **Severability.** The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

19. **Days.** Unless otherwise specifically indicated to the contrary, the word "days" as used in this Lease shall mean and refer to calendar days.

20. **Limitation on Liability.** The obligations of Lessor under this Lease shall not constitute personal obligations of Lessor, or its partners, members, directors, officers or shareholders, and Lessee shall look to the Premises, and to no other assets of Lessor, for the satisfaction of any liability of Lessor with respect to this Lease, and shall not seek recourse against Lessor's partners, members, directors, officers or shareholders, or any of their personal assets for such satisfaction.

21. **Time of Essence.** Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties under this Lease.

22. **No Prior or Other Agreements; Broker Disclaimer.** This Lease contains all agreements between the Parties with respect to any matter mentioned herein, and no other prior or contemporaneous agreement or understanding shall be effective. Lessor and Lessee each represents and warrants to the Brokers that it has made, and is relying solely upon, its own investigation as to the nature, quality, character and financial responsibility of the other Party to this Lease and as to the use, nature, quality and character of the Premises. Brokers have no responsibility with respect thereto or with respect to any default or breach hereof by either Party.

23. **Notices.**

23.1 **Notice Requirements.** All notices required or permitted by this Lease or applicable law shall be in writing and may be delivered in person (by hand or by courier) or may be sent by regular, certified or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by facsimile transmission, or by email, and shall be deemed sufficiently given if served in a manner specified in this Paragraph 23. The addresses noted adjacent to a Party's signature on this Lease shall be that Party's address for delivery or mailing of notices. Either Party may by written notice to the other specify a different address for notice, except that upon Lessee's taking possession of the Premises, the Premises shall constitute Lessee's address for notice. A copy of all notices to Lessor shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to time hereafter designate in writing.

23.2 **Date of Notice.** Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. If sent by regular mail the notice shall be deemed given 72 hours after the same is addressed as required herein and mailed with postage prepaid. Notices delivered by United States Express Mail or overnight courier that guarantees next day delivery shall be deemed given 24 hours after delivery of the same to the Postal Service or courier. Notices delivered by hand, or

transmitted by facsimile transmission or by email shall be deemed delivered upon actual receipt. If notice is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

24. **Waivers.**

(a) No waiver by Lessor of the Default or Breach of any term, covenant or condition hereof by Lessee, shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent Default or Breach by Lessee of the same or of any other term, covenant or condition hereof. Lessor's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Lessor's consent to, or approval of, any subsequent or similar act by Lessee, or be construed as the basis of an estoppel to enforce the provision or provisions of this Lease requiring such consent.

(b) The acceptance of Rent by Lessor shall not be a waiver of any Default or Breach by Lessee. Any payment by Lessee may be accepted by Lessor on account of moneys or damages due Lessor, notwithstanding any qualifying statements or conditions made by Lessee in connection therewith, which such statements and/or conditions shall be of no force or effect whatsoever unless specifically agreed to in writing by Lessor at or before the time of deposit of such payment.

(c) THE PARTIES AGREE THAT THE TERMS OF THIS LEASE SHALL GOVERN WITH REGARD TO ALL MATTERS RELATED THERETO AND HEREBY WAIVE THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE TO THE EXTENT THAT SUCH STATUTE IS INCONSISTENT WITH THIS LEASE.

25. **Disclosures Regarding The Nature of a Real Estate Agency Relationship.**

(a) When entering into a discussion with a real estate agent regarding a real estate transaction, a Lessor or Lessee should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction. Lessor and Lessee acknowledge being advised by the Brokers in this transaction, as follows:

(i) **Lessor's Agent.** A Lessor's agent under a listing agreement with the Lessor acts as the agent for the Lessor only. A Lessor's agent or subagent has the following affirmative obligations: To the Lessor: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessor. To the Lessee and the Lessor: (a) Diligent exercise of reasonable skills 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 which does not involve the affirmative duties set forth above.

(ii) **Lessee's Agent.** An agent can agree to act as agent for the Lessee only. In these situations, the agent is not the Lessor's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Lessor. An agent acting only for a Lessee has the following affirmative obligations. To the Lessee: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessee. To the Lessee and the Lessor: (a) Diligent exercise of reasonable skills 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 which does not involve the affirmative duties set forth above.

(iii) **Agent Representing Both Lessor and Lessee.** A real estate agent, either acting directly or through one or more associate licenses, can legally be the agent of both the Lessor and the Lessee in a transaction, but only with the knowledge and consent of both the Lessor and the Lessee. In a dual agency situation, the agent has the following affirmative obligations to both the Lessor and the Lessee: (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Lessor or the Lessee. (b) Other duties to the Lessor and the Lessee as stated above in subparagraphs (i) or (ii). In representing both Lessor and Lessee, the agent may not without the express permission of the respective Party, disclose to the other Party that the Lessor will accept rent in an amount less than that indicated in the listing or that the Lessee is willing to pay a higher rent than that offered. The above duties of the agent in a real estate transaction do not relieve a Lessor or Lessee from the responsibility to protect their own interests. Lessor and Lessee should carefully read all agreements to assure that they adequately express their 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.

(b) Brokers have no responsibility with respect to any Default or Breach hereof by either Party. The Parties agree that no lawsuit or other legal proceeding involving any breach of duty, error or omission relating to this Lease may be brought against Broker more than one year after the Start Date and that the liability (including court costs and attorneys' fees), of any Broker with respect to any such lawsuit and/or legal proceeding shall not exceed the fee received by such Broker pursuant to this Lease; provided, however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker.

(c) Lessor and Lessee agree to identify to Brokers as "Confidential" any communication or information given Brokers that is considered by such Party to be confidential.

26. **No Right To Holdover.** Lessee has no right to retain possession of the Premises or any part thereof beyond the expiration or termination of this Lease. In the event that Lessee holds over, then the Base Rent shall be increased to 150% of the Base Rent applicable immediately preceding the expiration or termination. Holdover Base Rent shall be calculated on monthly basis. Nothing contained herein shall be construed as consent by Lessor to any holding over by Lessee.

27. **Cumulative Remedies.** No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

28. **Covenants and Conditions; Construction of Agreement.** All provisions of this Lease to be observed or performed by Lessee are both covenants and conditions. In construing this Lease, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Lease. Whenever required by the context, the singular shall include the plural and vice versa. This Lease shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

29. **Binding Effect; Choice of Law.** This Lease shall be binding upon the parties, their personal representatives, successors and assigns and be governed by the laws of the State in which the Premises are located. Any litigation between the Parties hereto concerning this Lease shall be initiated in the county in which the Premises are located.

30. **Subordination; Attornment; Non-Disturbance.**

30.1 **Subordination.** This Lease and any Option granted hereby shall be subject and subordinate to any ground lease, mortgage, deed of trust, or other hypothecation or security device (collectively, "Security Device"), now or hereafter placed upon the Premises, to any and all advances made on the security thereof, and to all renewals, modifications, and extensions thereof. Lessee agrees that the holders of any such Security Devices (in this Lease together referred to as "Lender") shall have no liability or obligation to perform any of the obligations of Lessor under this Lease. Any Lender may elect to have this Lease and/or any Option granted hereby superior to the lien of its Security Device by giving written notice thereof to Lessee, whereupon this Lease and such Options shall be deemed prior to such Security Device, notwithstanding the relative dates of the documentation or recordation thereof.

30.2 **Attornment.** In the event that Lessor transfers title to the Premises, or the Premises are acquired by another upon the foreclosure or termination of a Security Device to which this Lease is subordinated (i) Lessee shall, subject to the non-disturbance provisions of Paragraph 30.3, attorn to such new owner, and upon request, enter into a new lease, containing all of the terms and provisions of this Lease, with such new owner for

the remainder of the term hereof, or, at the election of the new owner, this Lease will automatically become a new lease between Lessee and such new owner, and (ii) Lessor shall thereafter be relieved of any further obligations hereunder and such new owner shall assume all of Lessor's obligations, except that such new owner shall not: (a) be liable for any act or omission of any prior lessor or with respect to events occurring prior to acquisition of ownership; (b) be subject to any offsets or defenses which Lessee might have against any prior lessor, (c) be bound by prepayment of more than one month's rent, or (d) be liable for the return of any security deposit paid to any prior lessor which was not paid or credited to such new owner.

**30.3 Non-Disturbance.** With respect to Security Devices entered into by Lessor after the execution of this Lease, Lessee's subordination of this Lease shall be subject to receiving a commercially reasonable non-disturbance agreement (a "Non-Disturbance Agreement") from the Lender which Non-Disturbance Agreement provides that Lessee's possession of the Premises, and this Lease, including any options to extend the term hereof, will not be disturbed so long as Lessee is not in Breach hereof and attorns to the record owner of the Premises. Further, within 60 days after the execution of this Lease, Lessor shall, if requested by Lessee, use its commercially reasonable efforts to obtain a Non-Disturbance Agreement from the holder of any pre-existing Security Device which is secured by the Premises. In the event that Lessor is unable to provide the Non-Disturbance Agreement within said 60 days, then Lessee may, at Lessee's option, directly contact Lender and attempt to negotiate for the execution and delivery of a Non-Disturbance Agreement.

**30.4 Self-Executing.** The agreements contained in this Paragraph 30 shall be effective without the execution of any further documents; provided, however, that, upon written request from Lessor or a Lender in connection with a sale, financing or refinancing of the Premises, Lessee and Lessor shall execute such further writings as may be reasonably required to separately document any subordination, attornment and/or Non-Disturbance Agreement provided for herein.

**31. Attorneys' Fees.** If any Party or Broker brings an action or proceeding involving the Premises whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term, "Prevailing Party" shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. In addition, Lessor shall be entitled to attorneys' fees, costs and expenses incurred in the preparation and service of notices of Default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such Default or resulting Breach (\$200 is a reasonable minimum per occurrence for such services and consultation).

**32. Lessor's Access; Showing Premises; Repairs.** Lessor and Lessor's agents shall have the right to enter the Premises at any time, in the case of an emergency, and otherwise at reasonable times after reasonable prior notice for the purpose of showing the same to prospective purchasers, lenders, or tenants, and making such alterations, repairs, improvements or additions to the Premises as Lessor may deem necessary or desirable and the erecting, using and maintaining of utilities, services, pipes and conduits through the Premises and/or other premises as long as there is no material adverse effect on Lessee's use of the Premises. All such activities shall be without abatement of rent or liability to Lessee.

**33. Auctions.** Lessee shall not conduct, nor permit to be conducted, any auction upon the Premises without Lessor's prior written consent. Lessor shall not be obligated to exercise any standard of reasonableness in determining whether to permit an auction.

**34. Signs.** Lessor may place on the Premises ordinary "For Sale" signs at any time and ordinary "For Lease" signs during the last 6 months of the term hereof. Except for ordinary "For Sublease" signs which may be placed only on the Premises, Lessee shall not place any sign upon the Project without Lessor's prior written consent. All signs must comply with all Applicable Requirements.

**35. Termination; Merger.** Unless specifically stated otherwise in writing by Lessor, the voluntary or other surrender of this Lease by Lessee, the mutual termination or cancellation hereof, or a termination hereof by Lessor for Breach by Lessee, shall automatically terminate any sublease or lesser estate in the Premises; provided, however, that Lessor may elect to continue any one or all existing subtenancies. Lessor's failure within 10 days following any such event to elect to the contrary by written notice to the holder of any such lesser interest, shall constitute Lessor's election to have such event constitute the termination of such interest.

**36. Consents.** All requests for consent shall be in writing. Except as otherwise provided herein, wherever in this Lease the consent of a Party is required to an act by or for the other Party, such consent shall not be unreasonably withheld or delayed. Lessor's actual reasonable costs and expenses (including but not limited to architects', attorneys', engineers' and other consultants' fees) incurred in the consideration of, or response to, a request by Lessee for any Lessor consent, including but not limited to consents to an assignment, a subletting or the presence or use of a Hazardous Substance, shall be paid by Lessee upon receipt of an invoice and supporting documentation therefor. Lessor's consent to any act, assignment or subletting shall not constitute an acknowledgment that no Default or Breach by Lessee of this Lease exists, nor shall such consent be deemed a waiver of any then existing Default or Breach, except as may be otherwise specifically stated in writing by Lessor at the time of such consent. The failure to specify herein any particular condition to Lessor's consent shall not preclude the imposition by Lessor at the time of consent of such further or other conditions as are then reasonable with reference to the particular matter for which consent is being given. In the event that either Party disagrees with any determination made by the other hereunder and reasonably requests the reasons for such determination, the determining party shall furnish its reasons in writing and in reasonable detail within 10 business days following such request.

**37. Guarantor.**

**37.1 Execution.** The Guarantors, if any, shall each execute a guaranty in the form most recently published by the AIR Commercial Real Estate Association.

**37.2 Default.** It shall constitute a Default of the Lessee if any Guarantor fails or refuses, upon request to provide: (a) evidence of the execution of the guaranty, including the authority of the party signing on Guarantor's behalf to obligate Guarantor, and in the case of a corporate Guarantor, a certified copy of a resolution of its board of directors authorizing the making of such guaranty, (b) current financial statements, (c) an Estoppel Certificate, or (d) written confirmation that the guaranty is still in effect.

**38. Quiet Possession.** Subject to payment by Lessee of the Rent and performance of all of the covenants, conditions and provisions on Lessee's part to be observed and performed under this Lease, Lessee shall have quiet possession and quiet enjoyment of the Premises during the term hereof.

**39. Options.** If Lessee is granted any option, as defined below, then the following provisions shall apply.

**39.1 Definition.** "Option" shall mean: (a) the right to extend or reduce the term of or renew this Lease or to extend or reduce the term of or renew any lease that Lessee has on other property of Lessor; (b) the right of first refusal or first offer to lease either the Premises or other property of Lessor; (c) the right to purchase, the right of first offer to purchase or the right of first refusal to purchase the Premises or other property of Lessor.

**39.2 Options Personal To Original Lessee.** Any Option granted to Lessee in this Lease is personal to the original Lessee, and cannot be assigned or exercised by anyone other than said original Lessee and only while the original Lessee is in full possession of the Premises and, if requested by Lessor, with Lessee certifying that Lessee has no intention of thereafter assigning or subletting.

**39.3 Multiple Options.** In the event that Lessee has any multiple Options to extend or renew this Lease, a later Option cannot be exercised unless the prior Options have been validly exercised.

**39.4 Effect of Default on Options.**

(a) Lessee shall have no right to exercise an Option: (i) during the period commencing with the giving of any notice of Default and continuing until said Default is cured, (ii) during the period of time any Rent is unpaid (without regard to whether notice thereof is given Lessee), (iii) during the time Lessee is in Breach of this Lease, or (iv) in the event that Lessee has been given 3 or more notices of separate Default, whether or not the Defaults are cured, during the 12 month period immediately preceding the exercise of the Option.

(b) The period of time within which an Option may be exercised shall not be extended or enlarged by reason of Lessee's inability to exercise an Option because of the provisions of Paragraph 39.4(a).

(c) An Option shall terminate and be of no further force or effect, notwithstanding Lessee's due and timely exercise of the Option, if, after such exercise and prior to the commencement of the extended term or completion of the purchase, (i) Lessee fails to pay Rent for a period of 30 days after such Rent becomes due (without any necessity of Lessor to give notice thereof), or (ii) if Lessee commits a Breach of this Lease.

40. **Security Measures.** Lessee hereby acknowledges that the Rent payable to Lessor hereunder does not include the cost of guard service or other security measures, and that Lessor shall have no obligation whatsoever to provide same. Lessee assumes all responsibility for the protection of the Premises, Lessee, its agents and invitees and their property from the acts of third parties.

41. **Reservations.** Lessor reserves the right: (i) to grant, without the consent or joinder of Lessee, such easements, rights and dedications that Lessor deems necessary, (ii) to cause the recordation of parcel maps and restrictions, and (iii) to create and/or install new utility raceways, so long as such easements, rights, dedications, maps, restrictions, and utility raceways do not unreasonably interfere with the use of the Premises by Lessee. Lessee agrees to sign any documents reasonably requested by Lessor to effectuate such rights.

42. **Performance Under Protest.** If at any time a dispute shall arise as to any amount or sum of money to be paid by one Party to the other under the provisions hereof, the Party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" and such payment shall not be regarded as a voluntary payment and there shall survive the right on the part of said Party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said Party to pay such sum or any part thereof, said Party shall be entitled to recover such sum or so much thereof as it was not legally required to pay. A Party who does not initiate suit for the recovery of sums paid "under protest" within 6 months shall be deemed to have waived its right to protest such payment.

43. **Authority; Multiple Parties; Execution.**

(a) If either Party hereto is a corporation, trust, limited liability company, partnership, or similar entity, each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on its behalf. Each Party shall, within 30 days after request, deliver to the other Party satisfactory evidence of such authority.

(b) If this Lease is executed by more than one person or entity as "Lessee", each such person or entity shall be jointly and severally liable hereunder. It is agreed that any one of the named Lessees shall be empowered to execute any amendment to this Lease, or other document ancillary thereto and bind all of the named Lessees, and Lessor may rely on the same as if all of the named Lessees had executed such document.

(c) This Lease may be executed by the Parties in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

44. **Conflict.** Any conflict between the printed provisions of this Lease and the typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions.

45. **Offer.** Preparation of this Lease by either party or their agent and submission of same to the other Party shall not be deemed an offer to lease to the other Party. This Lease is not intended to be binding until executed and delivered by all Parties hereto.

46. **Amendments.** This Lease may be modified only in writing, signed by the Parties in interest at the time of the modification. As long as they do not materially change Lessee's obligations hereunder, Lessee agrees to make such reasonable non-monetary modifications to this Lease as may be reasonably required by a Lender in connection with the obtaining of normal financing or refinancing of the Premises.

47. **Waiver of Jury Trial. THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING INVOLVING THE PROPERTY OR ARISING OUT OF THIS AGREEMENT.**

48. **Arbitration of Disputes.** An Addendum requiring the Arbitration of all disputes between the Parties and/or Brokers arising out of this Lease  is  is not attached to this Lease.

49. **Accessibility; Americans with Disabilities Act.**

(a) The Premises.  have not undergone an inspection by a Certified Access Specialist (CASp).  have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises met all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq.  have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises did not meet all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq.

(b) Since compliance with the Americans with Disabilities Act (ADA) is dependent upon Lessee's specific use of the Premises, Lessor makes no warranty or representation as to whether or not the Premises comply with ADA or any similar legislation. In the event that Lessee's use of the Premises requires modifications or additions to the Premises in order to be in ADA compliance, Lessee agrees to make any such necessary modifications and/or additions at Lessee's expense.

50. This Standard Industrial/Commercial Multi-Tenant Lease-Net, has been prepared by Lee & Associates Commercial Real Estate Services, Inc. - South Bay dba Lee & Associates Los Angeles - Long Beach, Inc. at the request of Lessor and Lessee. This Lessor and Lessee agree to indemnify and hold harmless Lee & Associates Commercial Real Estate Services, Inc. - South Bay dba Lee & Associates Los Angeles - Long Beach, Inc., its respective Agents and Employees, for any Liability of Loss, including without limitation, Attorney fees and costs that may be occasioned as a result of completing this Standard Industrial/Commercial Multi-Tenant Lease-Net, Lessor and Lessee acknowledge being advised by Lee & Associates Commercial Real Estate Services, Inc. - South Bay dba Lee & Associates Los Angeles - Long Beach, Inc. to have this Standard Industrial/Commercial Multi-Tenant Lease-Net reviewed by their respective Attorneys, Accountants, or Insurance Agents for professional advice. The information contained herein has been obtained from sources believed reliable, but not guaranteed. While we do not doubt its accuracy, we have not verified it and make no guarantee, warranty or representation about it. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the property. Lessee should conduct a careful, independent investigation of the property during their due diligence to determine to their satisfaction the accuracy and completeness of the information contained herein.

LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN, AND BY THE EXECUTION OF THIS LEASE SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES.

ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY THE AIR COMMERCIAL REAL ESTATE ASSOCIATION OR BY ANY BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS LEASE OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS LEASE.
2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PREMISES. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING OF

THE PREMISES, THE STRUCTURAL INTEGRITY, THE CONDITION OF THE ROOF AND OPERATING SYSTEMS, COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT AND THE SUITABILITY OF THE PREMISES FOR LESSEE'S INTENDED USE.

WARNING: IF THE PREMISES ARE LOCATED IN A STATE OTHER THAN CALIFORNIA, CERTAIN PROVISIONS OF THE LEASE MAY NEED TO BE REVISED TO COMPLY WITH THE LAWS OF THE STATE IN WHICH THE PREMISES ARE LOCATED.

The parties hereto have executed this Lease at the place and on the dates specified above their respective signatures.

Executed at: \_\_\_\_\_ Executed at: \_\_\_\_\_  
On: \_\_\_\_\_ On: \_\_\_\_\_

By LESSOR: \_\_\_\_\_ By LESSEE: \_\_\_\_\_  
2H Property 3060, LLC \_\_\_\_\_ Khaled A. Tawansy, MD \_\_\_\_\_  
\_\_\_\_\_ Children's Retina Institute \_\_\_\_\_

By: \_\_\_\_\_ By: \_\_\_\_\_  
Name Printed: Sean Hitchcock \_\_\_\_\_ Name Printed: Khaled A. Tawansy \_\_\_\_\_  
Title: \_\_\_\_\_ Title: \_\_\_\_\_

By: \_\_\_\_\_ By: \_\_\_\_\_  
Name Printed: \_\_\_\_\_ Name Printed: \_\_\_\_\_  
Title: \_\_\_\_\_ Title: \_\_\_\_\_  
Address: 2653 Walnut Ave. \_\_\_\_\_ Address: 3200 Long Beach Blvd., Unit A \_\_\_\_\_  
Signal Hill, CA 90755 \_\_\_\_\_ Long Beach, CA 90807 \_\_\_\_\_

Telephone: (562) 424-5567 \_\_\_\_\_ Telephone: (323) 257-3937 \_\_\_\_\_  
Facsimile: ( ) \_\_\_\_\_ Facsimile: ( ) \_\_\_\_\_  
Email: \_\_\_\_\_ Email: \_\_\_\_\_  
Email: \_\_\_\_\_ Email: \_\_\_\_\_  
Federal ID No. \_\_\_\_\_ Federal ID No. \_\_\_\_\_

BROKER: \_\_\_\_\_ BROKER: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Att: \_\_\_\_\_ Att: \_\_\_\_\_  
Title: \_\_\_\_\_ Title: \_\_\_\_\_  
Address: \_\_\_\_\_ Address: \_\_\_\_\_  
\_\_\_\_\_  
Telephone: ( ) \_\_\_\_\_ Telephone: ( ) \_\_\_\_\_  
Facsimile: ( ) \_\_\_\_\_ Facsimile: ( ) \_\_\_\_\_  
Email: \_\_\_\_\_ Email: \_\_\_\_\_  
Federal ID No. \_\_\_\_\_ Federal ID No. \_\_\_\_\_  
Broker/Agent BRE License #: \_\_\_\_\_ Broker/Agent BRE License #: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

NOTICE: These forms are often modified to meet changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most current form: AIR Commercial Real Estate Association, 500 N Brand Blvd, Suite 900, Glendale, CA 91203. Telephone No. (213) 687-8777. Fax No.: (213) 687-8616.

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# EXHIBIT "M"

**SUMMONS  
(CITACION JUDICIAL)**

**UNLAWFUL DETAINER—EVICTIION**

**(RETENCIÓN ILÍCITA DE UN INMUEBLE—DESALOJO)**

**NOTICE TO DEFENDANT:** Khaled A. Tawansy, M.D., Children's Retina  
**(AVISO AL DEMANDADO):** Institute, Renaissance Surgical Holdings, LLC

**YOU ARE BEING SUED BY PLAINTIFF:** 2H Property 3060, LLC  
**(LO ESTÁ DEMANDANDO EL DEMANDANTE):**

FOR COURT USE ONLY  
(SOLO PARA USO DE LA CORTE)

CONFORMED COPY  
ORIGINAL FILED  
Superior Court Of California  
County Of Los Angeles

DEC 22 2016

Sherri R. Carter, Executive Clerk  
By Sherri R. Carter, Deputy  
S. Jamel

You have 5 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. (To calculate the five days, count Saturday and Sunday, but do not count other court holidays. If the last day falls on a Saturday, Sunday, or a court holiday then you have the next court day to file a written response.) A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center ([www.courtinfo.ca.gov/selfhelp](http://www.courtinfo.ca.gov/selfhelp)), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site ([www.lawhelpcallifornia.org](http://www.lawhelpcallifornia.org)), the California Courts Online Self-Help Center ([www.courtinfo.ca.gov/selfhelp](http://www.courtinfo.ca.gov/selfhelp)), or by contacting your local court or county bar association. **NOTE:** The court has a statutory lien for waived fees and costs on any settlement or arbitration award of \$10,000 or more in a civil case. The court's lien must be paid before the court will dismiss the case.

*Tiene 5 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. (Para calcular los cinco días, cuente los sábados y los domingos pero no los otros días feriados de la corte. Si el último día cae en sábado o domingo, o en un día en que la corte esté cerrada, tiene hasta el próximo día de corte para presentar una respuesta por escrito). Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California ([www.sucorte.ca.gov](http://www.sucorte.ca.gov)), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.*

*Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services ([www.lawhelpcallifornia.org](http://www.lawhelpcallifornia.org)), en el Centro de Ayuda de las Cortes de California ([www.sucorte.ca.gov](http://www.sucorte.ca.gov)) o poniéndose en contacto con la corte o el colegio de abogados locales. **AVISO:** Por ley, la corte tiene derecho a reclamar las cuotas y los costos exentos por imponer un gravamen sobre cualquier recuperación de \$10,000 ó más de valor recibida mediante un acuerdo o una concesión de arbitraje en un caso de derecho civil. Tiene que pagar el gravamen de la corte antes de que la corte pueda desechar el caso.*

1. The name and address of the court is: Los Angeles County Superior Court -  
(El nombre y dirección de la corte es): Governor George Deukmejian Courthouse  
275 Magnolia Ave., Long Beach, CA 90802

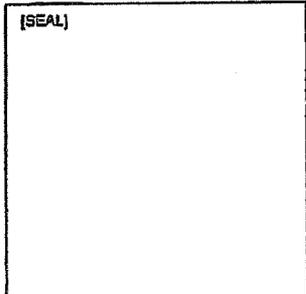
CASE NUMBER: **NC060949**  
(Número del caso):

2. The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is: LAWRENCE R. CAGNEY  
(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):  
KRIEGER & KRIEGER, A Law Corporation  
249 E. Ocean Boulevard, Suite 750, LONG BEACH, CA 90802  
562-901-2500

3. (Must be answered in all cases) An unlawful detainer assistant (Bus. & Prof. Code, §§ 6400-6415)  did not  did for compensation give advice or assistance with this form. (If plaintiff has received any help or advice for pay from an unlawful detainer assistant, complete item 6 on the next page.)

Date: Sherri R. Carter DEC 22 2016 Clerk, by (Secretario) \_\_\_\_\_, Deputy (Adjunto)

(For proof of service of this summons, use Proof of Service of Summons (form POS-010).)  
(Para prueba de entrega de esta citación use el formulario Proof of Service of Summons, (POS-010)).



4. NOTICE TO THE PERSON SERVED: You are served

- a.  as an individual defendant.
  - b.  as the person sued under the fictitious name of (specify):
  - c.  as an occupant
  - d.  on behalf of (specify): K.A. Tawansy, M.D., Children's Retina Inst, Renaissance Surg. Holdings, LLC
- under:  CCP 416.10 (corporation)  CCP 416.60 (minor)  
 CCP 416.20 (defunct corporation)  CCP 416.70 (conservatee)  
 CCP 416.40 (association or partnership)  CCP 416.90 (authorized person)  
 CCP 415.46 (occupant)  other (specify):

5.  by personal delivery on (date):

PLAINTIFF (Name): 2H Property 3060, LLC	CASE NUMBER:
DEFENDANT (Name): Khaled A. Tawansy, M.D., Children's Retina Institute,	

6. Unlawful detainer assistant (complete if plaintiff has received any help or advice for pay from an unlawful detainer assistant):
- a. Assistant's name:
  - b. Telephone no.:
  - c. Street address, city, and zip:
  
  - d. County of registration:
  - e. Registration no.:
  - f. Registration expires on (date):



PLAINTIFF (Name): 2H Property 3060, LLC	CASE NUMBER: <b>N C 0 6 0 9 4 9</b>
DEFENDANT (Name): Khaled A. Tawansy, M.D., Children's Retina Institute, Renaissance	

6. c.  The defendants not named in item 6a are
- (1)  subtenants.
  - (2)  assignees.
  - (3)  other (specify):
- d.  The agreement was later changed as follows (specify):
- e.  A copy of the written agreement, including any addenda or attachments that form the basis of this complaint, is attached and labeled Exhibit 1. (Required for residential property, unless item 6f is checked. See Code Civ. Proc., § 1166.)
- f.  (For residential property) A copy of the written agreement is not attached because (specify reason):
- (1)  the written agreement is not in the possession of the landlord or the landlord's employees or agents.
  - (2)  this action is solely for nonpayment of rent (Code Civ. Proc., § 1161(2)).
7.  a. Defendant (name each): Khaled A. Tawansy, M.D., Children's Retina Institute, and Renaissance Surgical Holdings, LLC

was served the following notice on the same date and in the same manner:

- (1)  3-day notice to pay rent or quit
  - (2)  30-day notice to quit
  - (3)  60-day notice to quit
  - (4)  3-day notice to perform covenants or quit
  - (5)  3-day notice to quit
  - (6)  Other (specify):
- b. (1) On (date): December 18, 2016 the period stated in the notice expired at the end of the day.
- (2) Defendants failed to comply with the requirements of the notice by that date.
- c. All facts stated in the notice are true.
- d.  The notice included an election of forfeiture.
- e.  A copy of the notice is attached and labeled Exhibit 2. (Required for residential property. See Code Civ. Proc., § 1166.)
- f.  One or more defendants were served (1) with a different notice, (2) on a different date, or (3) in a different manner, as stated in Attachment 8c. (Check item 8c and attach a statement providing the information required by items 7a-e and 8 for each defendant.)

8. a.  The notice in item 7a was served on the defendant named in item 7a as follows:
- (1)  by personally handing a copy to defendant on (date):
  - (2)  by leaving a copy with (name or description):  
a person of suitable age and discretion, on (date): at defendant's  
 residence  business AND mailing a copy to defendant at defendant's place of residence on  
(date): because defendant cannot be found at defendant's residence or usual  
place of business.
  - (3)  by posting a copy on the premises on (date): November 18, 2016  AND giving a copy to a  
person found residing at the premises AND mailing a copy to defendant at the premises on  
(date): November 18, 2016
    - (a)  because defendant's residence and usual place of business cannot be ascertained OR
    - (b)  because no person of suitable age or discretion can be found there.
  - (4)  (Not for 3-day notice; see Civil Code, § 1946 before using) by sending a copy by certified or registered  
mail addressed to defendant on (date):
  - (5)  (Not for residential tenancies; see Civil Code, § 1953 before using) in the manner specified in a written  
commercial lease between the parties.
- b.  (Name):  
was served on behalf of all defendants who signed a joint written rental agreement.
- c.  Information about service of notice on the defendants alleged in item 7f is stated in Attachment 8c.
- d.  Proof of service of the notice in item 7a is attached and labeled Exhibit 3.

PLAINTIFF (Name): 2H Property 3060, LLC	CASE NUMBER: NC060949
DEFENDANT (Name): Khaled A. Tawansy, M.D., Children's Retina Institute, Renaissance	

- 9.  Plaintiff demands possession from each defendant because of expiration of a fixed-term lease.
- 10.  At the time the 3-day notice to pay rent or quit was served, the amount of rent due was \$
- 11.  The fair rental value of the premises is \$ 500 per day.
- 12.  Defendant's continued possession is malicious, and plaintiff is entitled to statutory damages under Code of Civil Procedure section 1174(b). (State specific facts supporting a claim up to \$600 in Attachment 12.)
- 13.  A written agreement between the parties provides for attorney fees.
- 14.  Defendant's tenancy is subject to the local rent control or eviction control ordinance of (city or county, title of ordinance, and date of passage):

Plaintiff has met all applicable requirements of the ordinances.

- 15.  Other allegations are stated in Attachment 15.
- 16. Plaintiff accepts the jurisdictional limit, if any, of the court.

**17. PLAINTIFF REQUESTS**

- a. possession of the premises.
- b. costs incurred in this proceeding:
- c.  past-due rent of \$ 11,000
- d.  reasonable attorney fees.
- e.  forfeiture of the agreement.
- f.  damages at the rate stated in item 11 from (date): 12/22/16 for each day that defendants remain in possession through entry of judgment.
- g.  statutory damages up to \$600 for the conduct alleged in item 12.
- h.  other (specify):

- 18.  Number of pages attached (specify): \_\_\_\_\_

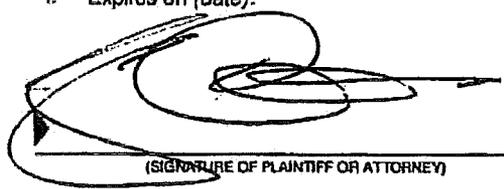
**UNLAWFUL DETAINER ASSISTANT (Bus. & Prof. Code, §§ 6400-6415)**

- 19. (Complete in all cases.) An unlawful detainer assistant  did not  did for compensation give advice or assistance with this form. (If plaintiff has received any help or advice for pay from an unlawful detainer assistant, state:)

- a. Assistant's name:
- b. Street address, city, and zip code:
- c. Telephone No.:
- d. County of registration:
- e. Registration No.:
- f. Expires on (date):

Date: 12/22/16

LAWRENCE R. CAGNEY  
 (TYPE OR PRINT NAME)

  
 (SIGNATURE OF PLAINTIFF OR ATTORNEY)

**VERIFICATION**

(Use a different verification form if the verification is by an attorney or for a corporation or partnership.)

I am the plaintiff in this proceeding and have read this complaint. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date:

\_\_\_\_\_  
 (TYPE OR PRINT NAME)

  
 \_\_\_\_\_  
 (SIGNATURE OF PLAINTIFF)

VERIFICATION

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am a manager of 2H Property 3060, LLC, a California Limited Liability Company and have read the foregoing COMPLAINT - UNLAWFUL DETAINER. The information supplied therein is based on my own personal knowledge and/or has been supplied by my attorneys or other agents and/or compiled from available documents and is therefore provided as required by law.

The information contained in the foregoing document is true, except as to the matters which were provided by my attorneys or other agents or compiled from available documents, including all contentions and opinions, and, as to those matters, I am informed and believe that they are true.

Executed on December 21, 2016, at Signal Hill, California. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

SEAN R. HITCHCOCK

Type or Print Name

  
Signature

Exhibit "1"

## STANDARD SUBLEASE AGREEMENT

1. Parties. This Sublease, dated, for reference purposes only, 6/1 2015 is made by and between

Jennifer K. K. Sahal MD Inc (herein called "Sublessor") and  
Khaled Towansy MD/Children's Health Institute (herein called "Sublessee").

2. Premises. Sublessor hereby subleases to Sublessee and Sublessee hereby subleases from Sublessor for the term, at the rental, and upon all of the conditions set forth herein, that certain real property situated in the County of Long Beach State of California, commonly known as 3201 Long Beach Blvd Long Beach and described as 3201 Long Beach Blvd Long Beach CA Said real property, including the land and all improvements thereon, is hereinafter called the "Premises".

3. Term.

3.1 Term. The term of this Sublease shall be for one year, commencing on 6/1/2015 unless sooner terminated pursuant to any provision hereof.

3.2 Delay In Commencement. Notwithstanding said commencement date, if for any reason Sublessor cannot deliver possession of the Premises to Sublessee on said date. Sublessor shall not be subject to any liability therefore, nor shall such failure affect the validity of this Lease or the obligations of Sublessee hereunder or extend the term hereof, but in such case Sublessee shall not be obligated to pay rent until possession of the Premises is tendered to Sublessee; provided, however, that if Sublessor shall not have delivered possession of the Premises within sixty (60) days from said commencement date, Sublessee may, at Sublessee's option, by notice in writing to Sublessor within ten (10) days thereafter, cancel this Sublease, in which event the parties shall be discharged from all obligations thereunder. If Sublessee occupies the Premises prior to said commencement date, such occupancy shall be subject to all provisions hereof, such occupancy shall not advance the termination date and Sublessee shall pay rent for such period at the initial monthly rates set forth below.

4. Rent. Sublessee shall pay to Sublessor as rent for the Premises equal monthly payments of \$ 15,000 in advance, on the First day of each month of the term hereof. Sublessee shall pay Sublessor upon the execution hereof \$ 15,000 as rent for June 2015. Rent for any period during the term hereof which is for less than one month shall be a prorata portion of the monthly installment. Rent shall be payable in lawful money of the United States to Sublessor at the address stated herein or to such other persons or at such other places as Sublessor may designate in writing.

5. Security Deposit. Sublessee shall deposit with Sublessor upon execution hereof \$ 11,000 as security for Sublessee's faithful performance of Sublessee's obligations hereunder. If Sublessee fails to pay rent or other charges due hereunder, or otherwise defaults with respect to any provision of this Sublease, Sublessor, may use, apply or retain all or any portion of said deposit for the payment of any rent or other charge in default or for the payment of any other sum to which Sublessor may become obligated by reason of Sublessee's default, or to compensate Sublessor for any loss or damage which Sublessor may suffer thereby. If Sublessor so uses or applies all or any portion of said deposit, Sublessee shall within ten (10) days after written demand therefore deposit cash with Sublessor in an amount sufficient to restore said deposit to the full amount hereinabove stated and Sublessee's failure to do so shall be a material breach of this Sublease. Sublessor shall not be required to keep said deposit separate from its general accounts. If Sublessee performs all of Sublessee's obligations hereunder, said deposit, or so much thereof as has not theretofore been applied by Sublessor, shall be returned, without payment of interest or other increment for its use to Sublessee (or at Sublessor's option, to the last assignee, if any, of Sublessee's interest hereunder) at the expiration of the term hereof, and after Sublessee has vacated the Premises. No trust relationship is created herein between Sublessor and Sublessee with respect to said Security Deposit.

6. Use.

6.1 Use. The Premises shall be used and occupied only for

medical office and for no other purpose.

## 6.2 Compliance with Law.

(a) Sublessor warrants to Sublessee that the Premises, in its existing state, but without regard to the use for which Sublessee will use the Premises, does not violate any applicable building code regulation or ordinance at the time that this Sublease is executed. In the event that it is determined that this warranty has been violated, then it shall be the obligation of the Sublessor, after written notice from Sublessee, to promptly, at Sublessor's sole cost and expense, rectify any such violation. In the event that Sublessee does not give to Sublessor written notice of the violation of this warranty within 1 year from the commencement of the term of this Sublease, it shall be conclusively deemed that such violation did not exist and the correction of the same shall be the obligation of the Sublessee.

(b) Except as provided in paragraph 6.2(a), Sublessee shall, at Sublessee's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, Orders, restrictions of record, and requirements in effect during the term or any part of the term hereof regulating the use by Sublessee of the Premises. Sublessee shall not use or permit the use of the Premises in any manner that will tend to create waste or a nuisance or, if there shall be more than one tenant of the building containing the Premises, which shall tend to disturb such other tenants.

6.3 Condition of Premises. Except as provided in paragraph 6.2(a) Sublessee hereby accepts the Premises in their condition existing as of the date of the execution hereof, subject to all applicable zoning, municipal, county and state laws, ordinances, and regulations governing and regulating the use of the Premises, and accepts this Sublease subject thereto and to all matters disclosed thereby and by any exhibits attached hereto. Sublessee acknowledges that neither Sublessor nor Sublessor's agents have made any representation or warranty as to the suitability of the Premises for the conduct of Sublessee's business.

## 7. Master Lease

7.1 Sublessor is the lessee of the premises by virtue of a lease, hereinafter referred to as the "Master Lease", a copy of which is attached hereto marked Exhibit 1. Dated 5/1, 2015 wherein JK Piv. Indegasta is the lessor, hereinafter referred to as the "Master Lessor".

7.2 This Sublease is and shall be at all times subject and subordinate to the Master Lease.

7.3 The terms, conditions and respective obligations of Sublessor and Sublessee to each other under this Sublease shall be the terms and conditions of the Master Lease except for those provisions of the Master Lease which are directly contradicted by this Sublease in which event the terms of this Sublease document shall control over the Master Lease. Therefore, for the purposes of this Sublease, wherever in the Master Lease the word "Lessor" is used it shall be deemed to mean the Sublessor herein and wherever in the Master Lease the word "Lessee" is used it shall be deemed to mean the Sublessee herein.

7.4 During the term of this Sublease and for all periods subsequent for obligations which have arisen prior to the termination of this Sublease Sublessee does hereby expressly assume and agree to perform and comply with, for the benefit of Sublessor and Master Lessor, each and every obligation of Sublessor under the Master Lease except for the following paragraphs which are excluded therefrom:

7.5 The obligations that Sublessee has assumed under paragraph 7.4 hereof are hereinafter referred to as the "Sublessee's Assumed Obligations". The obligations that Sublessee has not assumed under paragraph 7.4 hereof are hereinafter referred to as the "Sublessor's Remaining Obligations".

7.6 Sublessee shall hold Sublessor free and harmless of and from all liability, judgments, costs, damages, claims or demands, including reasonable attorneys fees, arising out of Sublessee's failure to comply with or perform Sublessee's Assumed Obligations.

7.7 Sublessor agrees to maintain the Master Lease during the entire term of this Sublease, subject, however, to any earlier termination of the Master Lease without the fault of the Sublessor, and to comply with or perform Sublessor's Remaining Obligations and to hold Sublessee free and harmless of and from all liability, judgments, costs, damages, claims or demands arising out of Sublessor's failure to comply with or perform Sublessor's Remaining Obligations.

7.8 Sublessor represents to Sublessee that the Master Lease is in full force and effect and that no default exists on the part of any party to the Master Lease.

## 8. Assignment of Sublease and Default.

8.1 Sublessor hereby assigns and transfers to Master Lessor the Sublessor's interest in this Sublease and all rentals and income arising therefrom, subject however to terms of Paragraph 8.2 hereof.

8.2 Master Lessor, by executing this document, agrees that until a default shall occur in the performance of Sublessor's Obligations under the Master Lease, that Sublessor may receive, collect and enjoy the rents accruing under this Sublease. However, if Sublessor shall default in the performance of its obligations to Master Lessor then Master Lessor may, at its option, receive and collect, directly from Sublessee, all rent owing and to be owed under this Sublease. Master Lessor shall not, by reason of this assignment of the Sublease nor by reason of the collection of the rents from the Sublessee, be deemed liable to Sublessee for any failure of the Sublessor to perform and comply with Sublessor's Remaining Obligations.

8.3 Sublessor hereby irrevocably authorizes and directs Sublessee, upon receipt of any written notice from the Master Lessor stating that a default exists in the performance of Sublessor's obligations under the Master Lease, to pay to Master Lessor the rents due and to become due under the Sublease. Sublessor agrees that Sublessee shall have the right to rely upon any such statement and request from Master Lessor, and that Sublessee shall pay such rents to Master Lessor without any obligation or right to inquire as to whether such default exists and notwithstanding any notice from or claim from Sublessor to the contrary and Sublessor shall have no right or claim against Sublessee for any such rents so paid by Sublessee.

8.4 No changes or modifications shall be made to this Sublease without the consent of Master Lessor.

#### 9. Consent of Master Lessor.

9.1 In the event that the Master Lease requires that Sublessor obtain the consent of Master Lessor to any subletting by Sublessor then, this Sublease shall not be effective unless, within 10 days of the date hereof, Master Lessor signs this Sublease thereby giving its consent to this Subletting.

9.2 In the event that the obligations of the Sublessee under the Master Lease have been guaranteed by third parties then this Sublease, nor the Master Lessor's consent, shall not be effective unless, within 10 days of the date hereof, said guarantors sign this Sublease thereby giving guarantors consent to this Sublease and the terms thereof.

9.3 In the event that Master Lessor does give such consent then:

(a) Such consent will not release Sublessor of its obligations or alter the primary liability of Sublessor to pay the rent and perform and comply with all of the obligations of Sublessor to be performed under the Master Lease.

(b) The acceptance of rent by Master Lessor from Sublessee or any one else liable under the Master Lease shall not be deemed a waiver by Master Lessor of any provisions of the Master Lease.

(c) The consent to this Sublease shall not constitute a consent to any subsequent subletting or assignment.

(d) In the event of any default of Sublessor under the Master Lease, Master Lessor may proceed directly against Sublessor, any guarantors or any one else liable under the Master Lease or this Sublease without first exhausting Master Lessor's remedies against any other person of, entity liable thereon to Master Lessor.

(e) Master Lessor may consent to subsequent sublettings and assignments of the Master Lease or this Sublease or any amendments or modifications thereto without notifying Sublessor nor any one else liable under the Master Lease and without obtaining their consent and such action shall not relieve such persons from liability.

(f) In the event that Sublessor shall default in its obligations under the Master Lease, then Master Lessor, at its option and without being obligated to do so, may require Sublessee to affirm to Master Lessor in which event Master Lessor shall undertake the obligations of Sublessor under this Sublease from the time of the exercise of said option to termination of this Sublease but Master Lessor shall not be liable for any prepaid rents nor any security deposit paid by Sublessee, nor shall Master Lessor be liable for any other defaults of the Sublessor under the Sublease.

9.4 The signatures of the Master Lessor and any Guarantors of Sublessor at the end of this document shall constitute their consent to the terms of this Sublease.

9.5 Master Lessor acknowledges that, to the best of Master Lessor's knowledge, no default presently exists under the Master Lease of obligations to be performed by Sublessor and that the Master Lease is in full force and effect.

9.6 In the event that Sublessor defaults under its obligations to be performed under the Master Lease by Sublessor, Master Lessor agrees to deliver to Sublessee a copy of any such notice of default. Sublessee shall have the right to cure any default of Sublessor described in any notice of default within ten days after service of

such notice of default on Sublessee. If such default is cured by Sublessee then Sublessee shall have the right of reimbursement and offset from and against Sublessor.

10. Insurance: Sublessee must maintain insurance to cover any losses sustained to Sublessee's property, vehicle or expenses relating to the necessity to relocate or any other losses. Sublessor does not maintain this insurance to cover property damage or relocation expenses caused by fire, theft, rain, infestation, water overflow/leakage, acts of GOD, and/or any other causes. It is acknowledged that Sublessor is not liable for these occurrences. It is acknowledged that sublessee insurance policy shall solely indemnify sublessee for any losses sustained. Sublessee's failure to maintain said policy shall be a complete waiver of sublessee's right to seek damages against sublessor for the above stated losses. The parties acknowledge that the premises are not to be considered a security building which would hold sublessor to a higher degree of care.

Executed at: Long Beach

On: 6/1/2015

Address: 3200 Long Beach Blvd.

Long Beach, CA 90807

By: Jennifer K. R. Sohal MD

  
\_\_\_\_\_  
(Signature)

Executed at: \_\_\_\_\_

On: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

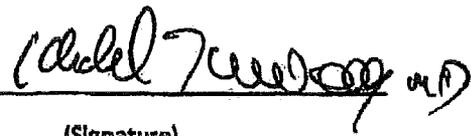
By:   
\_\_\_\_\_  
(Signature)

Exhibit "2"

Date: November 18, 2016

TO: Khaled A. Tawansy, M.D.  
3200 Long Beach Boulevard  
Long Beach, California 90807

Khaled A. Tawansy, M.D.  
dba Children's Retina Institute  
3200 Long Beach Boulevard  
Long Beach, California 90807

Renaissance Surgical Holdings, LLC  
3200 Long Beach Boulevard  
Long Beach, California



2H Property 3060, LLC  
2H Property 4101, LLC  
Spring Property, LLC

You are hereby notified that pursuant to Civ. Code, § 1946 that the tenancy from month-to-month under which you hold the possession of the premises described in this notice is terminated thirty (30) days after service on you of this notice.

By this notice you are required to quit and deliver up the possession of the described premises to the undersigned lessor, who is authorized to receive possession of the premises on or before the expiration of the thirty (30) days' period.

You are further notified that it is the purpose and intent of this notice to terminate the tenancy at the expiration of the thirty (30) days' period, and that if at the expiration of that period you fail to quit the premises and deliver up possession of the premises to 2H Property 3060, LLC will institute legal proceedings for unlawful detainer against you to recover possession of the premises.

The premises that are the subject of this notice are:

PARCEL 1:  
LOTS 17, 18 AND 19 IN BLOCK "A" OF TRACT 2901, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36 PAGE(S) 63 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TOGETHER WITH THAT PORTION OF THE WESTERLY HALF OF THAT CERTAIN ALLEY, 20 FEET WIDE, AS SHOWN AND DEDICATED UPON THE MAP OF SAID TRACT NO. 2901, WHICH ADJOINS SAID LOTS ON THE EAST, VACATED BY RESOLUTION NO. C-22311 OF THE CITY COUNCIL OF SAID CITY, A COPY OF WHICH WAS RECORDED AUGUST 1, 1977 AS INSTRUMENT NO. 77-833919, BOUNDED NORTHERLY BY THE EASTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID LOT 17, AND BOUNDED SOUTHERLY BY THE EASTERLY PROLONGATION OF THE SOUTHERLY LINE OF SAID LOT 19. EXCEPT THEREFROM ALL OIL, MINERALS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND LYING BELOW A DEPTH OF 500

Exhibit 2

FEET FROM THE SURFACE, WITHOUT HOWEVER, THE RIGHT TO USE ANY PART OF THE SURFACE THEREOF, AS EXCEPTED AND RESERVED IN VARIOUS DEEDS RECORDED JULY 17, 1964.

PARCEL 2:

LOTS 36, 37 AND 38 IN BLOCK "A" OF TRACT 2901, AS PER MAP RECORDED IN BOOK 36, PAGE 63 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TOGETHER WITH THAT PORTION OF THE EASTERLY HALF OF THAT CERTAIN ALLEY, 20 FEET WIDE, AS SHOWN AND DEDICATED UPON THE MAP OF SAID TRACT 2901, WHICH ADJOINS SAID LOTS ON THE WEST, VACATED BY RESOLUTION NO. C-2231 OF THE CITY COUNCIL OF SAID CITY, A COPY OF WHICH RECORDED AUGUST 1, 1977 AS INSTRUMENT NO. 77-833919, BOUNDED NORTHERLY BY THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID LOT 36, AND BOUNDED SOUTHERLY BY THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF SAID LOT 38.

Dated: November 18, 2016.

2H PROPERTY 3060, LLC

By:

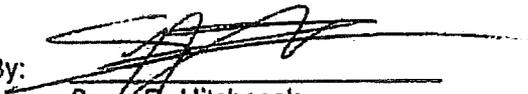
  
Sean R. Hitchcock

Exhibit "3"

ATTORNEY OR PARTY WITHOUT ATTORNEY: STATE BAR NO. 141845 NAME: LAWRENCE R. CAGNEY FIRM NAME: KRIEGER & KRIEGER, A Law Corporation STREET ADDRESS: 249 E. Ocean Boulevard, Suite 750 CITY: LONG BEACH STATE: CA ZIP CODE: 90802 TELEPHONE NO.: 562-901-2500 FAX NO.: 562-901-2522 E-MAIL ADDRESS: lrc@kriegerlaw.com ATTORNEY FOR (name): 2H Construction, Inc.	FOR COURT USE ONLY
SUPERIOR COURT OF CALIFORNIA, COUNTY OF STREET ADDRESS: 275 Magnolia Ave. MAILING ADDRESS: 275 Magnolia Ave. CITY AND ZIP CODE: Long Beach 90802 BRANCH NAME: Governor George Deukmejian Courthouse	CASE NUMBER
Plaintiff/Petitioner: 2H Property 3060, LLC Defendant/Respondent: Khaled A. Tawansy, M.D., et al.	JUDICIAL OFFICER:
<b>PROOF OF SERVICE—CIVIL</b> Check method of service (only one): <input checked="" type="checkbox"/> By Personal Service <input checked="" type="checkbox"/> By Mail <input type="checkbox"/> By Overnight Delivery <input type="checkbox"/> By Messenger Service <input type="checkbox"/> By Fax	DEPARTMENT:

Do not use this form to show service of a summons and complaint or for electronic service.  
 See USE OF THIS FORM on page 3.

- At the time of service I was over 18 years of age and not a party to this action.
- My residence or business address is: 2653 Walnut Ave., Signal Hill 90755
- The fax number from which I served the documents is (complete if service was by fax):
- On (date): November 18, 2016 I served the following documents (specify): 30-DAY NOTICE OF TERMINATION OF MONTH-TO-MONTH TENANCY AND NOTICE TO QUIT  
 The documents are listed in the Attachment to Proof of Service—Civil (Documents Served) (form POS-040(D)).
- I served the documents on the person or persons below, as follows:
  - Name of person served: Khaled A. Tawansy, M.D.; Children's Retina Institute; and Renaissance Surgical Holdings, LLC.
  - (Complete if service was by personal service, mail, overnight delivery, or messenger service.)  
 Business or residential address where person was served: 3200 Long Beach Boulevard, Long Beach, CA 90807. 1) by mail to each of the persons and entities listed in 5a at the premises, and 2) by posting a copy conspicuously on the premises between 9:00 a.m. and 5:00 p.m.
  - (Complete if service was by fax.)  
 (1) Fax number where person was served:  
  
 (2) Time of service:  
 The names, addresses, and other applicable information about persons served is on the Attachment to Proof of Service—Civil (Persons Served) (form POS-040(P)).
- The documents were served by the following means (specify):
  - By personal service. I personally delivered the documents to the persons at the addresses listed in item 5. (1) For a party represented by an attorney, delivery was made (a) to the attorney personally; or (b) by leaving the documents at the attorney's office, in an envelope or package clearly labeled to identify the attorney being served, with a receptionist or an individual in charge of the office; or (c) if there was no person in the office with whom the notice or papers could be left, by leaving them in a conspicuous place in the office between the hours of nine in the morning and five in the evening. (2) For a party, delivery was made to the party or by leaving the documents at the party's residence with some person not younger than 18 years of age between the hours of eight in the morning and six in the evening.

CASE NAME	CASE NUMBER
-----------	-------------

6. b.  By United States mail. I enclosed the documents in a sealed envelope or package addressed to the persons at the addresses in item 5 and (specify one):

- (1)  deposited the sealed envelope with the United States Postal Service, with the postage fully prepaid.
- (2)  placed the envelope for collection and mailing, following our ordinary business practices. I am readily familiar with this business's practice for collecting and processing correspondence for mailing. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, in a sealed envelope with postage fully prepaid.

I am a resident or employed in the county where the mailing occurred. The envelope or package was placed in the mail at (city and state): Signal Hill, California

- c.  By overnight delivery. I enclosed the documents in an envelope or package provided by an overnight delivery carrier and addressed to the persons at the addresses in item 5. I placed the envelope or package for collection and overnight delivery at an office or a regularly utilized drop box of the overnight delivery carrier.
- d.  By messenger service. I served the documents by placing them in an envelope or package addressed to the persons at the addresses listed in item 5 and providing them to a professional messenger service for service. (A declaration by the messenger must accompany this Proof of Service or be contained in the Declaration of Messenger below.)
- e.  By fax transmission. Based on an agreement of the parties to accept service by fax transmission, I faxed the documents to the persons at the fax numbers listed in item 5. No error was reported by the fax machine that I used. A copy of the record of the fax transmission, which I printed out, is attached.

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

Date: December 21, 2016

Ericka Burton  
(TYPE OR PRINT NAME OF DECLARANT)

  
(SIGNATURE OF DECLARANT)

(If item 6d above is checked, the declaration below must be completed or a separate declaration from a messenger must be attached.)

<b>SUPERIOR COURT OF CALIFORNIA COUNTY OF LOS ANGELES</b>		<small>RECEIVED AND STAMPED</small> <b>CONTROLLED COPY ORIGINAL FILED</b> <small>Superior Court Of California County Of Los Angeles</small>  <b>DEC 22 2016</b>  Sherri R. Carter, Executive Officer/Clerk By <u><i>Benedict James</i></u> , Deputy <small>B. James</small>
COURTHOUSE ADDRESS:	<b>Governor George Deukmejian Courthouse 275 Magnolia</b>	
PLAINTIFF:	<b>Long Beach, CA 90802</b>	
DEFENDANT:		CASE NUMBER: <b>NC060949</b>
<b>NOTICE OF CASE MANAGEMENT CONFERENCE</b>		

TO THE PLAINTIFF(S)/ATTORNEY(S) FOR PLAINTIFF(S) OF RECORD:

You are ordered to serve this notice of hearing on all parties/attorneys of record forthwith, and meet and confer with all parties/attorneys of record about the matters to be discussed no later than 30 days before the Case Management Conference.

Your Case Management Conference has been scheduled at the courthouse address shown above on:

Date: <u>5/22/17</u>	Time: 8:30	Dept: 27
----------------------	------------	----------

NOTICE TO DEFENDANT: THE SETTING OF THE CASE MANAGEMENT CONFERENCE DOES NOT EXEMPT THE DEFENDANT FROM FILING A RESPONSIVE PLEADING AS REQUIRED BY LAW.

Pursuant to California Rules of Court, rules 3.720-3.730, a completed Case Management Statement (Judicial Council form # CM-110) must be filed at least 15 calendar days prior to the Case Management Conference. The Case Management Statement may be filed jointly by all parties/attorneys of record or individually by each party/attorney of record. You must be familiar with the case and be fully prepared to participate effectively in the Case Management Conference.

At the Case Management Conference, the Court may make pretrial orders including the following, but not limited to, an order establishing a discovery schedule; an order referring the case to Alternative Dispute Resolution (ADR); an order reclassifying the case; an order setting subsequent conference and the trial date; or other orders to achieve the goals of the Trial Court Delay Reduction Act (Gov. Code, § 68600 et seq.)

Notice is hereby given that if you do not file the Case Management Statement or appear and effectively participate at the Case Management Conference, the Court may impose sanctions, pursuant to LASC Local Rule 3.37, Code of Civil Procedure sections 177.5, 575.2, 583.150, 583.360 and 583.410, Government Code section 68608, subdivision (b), and California Rules of Court, rule 2.2 et seq.

Dated: 12/22/16 Judge Ross M. Klein  
Judicial Officer

**CERTIFICATE OF SERVICE**

I, the below named Executive Officer/Clerk of the above-entitled court, do hereby certify that I am not a party to the cause herein, and that on this date I served the Notice of Case Management Conference upon each party or counsel named below:

- by depositing in the United States mail at the courthouse in Long Beach, California, one copy of the original filed herein in a separate sealed envelope to each address as shown below with the postage thereon fully prepaid.
- by personally giving the party notice upon filing of the complaint.

SHERRI R. CARTER, Executive/Officer Clerk

Dated: 12/22/16 By *Benedict James*  
Deputy Clerk

**NOTICE OF  
CASE MANAGEMENT CONFERENCE**

EXHIBIT "N"

1 LAWRENCE R. CAGNEY, BAR NO. 141845  
LRC@Kriegerlaw.com  
2 PATRICK A. GANGITANO, BAR NO. 281867  
PAG@Kriegerlaw.com  
3 **KRIEGER & KRIEGER**, A Law Corporation  
4 249 E. Ocean Boulevard, Suite 750  
Long Beach, California 90802  
5 Tel: (562) 901-2500 Fax: (562) 901-2522

6 Attorneys for Plaintiff  
7 2H PROPERTY 3060, LLC

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
9 FOR THE COUNTY OF LOS ANGELES—SOUTH DISTRICT  
10

11 2H PROPERTY 3060, LLC, a California ) Case No. NC060962  
12 Limited Liability Company, ) Assigned to the Hon. Michael P. Vicencia –  
13 Plaintiff, ) Dept. 26  
14 vs. ) **[UNLAWFUL DETAINER ACTION]**  
15 ) **STIPULATION:**  
16 KHALED A. TAWANSY, M.D., an individual, ) **1) VACATING TRIAL DATE;**  
CHILDREN’S RETINA INSTITUTE, a ) **2) TRANSFERRING CASE NO.**  
17 business entity, type unknown, and ) **NC060799 TO DEPT. S-26;**  
18 RENAISSANCE SURGICAL HOLDINGS, ) **3) CONSOLIDATING ACTIONS FOR**  
LLC, a California Limited Liability Company, ) **TRIAL; AND**  
19 ) **4) REQUIRING DEFENDANTS’**  
20 Defendants. ) **DEPOSITS TO ESCROW IN**  
21 ) **COURT**  
22 )

23 It is hereby stipulated by and between Plaintiff 2H PROPERTY 3060, LLC (“2H”) on the  
24 one hand, and KHALED A. TAWANSY, M.D., CHILDREN’S RETINA INSTITUTE, and  
25 RENAISSANCE SURGICAL HOLDINGS, LLC (collectively “Defendants”) on the other hand as  
26 follows:  
27  
28

1           4. Defendants shall be entitled to continue in possession of the office suite comprising  
2 the southernmost approximately one-third of the Property, which they currently occupy (“the  
3 Medical Office”) pending the disposition of this action and 2H shall not unreasonably interfere  
4 with Defendants’ use of the Medical Office in the furtherance of their medical practice.

5           5. Plaintiff shall be entitled to exclusive control of the currently unoccupied suites  
6 comprising the remainder of the Property and shall be entitled to construct improvements of high  
7 quality, as determined in 2H’s sole discretion, therein, so long as such activities do not  
8 unreasonably interfere with Defendants’ customary use of the Medical Office. Such improvements  
9 shall be relinquished to Defendants free of liens for labor or materials if, and only if, Defendants  
10 obtain a final judgment against 2H in their favor in the above-entitled action stating that  
11 Defendants are the lawful owners of the Property.

12           6. Plaintiff shall further be entitled to improve the facades and other exteriors of the  
13 buildings on the Property and make general site improvements so long as such activities do not  
14 unreasonably interfere with Defendants’ use of the Medical Office in the furtherance of  
15 Defendants’ medical practice.

16           7. If Defendants are determined to be the lawful owners of the Property in the above-  
17 entitled action, they shall be entitled to an order releasing the funds deposited pursuant to  
18 Paragraph 1 above upon the entry of a final judgment in their favor.

19           8. Nothing contained herein shall constitute an admission by either party of any  
20 contested issues in the above-entitled case.

21           9. The February 16, 2017 trial date of the above-entitled action shall be vacated.

22           10. The related matter of JK Per Augusta ad Felicitas, LLC v. Kuska, LASC Case No.  
23 NC 060799 shall be transferred from Department S-27 to Department S-26 for trial concurrently  
24 with the above-entitled action.

25           11. A case management conference shall be held herein on February 23, 2017 at which  
26 the Court will set a date for the trial of both JK Per Augusta ad Felicitas, LLC v. Kuska, LASC  
27 Case No. NC 060799, and the above-captioned action.

28

# EXHIBIT "0"

1 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
2 FOR THE COUNTY OF LOS ANGELES, LONG BEACH COURTHOUSE  
3  
4 2H PROPERTIES 3060, LLC, )  
5 )  
6 Plaintiff, )  
7 vs. ) No. NC060962  
8 KHALED A. TAWANSY, M.D.; )  
9 CHILDREN'S RETINA INSTITUTE; )  
10 RENAISSANCE SURGICAL HOLDINGS, )  
11 LLC; AND DOES 1 through 10, )  
12 Inclusive, )  
13 Defendants. )  
14  
15 DEPOSITION OF  
16 SEAN HITCHCOCK  
17 ENCINO, CALIFORNIA  
18 JANUARY 30, 2017  
19  
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1 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
2 FOR THE COUNTY OF LOS ANGELES, LONG BEACH COURTHOUSE  
3  
4 2H PROPERTIES 3060, LLC, )  
5 )  
6 Plaintiff, )  
7 )  
8 vs. ) No. NC060962  
9 )  
10 KHALED A. TAWANSY, M.D.; )  
11 CHILDREN'S RETINA INSTITUTE; )  
12 RENAISSANCE SURGICAL HOLDINGS, )  
13 LLC; AND DOES 1 through 10, )  
14 Inclusive, )  
15 )  
16 Defendants. )  
17  
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19  
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22  
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25

DEPOSITION OF SEAN HITCHCOCK, a witness herein,  
taken on behalf of the defendant at 16633 Ventura  
Boulevard, Suite 735, Encino, California, at 3:10  
p.m., on Monday, January 30, 2017, before Mariana  
Hakverdian, CSR 13438

Page 2

1 APPEARANCES OF COUNSEL:  
2  
3 For PLAINTIFF:  
4  
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10  
11 For DEFENDANT'S KHALED A. TAWANSY, M.D.; CHILDREN'S  
12 RETINA INSTITUTE; and RENAISSANCE  
13 SURGICAL HOLDINGS, LLC.:  
14  
15 ZELNER & KARPEL  
16 BY DONALD E. KARPEL, ESQ.  
17 16633 Ventura Boulevard, Suite 735  
18 Encino, CA 91436  
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20  
21  
22  
23  
24  
25

Page 3

1 I N D E X  
2  
3 WITNESS PAGE  
4 SEAN HITCHCOCK 5  
5 MR. KARPEL 5  
6  
7 E X H I B I T S  
8 NUMBER DESCRIPTION PAGE  
9 1 Deposition Subpoena 21  
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QUESTIONS INSTRUCTED NOT TO ANSWER

Page	Line
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74	20
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Page 4

1 ENCINO, CALIFORNIA; MONDAY, JANUARY 30, 2017  
2 1:00 PM  
3 \*\*\*  
4 SEAN HITCHCOCK,  
5 a witness herein, having been first duly sworn,  
6 testified as follows:  
7 -EXAMINATION-  
8 BY MR. KARPEL:  
9 **Q Mr. Hitchcock, would you please state and**  
10 **spell your name for the record?**  
11 A Sean Hitchcock, S-E-A-N, H-I-T-C-H-C-O-C-K.  
12 **Q Mr. Hitchcock, have you ever given a**  
13 **deposition before?**  
14 A Yes, I have.  
15 **Q On how many occasions would you say?**  
16 A Approximately three.  
17 **Q Okay. When was the last time you have given a**  
18 **deposition?**  
19 A Last year.  
20 **Q What was the subject matter of case in which**  
21 **you gave that deposition?**  
22 A A dog bite case.  
23 **Q I was going to be the -- I guess I can ask**  
24 **were you the dog or the bitee, or were you a witness?**  
25 A I was one of the dog owners.

Page 5

1 Q Okay. I'm going to take a few minutes to just  
2 go through the general background of the deposition.  
3 It may be repetitive of something you have already  
4 discussed with your attorney, but then I've said it on  
5 the record. We can go through it -- I'll go through it  
6 fairly quickly.  
7 A deposition is a discovery proceeding whereby  
8 I'll be asking you a series of questions. My  
9 questions, your answers, comments, questions objections  
10 from your attorney are all being taken down by a  
11 certified court reporter to your right.  
12 With all due respect to your attorney, she is  
13 the only really important person in this room right  
14 now, so she must be able to hear your responses. The  
15 responses must be oral. Avoid shakes of your head,  
16 hand gestures, say it was this big and holding your  
17 hands out in a gesture. She cannot interpret any  
18 gestures, nor can she interpret, "uh-huh" or "huh-huh."  
19 So it's important that you answer orally and completely  
20 and avoid any gestures. If she can't hear you she's  
21 got to be -- she'll speak up and say I need you to  
22 speak up or whatever.  
23 Same thing is important that only one person  
24 at a time can speak. This is not a conversation.  
25 Hopefully, we will go fairly quickly -- question,

Page 6

1 answer, question, answer. I will endeavor and do my  
2 best to allow you to complete your answer before I  
3 begin my next question. It's important that you allow  
4 me to complete my question before you begin your  
5 next -- before you begin your answer.  
6 Sometimes my voice trails off at the end, and  
7 I can change the entire meaning of the question. So  
8 just let me complete my question, then you can begin  
9 your answer.  
10 If, in any my questions, I use a word you do  
11 not understand or I get completely marble mouthed --  
12 and believe me, I can do that because they teach us in  
13 law school to modify phrases that modify phrases that  
14 modify phrases, and someplace in there, there may be a  
15 question. If I pull one of those, let me know. I will  
16 try to clear it up.  
17 If you do not understand a question -- if you  
18 do not understand the question -- hold on. Let's go  
19 off the record for a second. Never mind.  
20 If you do not understand the question, please  
21 let me know. If you don't understand a word that I  
22 use, please let me know. It's important that you, in  
23 your answers, that you truthfully and completely  
24 understand my question.  
25 Do you understand that?

Page 7

1 A I understand.  
2 Q Okay. At the end of the deposition, you will  
3 have an opportunity to review the deposition, make any  
4 changes that you want to the deposition, and go ahead  
5 and sign the deposition. I must caution you that any  
6 changes of a substantive matter can be commented on at  
7 the time of any trial in this matter.  
8 What does that mean? I know it has nothing do  
9 with today's deposition, but if this was an accident,  
10 auto accident, and the question is was that light red  
11 or was it green, and today you testified and that was  
12 the whole theme of who was responsible for the  
13 accident, you said the light was red. And then you go  
14 home, think about it, take a pen, take it to your  
15 deposition transcript, cross out the word "red" and  
16 write the word "green." That is a substantive change,  
17 and that's the type of thing that I strongly recommend  
18 discussing with your counsel.  
19 Any questions on any of the general ground  
20 rules for today?  
21 A No.  
22 Q Okay. We're going to get going. And if  
23 anything else come up, and I've forgotten them, I will  
24 tell you as we go.  
25 Are you currently employed?

Page 8

1 A Yes.  
2 Q And who are you employed by?  
3 A 2H Construction.  
4 Q And what kind of company is 2H Construction?  
5 A General contractor.  
6 Q Do you know if that is a corporation or an LLC  
7 or --  
8 A Corporation.  
9 Q Okay. Are you a shareholder of that  
10 corporation?  
11 A I'm the sole owner.  
12 Q You would then be -- are you an officer?  
13 A Yes.  
14 Q What office do you hold?  
15 A President.  
16 Q Are you also a -- on the board of directors?  
17 A Yes.  
18 Q Are there any other members of the board of  
19 directors that you are aware of?  
20 A If a vice president is part of board of  
21 directors, then the vice president is on it as well.  
22 Q When was 2H Construction organized, if you  
23 remember?  
24 A 1997.  
25 Q And have you always been the sole shareholder

Page 9

1 of it?  
2 A Yes. Well, no. I'm sorry. I was previously  
3 married, so my wife was a...  
4 Q And what is your wife's name?  
5 A Ex-wife.  
6 MR. CAGNEY: Objection. This is -- this is  
7 way beyond relevance, and I'm going to instruct him not  
8 to answer. I allowed you some background.  
9 BY MR. KARPEL:  
10 Q Sure. Who is Linda Hitchcock?  
11 A My ex-wife.  
12 Q Did she -- was she a treasurer of the company  
13 at one time?  
14 A I don't recall what her title was.  
15 Q Was she in any way involved in the purchase of  
16 the property at 3200 Long Beach Boulevard?  
17 A No.  
18 Q Okay. That's all.  
19 All right. At some point, did 2H Construction  
20 purchase 3200 Long Beach Boulevard?  
21 A No. I don't believe so.  
22 Q Do you know who purchased three 3200 Long  
23 Beach Boulevard in the last year?  
24 A A limited liability corporation that I own.  
25 Q What is the name of that company? Let me

Page 10

1 help. Was it 2H Property 3060? Was that it?  
2 A Probably. I have a few, so...  
3 Q Okay.  
4 A But I believe that's the correct one.  
5 Q Do you know when the limited -- is it a  
6 limited liability company, corporation?  
7 A Corporation.  
8 Q We will call it an LLC; okay?  
9 A Correct.  
10 Q Do you know when that LLC or any LLC that you  
11 might -- strike that.  
12 Do you have any ownership in the LLC known as  
13 2H Property 3060?  
14 A Yes.  
15 Q Okay. What is your ownership in that?  
16 A 100 percent.  
17 Q Okay. As you sit here today, do you believe  
18 that is the company that purchased the property at 3200  
19 Long Beach Boulevard?  
20 A Yes.  
21 Q Okay. Do you know if any other LLCs or  
22 corporations in addition to 2H Properties 3060 had  
23 purchased any interest in the Long Beach property at  
24 the time 2H Property purchased it?  
25 MR. CAGNEY: Objection. Vague.

Page 11

1 BY MR. KARPEL:  
2 Q All right. Question is are you aware of any  
3 other -- okay. Was the -- did the 2H properties 3060,  
4 to your knowledge, are they the 100 percent owner of  
5 the property at 3200 Long Beach Boulevard?  
6 A I don't think so.  
7 Q Are -- what other entity has an ownership  
8 interest to your knowledge at 3200 Long Beach  
9 Boulevard?  
10 A I believe, in this particular purchase, that I  
11 purchased it coming off of two other 1031 exchanges.  
12 One of them, which was -- well, each one owned by a  
13 different LLC, so when the purchase was made, I think  
14 there was a joint ownership in it.  
15 Q And what are the names of those other LLCs?  
16 A I -- I believe it was 2H Building LLC or  
17 something like that and 2H Property 3060, but both  
18 properties are 100 percent -- or both LLCs are 100  
19 percent owned by me.  
20 Q All right. So prior to purchasing, through  
21 your entities, 2H Property -- 3200 Long Beach  
22 Boulevard, had you or any entity under your control  
23 purchased any other properties in Southern California?  
24 A I think you need to rephrase your question.  
25 Because I think in the beginning, you said 2H Property

Page 12

1 3200.  
2 Q I'll start again.  
3 Prior to purchasing the 3200 Long Beach  
4 Boulevard property, have you or any entities under your  
5 control purchased any other properties in Southern  
6 California.  
7 A Yes.  
8 Q Approximately how many?  
9 A I don't know the exact number, but somewhere  
10 in the range of 20.  
11 Q Okay. Of those 20 properties, how many were  
12 commercial properties?  
13 A I'm only counting the commercial properties in  
14 that count.  
15 Q Of any of these prior 20 properties, had any  
16 of them had a tenant in possession at the time yourself  
17 or any entity of which you were in control of purchased  
18 the property?  
19 A I don't understand what you mean in  
20 possession.  
21 Q It was a tenant who was in the property -- was  
22 in possession of the property at the time you purchased  
23 it.  
24 MR. CAGNEY: Objection. Vague.  
25 ///

Page 13

1 BY MR. KARPEL:  
2 Q You can answer.  
3 A I still don't understand. You mean by, "in  
4 possession" as just being a tenant in the building?  
5 Q Yes.  
6 A So have I purchased a property where an  
7 existing tenant remained in the building?  
8 Q Yes.  
9 A Yes.  
10 Q Are you familiar with what estoppel statement  
11 is?  
12 A Fairly familiar.  
13 Q Fairly?  
14 A Yes.  
15 Q What is your understanding of estoppel  
16 statement?  
17 MR. CAGNEY: Objection. Calls for a legal  
18 conclusion.  
19 BY MR. KARPEL:  
20 Q To your personal -- without a legal  
21 conclusion.  
22 A It has to do -- I believe it has to do with  
23 the current lease the tenant has on the building.  
24 Q Let me get a little background on you. What  
25 is the highest grade of education you completed?

1 A I have a Master's in Business Administration.  
2 Q From Pepperdine?  
3 A Correct.  
4 Q And your undergraduate?  
5 A It's construction engineering.  
6 Q At what school?  
7 A Cal State Long Beach.  
8 Q Have you ever been a real estate broker?  
9 A No.  
10 Q Does 2H Properties 3060 have an in-house real  
11 estate broker?  
12 A No.  
13 Q As you sit here today, do you recall on any of  
14 the prior purchases where there was a tenant in the  
15 building any time where you -- you requested and  
16 obtained a estoppel certificate in that particular  
17 sale?  
18 MR. CAGNEY: Objection. Vague.  
19 BY MR. KARPEL:  
20 Q You may answer.  
21 A I recall receiving estoppel certificates on  
22 previous purchases.  
23 Q The converse of that. Do you recall ever  
24 purchasing a building where there was a tenant present  
25 in the building when you did not receive an estoppel --

1 estoppel certificate?  
2 A I don't recall.  
3 Q Did you receive an estoppel certificate in the  
4 purchase of 3200 Long Beach Boulevard?  
5 A I don't believe so.  
6 Q Did you request one?  
7 A I don't believe so.  
8 Q Did you direct anybody under your control to  
9 request one?  
10 A I don't believe so.  
11 Q Is there a reason why you did not request an  
12 estoppel certificate in the purchase of 3200 Long Beach  
13 Boulevard?  
14 A It was my understanding there was no current  
15 tenant leases on the building when we purchased the  
16 building.  
17 Q And who -- how did you learn that information?  
18 A Well, in a few ways. One, through my brokers.  
19 And another because I was actually given a notice of  
20 termination of the only standing month-to-month lease  
21 that was in the building.  
22 Q Who were the brokers who gave you the  
23 information?  
24 A Lee and Associates.  
25 Q I'm sorry?

1 A Lee and Associates.  
2 Q And who at Lee and Associates provided that  
3 information to you?  
4 A The specific brokers I work with are Jeff  
5 Coburn and Shaun McCullough.  
6 Q Can you spell the last name, Coburn?  
7 A Coburn is C-O-B-U-R-N. And McCullough, I  
8 would be guessing at, but M-C-C-U-L-L-O-U-G-H maybe.  
9 Q Had you used Lee and Associates in any other  
10 purchases of any buildings which you purchased in  
11 Southern California prior to purchasing 3200 Long Beach  
12 Boulevard?  
13 A Yes.  
14 Q On how many occasions?  
15 A Most all occasions. Or at least Jeff and  
16 Shaun. They were formerly with a different -- or I  
17 think Lee and Associates purchased the company that  
18 they were previously.  
19 Q Okay. And you also had information that the  
20 notice of the tenant was on a month-to-month lease; is  
21 that correct?  
22 A We had -- if I recall correctly, we had notice  
23 that there was an existing tenant in place whose lease  
24 was going to expire in June of 2016 and that they were  
25 currently on a month-to-month basis.

1 Q When did you complete the purchase of the 3200  
2 Long Beach Boulevard?  
3 A I believe it was at the end of September.  
4 Q 2013?  
5 A 2016.  
6 Q 2016. I'm sorry.  
7 A 2016.  
8 Q When did you first see the building?  
9 A I don't recall.  
10 Q Did you -- did you ever do -- did you ever go  
11 physically to the building at 3200 --  
12 A Yes.  
13 Q -- 3200 Long Beach Boulevard prior to entering  
14 into any agreement to purchase it?  
15 A Yes.  
16 Q On how many occasions?  
17 A I don't recall.  
18 Q More than once?  
19 A Probably.  
20 Q More than ten times?  
21 A No.  
22 Q Between one and five times?  
23 A It would have -- it would have been less than  
24 five times.  
25 Q When you visited the building at 3200 Long

Page 18

1 Beach Boulevard prior to making an offer to purchase,  
2 did you see anyone occupying the building?  
3 A No. I never saw a tenant inside the building.  
4 Q Did you see any improvements that were done to  
5 the building?  
6 A Yes.  
7 Q Now, describe the building for me. I  
8 understand there may be three units; is that correct?  
9 A Correct.  
10 Q Okay. Can you describe those units for me?  
11 A Okay. In general, I would say the -- the back  
12 third unit, which would be the furthest north of the  
13 building, was in complete shambles. The middle unit  
14 was an old and low-class vacant space.  
15 Q Any idea its use? Did you determine what its  
16 use -- whether it's office, medical, retail?  
17 A It was probably medical office.  
18 Q You indicated it was old. What gave you the  
19 impression it was old?  
20 A It was just, kind of, outdated and not of  
21 high-class construction.  
22 Q Did it seem as -- could you tell purely  
23 through your observation whether it was being used?  
24 A You could tell that it was absolutely not  
25 being used.

Page 19

1 Q Going back to the third -- the back unit, the  
2 first one you described, you said it was in shambles.  
3 In what way was it in shambles?  
4 A It was partially demolished. There was  
5 exposed walls and electric wiring and parts and pieces  
6 laying all over the floor.  
7 Q Did it look like it was being used for storage  
8 in any way?  
9 A There were items stored in there; although, it  
10 I don't know that it was any -- it did not appear to be  
11 any usable type of storage.  
12 Q Could you tell what type of items were stored  
13 in it?  
14 A Yeah. We have pictures of it. I don't recall  
15 off the top of my head.  
16 Q I had asked, as part of today's case, I had  
17 served with a subpoena, and your counsel was kind  
18 enough to give me an electronic. It says production,  
19 001 through 298. Did that contain the pictures that  
20 you were just referring to?  
21 MR. CAGNEY: I prepared that, Mr. Karpel.  
22 And, no, it does not --  
23 MR. KARPEL: Okay.  
24 MR. CAGNEY: -- include the pictures, which I  
25 don't believe are responsive to the request.

Page 20

1 MR. KARPEL: Just wanted to know what was on  
2 it. That's all.  
3 MR. CAGNEY: Sure.  
4 BY MR. KARPEL:  
5 Q Was there -- did you have a chance to look at  
6 the subpoena that was prepared for you?  
7 A I believe so.  
8 MR. KARPEL: All right. I'm going to attach  
9 that as Exhibit 1, I guess.  
10 (Defendants' Exhibit 1 marked for  
11 identification.)  
12 MR. KARPEL: And looking at Page -- Page 3 of  
13 the exhibit, which is Attachment 1 of the subpoena.  
14 Just take a moment and look at that for me, please.  
15 Counsel, I have an unsigned copy she just  
16 printed off the computer, but I think it -- it should  
17 be identical.  
18 MR. CAGNEY: It is. It appears that way.  
19 BY MR. KARPEL:  
20 Q Did you make an effort to collect those  
21 documents?  
22 A I think I just gave direction to provide all  
23 these -- whatever we had in response to this.  
24 Q Okay. Without telling me whether you directed  
25 your attorney to do that, did you direct somebody to

Page 21

6 (Pages 18 to 21)

1 collect those documents for you?  
2 A I don't recall.  
3 **Q Would those documents be stored some place in**  
4 **your office or someone else's office?**  
5 A Well, what you do you mean by, "those  
6 documents"? Quotes like any and all documents?  
7 **Q The documents that are the subject matter that**  
8 **is contained in the subpoena, such as the escrow**  
9 **instructions, purchase agreements, things like that.**  
10 A Again, if you're -- If you're specifically  
11 asking about escrow instructions and purchase  
12 agreements, then I directed my property manager to find  
13 those. But the statement of any and all documents is  
14 very vague and broad ranging, so I couldn't tell you  
15 that those were all stored in one particular location.  
16 **Q All right. Who was your office manager that**  
17 **you directed to search for those documents?**  
18 MR. CAGNEY: I think Mr. Hitchcock testified  
19 property manager.  
20 THE WITNESS: Yeah.  
21 BY MR. KARPEL:  
22 **Q Who is the property manager?**  
23 A Ericka Burton.  
24 **Q Okay. Counsel has delivered a document -- an**  
25 **electronic document labeled 001 through 298, have you**

Page 22

1 had a chance to look at this, what the contents of the  
2 electronic disk?  
3 A No.  
4 **Q Other than the being told by your attorney,**  
5 **have you been told that this electronic disk is --**  
6 **contains the documents in response to request that is**  
7 **attached to the subpoena?**  
8 MR. CAGNEY: Sorry. May I have that question  
9 back, please?  
10 MR. KARPEL: Sure.  
11 (Record read.)  
12 BY MR. KARPEL:  
13 **Q I'm carving out communications between**  
14 **yourself and your attorney.**  
15 **Has someone told you that this disk contains**  
16 **the response to the document request that is attached**  
17 **to the subpoena?**  
18 A Other than my attorney?  
19 **Q Yes.**  
20 A No.  
21 **Q Okay. I think we got through -- did you**  
22 **finish your description of the middle section of**  
23 **building on any of the -- on the visit that you had**  
24 **taken to 3200 Long Beach Boulevard?**  
25 A Yes.

Page 23

1 **Q And what is -- was there any other units?**  
2 A The front unit, which would the most southerly  
3 unit, appeared to be the newest unit where I was told  
4 the most current past tenant was located. Although,  
5 from walking through the unit, there was no signs of  
6 any current use.  
7 **Q And can you describe what -- what existed in**  
8 **that unit?**  
9 A Vacant medical office space.  
10 **Q Were there any signs on the outside of that**  
11 **unit indicating, other than an address, a location of**  
12 **an office?**  
13 A You know, I don't think there is.  
14 **Q How did you first learn that the building was**  
15 **available to purchase?**  
16 A That's a vague question because, over the last  
17 decade or so, that building has been available for  
18 purchase several times.  
19 **Q Had you ever seen a for sale sign on the**  
20 **building in the last 12 months?**  
21 A I don't recall.  
22 **Q Is that a building that you drive by on a**  
23 **regular basis?**  
24 A I live and work in the same area.  
25 **Q Had you ever inquired as to the availability**

Page 24

1 **purchasing that building prior to the transaction which**  
2 **ultimately closed in June -- of September of 2016?**  
3 A Well, again, I think that question is a little  
4 difficult because it's been for sale several times in  
5 the past decade. But I think what you're wanting to  
6 know is, for this current purchase, how I found out  
7 about it. I found out by my brokers advising me of --  
8 of the purchase availability of the building.  
9 **Q That actually wasn't my question.**  
10 A Okay.  
11 **Q I was excluding out the transaction that**  
12 **concluded in September of 2016.**  
13 **Had you ever made any inquiries prior to that**  
14 **time as to the possibility of purchasing that -- that**  
15 **building?**  
16 A I think so.  
17 **Q On how many occasions?**  
18 A I don't recall.  
19 **Q Do you remember who you spoke to?**  
20 A My brokers.  
21 **Q Did you ever speak to any of the owners of the**  
22 **building prior to the purchase from Jennifer Sohol?**  
23 A No. I don't believe I've ever spoken to an  
24 owner of that building.  
25 **Q Were you aware there was a doctor who owned**

Page 25

1 the property since about 2012?  
2 MR. CAGNEY: Objection. Vague.  
3 MR. KARPEL: If he knows.  
4 **Q You can answer.**  
5 A I don't know if you are referring to Sohol or  
6 Tawansy. I'm not sure.  
7 **Q Okay. I was referring to Tawansy for a**  
8 **moment.**  
9 **Were you aware, prior to your entering the**  
10 **purchase agreement with Dr. Sohol, that Dr. Tawansy was**  
11 **a titled owner to the property at some point?**  
12 A No. I don't believe so.  
13 **Q Did you speak to Dr. Tawansy prior to entering**  
14 **into the agreement with Dr. Sohol?**  
15 A I don't believe I've ever spoken to  
16 Dr. Tawansy.  
17 **Q Prior to entering into the agreement with**  
18 **Dr. Sohol, did you ever speak to Dr. Sohol?**  
19 A I have never spoken to Dr. Sohol.  
20 **Q Have you ever been informed by any of your**  
21 **agents that they spoke to Dr. Tawansy prior to you**  
22 **getting involved in purchasing the property from**  
23 **Dr. Sohol?**  
24 A No.  
25 **Q Have you -- have you ever been informed by --**

Page 26

1 let's put it this way. Have you ever been informed by  
2 anyone other than your lawyer that they had spoken to  
3 Dr. Tawansy prior to you entering into the property  
4 transaction with Dr. Sohol?  
5 A No.  
6 **Q Have you ever been informed by anyone that the**  
7 **spoke to Dr. Sohol prior to entering into the**  
8 **transaction with Dr. Sohol?**  
9 A Well, I have no idea.  
10 **Q Somebody telling you, you know, I had spoken**  
11 **to Dr. Sohol, and she is a tenant there, she is**  
12 **building something, just any general information prior**  
13 **to entering into the transaction?**  
14 MR. CAGNEY: So the question is whether  
15 Mr. Hitchcock was ever told by anyone that that person  
16 had spoken to Sohol?  
17 MR. KARPEL: Exactly. That's what I'm -- at a  
18 time prior to entering into the agreement.  
19 THE WITNESS: I'm not sure I understand that  
20 question.  
21 BY MR. KARPEL:  
22 **Q Okay. We'll give it one more chance. Okay.**  
23 **Otherwise, I will just end it. The importance is not**  
24 **that great.**  
25 **Okay. Other than your lawyer, has any broker,**

Page 27

1 agent, anybody ever told you that they had spoken to  
2 Dr. Sohol about that building prior to you entering  
3 into the agreement with Dr. Sohol?  
4 A Okay. It doesn't readily come to my mind.  
5 The only person I would have had that contact through  
6 would be my broker, and I don't recall my broker ever  
7 saying they had direct conversation with Sohol.  
8 **Q You indicated had you been -- you had been to**  
9 **the building at 3200 Long Beach Boulevard several times**  
10 **prior to entering into the purchase agreement; is that**  
11 **correct? I just want to make sure I understood.**  
12 A Well, I indicated that I -- I definitely did  
13 once and possibly more than once.  
14 **Q Okay. On any of the other occasions -- well,**  
15 **when was the first time you may have looked at the**  
16 **property? Let's do it that way.**  
17 A I don't recall.  
18 **Q In relationship to you entering into a**  
19 **purchase agreement with Dr. Sohol, can you give the**  
20 **timeframe of when you first saw the property?**  
21 A I don't recall the date. But when my brokers  
22 told me it was available, they set up a access to the  
23 building with the seller's broker, my broker, and  
24 myself.  
25 **Q Okay. Who was the seller's broker, if you**

Page 28

1 recall?  
2 A I recall it being Marcus and Millichap.  
3 COURT REPORTER: I'm sorry?  
4 THE WITNESS: Marcus and Millichap.  
5 BY MR. KARPEL:  
6 **Q And estimate of a timeframe, a month, two**  
7 **months, a year before?**  
8 A I don't recall because this escrow was -- was  
9 a long escrow because it kept getting delayed because I  
10 was selling another property that I was using that  
11 money from for the 1031 exchange. And the other  
12 property I was selling kept getting delayed in escrow,  
13 which, in turn, kept delaying this escrow.  
14 **Q Any idea how long the escrow might have been?**  
15 A No. I don't recall.  
16 **Q A year? Six months?**  
17 MR. CAGNEY: Don't guess. If you are able to  
18 estimate --  
19 THE WITNESS: I don't recall. I mean, I've  
20 been involved in quite a few purchases in the last two  
21 years, so I don't recall.  
22 BY MR. KARPEL:  
23 **Q Okay. Which broker told you that the property**  
24 **was available?**  
25 A Lee and Associates.

Page 29

1 Q Do you know who at Lee and Associates?  
2 A Either Jeff or Shaun or both.  
3 Q Okay. Did they know you -- you had a had --  
4 well, let me ask this.  
5 Prior to learning about the availability of  
6 the property, had you ever expressed to Lee and  
7 Associates a desire to purchase this particular  
8 building?  
9 A Yes.  
10 Q And do you recall when you first expressed  
11 that to them?  
12 A Several years before.  
13 Q Is there a reason why you had an interest in  
14 this particular building several years before?  
15 A I have interest in all potential medical  
16 buildings around the area.  
17 Q That's close to a hospital, isn't it?  
18 A Correct.  
19 Q Long Beach Memorial?  
20 A Correct.  
21 Q How far from Long Beach Memorial is this  
22 particular building?  
23 A A couple of blocks.  
24 Q Other than it being an available medical  
25 building close to the Long Beach Memorial that fed your

Page 30

1 interest in purchasing this particular building?  
2 A Yes. In general, my interest is in all local  
3 properties so that they're easy for me to access  
4 because I run a full-time job being a general  
5 contractor. And in addition, I specifically seek out  
6 properties that have value add opportunities, meaning  
7 that they need a lot of work to them so that I can add  
8 my construction services to add value to the property.  
9 This particular building met all those requirements.  
10 Q Had you made any inquiry other than from your  
11 broker as to the use of the -- strike that.  
12 Did you talk to any -- any doctors or other  
13 medical professionals about this building prior to  
14 entering into -- into the agreement?  
15 A I don't believe so.  
16 Q What was the -- what was your long term  
17 purpose in purchasing this building?  
18 A To improve and upgrade the building and  
19 property for lease.  
20 Q Was there a specific use, such as a medical  
21 building, retail, residential that you had in mind?  
22 A Definitely not residential.  
23 Q Okay. Have to ask all possibilities.  
24 A And I'm always interested in medical, but I  
25 wasn't limited to --

Page 31

1 Q Okay.  
2 A -- to medical.  
3 Q Do you have any kind of medical consultant  
4 that you worked with in regard to this building as to  
5 the feasibility of converting this into a medical  
6 building?  
7 A No.  
8 Q Do you ever work with a medical consultant to  
9 assist you in conversion of a commercial building into  
10 a medical building?  
11 MR. CAGNEY: Objection, Vague.  
12 BY MR. KARPEL:  
13 Q You can answer.  
14 A For properties that I own?  
15 Q Yes.  
16 A No.  
17 Q Did Lee and Associates tell you what the  
18 purchase price would be for the building?  
19 A Yes.  
20 Q How much was it?  
21 A I don't recall.  
22 Q Was it between 2.5 and \$3 million?  
23 A I don't recall.  
24 Q Did Lee -- anyone at Lee and Associates tell  
25 you who the current tenant might have been in the

Page 32

1 building?  
2 A I'm trying to think. I believe, originally,  
3 they just told me that there was a current tenant in  
4 the building. And then we learned that the current  
5 tenant's lease was expired in June. And then I was  
6 told there could be interest for the current tenant to  
7 continue a new lease. And at some point, I was given  
8 copies of the lease that had expired, so I assume that  
9 that tenant information would be on that lease.  
10 Q And I think you testified you never spoke to  
11 Dr. Tawansy directly; correct?  
12 A Never.  
13 Q Did you speak to an agent or representative of  
14 Dr. Tawansy at any time prior to the closing of the  
15 purchase of this building?  
16 A No.  
17 Q Did you ever receive any current  
18 correspondence from Dr. Tawansy concerning any claimed  
19 interest he might have in the building?  
20 A At what point?  
21 Q Prior to the close.  
22 A No.  
23 Q Did you ever receive any correspondence from  
24 any agent or representative of Dr. Tawansy prior to the  
25 close of the building that Dr. Tawansy had an interest

Page 33

1 in the building?  
2 A No.  
3 Q After the close of the building, did you ever  
4 receive any information from any source that  
5 Dr. Tawansy claimed that he had ownership interest in  
6 the building? I have to eliminate your attorney for a  
7 moment.  
8 A Yes.  
9 MR. CAGNEY: Besides your letter?  
10 MR. KARPEL: Yes. The answer is, "yes."  
11 Q How did you learn about that claim?  
12 A We were served with a -- with a summons or  
13 lawsuit or something.  
14 Q Who initiated that lawsuit, if you know.  
15 MR. CAGNEY: Objection. Vague.  
16 BY MR. KARPEL:  
17 Q Who is the plaintiff in that matter?  
18 A I don't recall the exact specifics, if this  
19 was a -- this was a original suit and plaintiff or this  
20 was a countersuit. I just know somehow we got named in  
21 a -- in a summons, and I read -- I just read the  
22 complaint. And that was the first time I ever heard  
23 anything about the claim of Dr. Tawansy claiming  
24 ownership in the building.  
25 Q When you decided to purchase the building, did

Page 34

1 you do it by an offer to purchase, or what type of  
2 document did you prepare or someone on your behalf  
3 prepare?  
4 A My broker prepared.  
5 Q What did he prepare?  
6 A I don't recall. Some kind of purchase  
7 agreement.  
8 Q You -- you don't recall the purchase price?  
9 A You haven't asked me that.  
10 Q Oh. That's right. I asked you the price of  
11 the -- what was the purchase price?  
12 A To my recollection, I believe I remember the  
13 purchase price being \$2,650,000, but, again, that's  
14 just me recalling right now.  
15 Q Did you make any kind of application from a  
16 finance or -- finance -- financial institution for a  
17 loan for the purchase price?  
18 A I believe I had a discussion with my bank  
19 about it.  
20 Q Did you end up using your bank?  
21 MR. CAGNEY: Objection. Vague.  
22 BY MR. KARPEL:  
23 Q To purchase the property -- to fund the loan  
24 to purchase the property?  
25 A No. I believe I ended up purchasing the

Page 35

1 property fully out of two separate 1031 exchanges.  
2 Q In the discussions that you had with your  
3 bank, did you present the lease that was presented to  
4 you from the owner of the property?  
5 A I don't think so.  
6 Q When were you given that lease?  
7 A Some point during escrow.  
8 Q As you said, you don't recall how long -- it  
9 was a long escrow, but you don't recall how long?  
10 A Correct.  
11 Q Once escrow opened, did you -- you or anybody  
12 in -- on your behalf perform any due diligence in  
13 regard to the purchase of this building?  
14 MR. CAGNEY: Objection. Vague.  
15 BY MR. KARPEL:  
16 Q The answer is "yes" or "no." I will get into  
17 what due diligence is.  
18 A Yes.  
19 Q Yes.  
20 What form of due diligence -- what forms of  
21 due diligence did you -- did you perform or you or  
22 someone on your behalf perform in regards to the  
23 purchase of this building?  
24 A I walked and reviewed the building from  
25 inside, outside, on top of roof, the parking lot. And

Page 36

1 I brought, I believe, a mechanical contractor and  
2 electrical contractor with me to give me their input as  
3 well.  
4 Q Do you know if -- did you review any title  
5 reports on the building?  
6 A I'm sure I saw some, but I leave -- I -- I  
7 trust my brokers and escrow to handle most of that.  
8 Q Do you know who -- your broker then would have  
9 been responsible for reviewing any title reports?  
10 A My broker does review the title reports, and  
11 so does escrow.  
12 Q So we're clear, do you have a specific  
13 recollection of reviewing the title report in regards  
14 to the purchase of 3200 Long Beach Boulevard?  
15 A I don't recall.  
16 Q Did your broker or anybody else who, to your  
17 knowledge, might have reviewed the title report ever  
18 tell you that the tenant that was in the property  
19 showed up as a prior owner the building?  
20 A I don't recall that, no.  
21 Q When did you learn of the name Dr. Tawansy  
22 having any involvement in this property?  
23 A I would imagine when I saw the name on the  
24 lease that was, at some point, given to me.  
25 Q Do you know if that lease was ever shown to

Page 37

1 **your broker or anyone else who might have reviewed the**  
2 **title report?**  
3 MR. CAGNEY: Objection. Vague. Calls for  
4 speculation.  
5 BY MR. KARPEL:  
6 **Q Can you answer?**  
7 A I got the lease from my broker. So, yes,  
8 broker would have seen it.  
9 **Q And the broker, to your knowledge, never told**  
10 **you that the current tenant showed up as a title owner**  
11 **at one point of the building; is that correct?**  
12 A Correct.  
13 **Q Do you have the address for Lee and**  
14 **Associates?**  
15 A No.  
16 **Q Do you know where they're -- where they're**  
17 **generally located?**  
18 A Long Beach.  
19 **Q Do you know if it was either Shaun or Jeff**  
20 **that specifically worked on 3200 Long Beach, or both of**  
21 **them did?**  
22 A Both of them.  
23 **Q Did they ever tell you that they -- either one**  
24 **of them reviewed the title report of the property?**  
25 A The only thing I remember going on with the

Page 38

1 title report was there -- and that's when I engaged my  
2 attorney on it -- was that there was an issue --  
3 MR. CAGNEY: And I'll warn you not to --  
4 MR. KARPEL: Careful.  
5 MR. CAGNEY: -- disclose any aspect of any  
6 communication between you and anyone at my office.  
7 MR. KARPEL: Please. I don't want you to --  
8 you understand there is attorney-client privilege --  
9 THE WITNESS: Correct.  
10 MR. KARPEL: -- and I'm not entitled to  
11 inquire into that. So you have to, kind of, dance  
12 around if you can.  
13 **Q Without disclosing any communication from your**  
14 **attorney, did you learn from any other source that**  
15 **there was some -- some issue with the title?**  
16 A The same circumstance that we're talking  
17 about, the broker was -- my broker was aware of it,  
18 yes.  
19 **Q And what was your broker aware of?**  
20 A I don't know how much I'm allowed to say.  
21 MR. CAGNEY: It's -- anything that didn't come  
22 from me or involve communications with my office is  
23 fair game. So once you started talking to me, you  
24 don't disclose anything about -- about those  
25 communications.

Page 39

1 THE WITNESS: I think as soon as it was  
2 brought up, I addressed to you, so...  
3 BY MR. KARPEL:  
4 **Q Okay. So let's get back to what was brought**  
5 **up. That, I'm entitled to.**  
6 A Technically, I'm trying -- I -- I don't  
7 remember what it was. It was something about a --  
8 MR. CAGNEY: You -- you're only required to  
9 disclose what you remember. So if you don't remember  
10 it, that's the answer, and we move on.  
11 THE WITNESS: Yeah. I mean, it's -- it's  
12 documented. It's not -- it's not a secret. I mean,  
13 anyone can -- I'm sure there's documents provided to  
14 you that you have.  
15 BY MR. KARPEL:  
16 **Q I understand there's some --**  
17 A We had to ask for additional title insurance  
18 for a certain item.  
19 **Q Do you remember what that was?**  
20 A No.  
21 **Q Was -- who's the -- the title insurance**  
22 **company?**  
23 A I don't recall.  
24 **Q Okay. Was it -- was this first brought to**  
25 **your attention by your broker?**

Page 40

1 A I believe so.  
2 **Q And as you sit here today, you don't remember**  
3 **what the problem was, but it had to do something with**  
4 **title?**  
5 A Correct.  
6 **Q Do you know whether that, as you sit here**  
7 **today, if that was an issue that involved any claims by**  
8 **Dr. Tawansy to the title?**  
9 A I don't remember.  
10 **Q Were you provided additional insurance by the**  
11 **title company?**  
12 A Yes.  
13 **Q Do you recall the amount or the type of**  
14 **insurance that was provided by the title company?**  
15 A No.  
16 **Q As you sit here today, and excluding anything**  
17 **that you might have heard from your counsel, did it**  
18 **have anything to do with any claims of title between**  
19 **Dr. Tawansy and Dr. Sohoh as the reason why you needed**  
20 **to have the additional title insurance?**  
21 A Not that I'm aware of, no. I don't recall it  
22 being that.  
23 **Q Did it have to do with any easements or claims**  
24 **of easements on the property?**  
25 A I don't think so.

Page 41

1 Q Did it have to -- well...  
2 Prior to your purchase of the property, had  
3 you ever learned from any -- from your broker or  
4 anybody else that there were -- that there were claims  
5 to title by a third party?  
6 A No.  
7 Q Prior to you purchasing the property, did you  
8 ever learn that there may have been an alleged  
9 extension of the lease for the tenant that was in  
10 possession at the time you purchased the property?  
11 A No. I don't believe so.  
12 Q You ultimately learned that there was a claim  
13 by Dr. Tawansy in regard to the seller of the property  
14 to you; is that correct?  
15 A When I was served the summons, yes.  
16 Q And that was your first knowledge of any claim  
17 by Dr. Tawansy or anybody on his behalf on the title to  
18 the property; is that correct?  
19 A Correct.  
20 Q Do you remember when you were served?  
21 A No.  
22 Q Were you served after you had closed the  
23 escrow on the purchase of the property?  
24 A Yes.  
25 Q The second time you might have visited the

Page 42

1 property, did you see any changes to the property from  
2 the first time you had seen the property?  
3 A I don't think so.  
4 Q How about the unit -- the most northern unit,  
5 was there any changes to that? That's the one in  
6 shambles.  
7 A Not that I recall.  
8 Q Okay. And the middle unit?  
9 A Not that I recall.  
10 Q How about the first unit?  
11 A Not that I recall.  
12 Q Did you see any evidence when you visited the  
13 first unit that it was being used?  
14 A It really looked like it was not being used.  
15 It seemed to have just some, you know, old mail front  
16 of the reception desk.  
17 Q Did you ever learn from any -- any source  
18 other than your lawyer that the first unit was being  
19 used?  
20 MR. CAGNEY: Objection. Vague as to time.  
21 THE WITNESS: Did I ever?  
22 BY MR. KARPEL:  
23 Q Yeah. Let's say prior to your -- your closing  
24 of the escrow.  
25 A Well, only in that my broker let me know that

Page 43

1 it could be possible to continue the lease for that  
2 front unit with the current tenant.  
3 Q Did he ever describe who the current tenant  
4 was?  
5 A Probably.  
6 Q Do you recall what he said to you?  
7 A No. I -- I don't think the name ever was of  
8 any importance to me. It was just a discussion that it  
9 seemed crazy that the tenant might be interested in  
10 continuing the lease. But if they were, and we weren't  
11 ready to develop that portion, we might as well lease  
12 it.  
13 Q Did he tell you, without disclosing the name,  
14 the type of business that was being conducted in the  
15 first unit? The first unit being the southernmost  
16 unit.  
17 A I think so.  
18 Q And what was that?  
19 A An eye doctor.  
20 Q Did the broker tell you how often the eye  
21 doctor would see patients, if he did, at that location?  
22 A No.  
23 Q Did you make any inquiry of -- from any other  
24 medical professional if they knew who the person was  
25 that was in the -- in the first unit, occupying it?

Page 44

1 A I don't think so.  
2 Q Did anyone tell you, your broker or anybody  
3 else, tell you that they made an inquiry as to who the  
4 person was that was occupying the first unit?  
5 A I don't think so.  
6 Q You indicated that you were given a copy of a  
7 lease that allegedly was between the then owner and the  
8 tenant that was in there. When did you get that lease  
9 in relation to the closing of the escrow?  
10 A Prior to closing.  
11 Q Were you ever told whether or not your agent  
12 spoke to Dr. Sohoh about that tenant?  
13 A Repeat that question.  
14 Q I'm sorry.  
15 Were you ever told whether your agent or  
16 agents ever spoke to Dr. Sohoh about that tenant?  
17 A Not that I'm aware of.  
18 Q Do you know who provided the lease to -- was  
19 it provided to you -- by your broker to you?  
20 A Yes.  
21 Q Who provided it to your broker?  
22 A I don't know.  
23 Q Did you have any conversation with your broker  
24 or anybody else about presenting a lease to the tenant  
25 at any time? This would include after you closed

Page 45

1 escrow.  
2 A Repeat the beginning again.  
3 Q Sure.  
4 Did you have any discussions with anybody,  
5 other than your lawyer, about presenting a new lease to  
6 the tenant at any time, including after you took  
7 tenant -- you took title?  
8 A Yes.  
9 Q And who was that that you spoke to?  
10 A My broker and to Ericka Burton.  
11 Q Okay. And what were those discussions?  
12 A That we would present the current tenant with  
13 a month-to-month lease offer.  
14 Q Was the amount of the rent discussed?  
15 A Yes.  
16 Q And how was that determined?  
17 A We kept it the same amount that they were  
18 already leasing the building from on their expired  
19 lease.  
20 Q Okay. And how much was that?  
21 A If I recall correctly, it was \$15,000 a month.  
22 Q Given that unit -- did -- did that include the  
23 entire building or just the unit that the tenant was  
24 occupying?  
25 A Just the front unit.

Page 46

1 Q Okay. How many square feet was there in the  
2 front unit?  
3 A Approximately 5,000.  
4 Q You're familiar with rentals. Let me ask  
5 this. Do you own any other medical buildings in a  
6 proximity to Long Beach Memorial Hospital?  
7 A Yes.  
8 Q Any of those medical buildings rented out to  
9 doctors?  
10 A Currently, my most recent and best comparison  
11 would be a rental to Kaiser, who, you know, has  
12 doctors, but it's not actually to a doctor.  
13 Q Do you know what the square footage is of  
14 that, what you are renting out to the Kaiser?  
15 A Approximately 20,000 square feet.  
16 Q And how much per square foot?  
17 A Approximately \$2.50 cents triple net.  
18 Q Do you know if the lease that you presented to  
19 the tenant at 3200 Long Beach Boulevard was going to be  
20 a triple net?  
21 A I believe so.  
22 Q And that works out \$3 a square foot; is that  
23 correct?  
24 A Correct.  
25 Q Did that seem to be a fair amount of rent for

Page 47

1 that particular unit?  
2 MR. CAGNEY: Objection. Vague.  
3 BY MR. KARPEL:  
4 Q You may answer.  
5 A It's on the high side, but not -- it's not  
6 ridiculous.  
7 Q Given your description of the improvements in  
8 Unit 1, that affects what the per square footage rental  
9 raise rate is; am I correct?  
10 A I didn't give a description of Unit 1's  
11 improvements.  
12 Q Okay. Well, why don't you give me a  
13 description of Unit 1's improvements. I thought we,  
14 kind of, glossed over it, but go ahead.  
15 A I think we talked about Unit 2.  
16 Q All right. How about Unit 1?  
17 A Unit 1 was more current than the middle unit,  
18 but what -- what exactly are you asking me about it?  
19 Q Maybe I was wrong. I thought you had  
20 described it as still an older, not up-to-date tenant  
21 improvements?  
22 MR. CAGNEY: I think that was Mr. Hitchcock's  
23 testimony regarding Unit 2.  
24 THE WITNESS: Yes.  
25 ///

Page 48

1 BY MR. KARPEL:  
2 Q All right. Would you describe the nature of  
3 the improvements in -- let's do the nature first in  
4 Unit 1?  
5 A The nature of it, so meaning that it was a  
6 medical office space?  
7 Q Yeah. What -- what amenities did it have?  
8 A It had all the basic amenities of a medical  
9 office space.  
10 Q Did it have an operating room?  
11 A No. I don't think so.  
12 Q Was it a -- did it have lab facilities --  
13 laboratory facilities?  
14 A I'm not sure how you would laboratory  
15 facilities. I recall seeing, like, a medical chair in  
16 a room and cabinets with sinks.  
17 Q All right. Did it have an office for the  
18 doctor or a doctor?  
19 A Probably.  
20 Q How many examining rooms did it have?  
21 A I don't recall, but it's still existing, so it  
22 could be counted.  
23 Q Did it have any storage for files?  
24 A Probably. I don't recall.  
25 Q Were there files in the storage?

Page 49

1 A I never saw any files.  
2 **Q Did it have any signs in interior of the Unit**  
3 **1 as to who was occupying it?**  
4 A I don't think so.  
5 **Q Would you describe the amenities and tenant**  
6 **improvements of Unit 1 -- well, let me ask you how**  
7 **would you describe it in terms of being up to date,**  
8 **modern, dated by a few years, dated by a lot of years?**  
9 **I know it's vague, but give me your best opinion.**  
10 A Yeah. That's very subjective. I personally  
11 didn't --  
12 **Q Did it suck?**  
13 A -- didn't care for the design. I thought the  
14 hallways were too big and that the, you know, the  
15 material of the doors was inadequate. You know, those  
16 kinds of things, but it's very subjective.  
17 **Q Was it functional?**  
18 A It appeared to be.  
19 **Q Was it worth \$3 a square foot given the area**  
20 **and your experience renting medical space in that area?**  
21 MR. CAGNEY: Objection. Calls for an expert  
22 opinion. Vague. Incomplete hypothetical. And it  
23 calls for speculation.  
24 BY MR. KARPEL:  
25 **Q You are the owner of buildings in that area,**

Page 50

1 **so without being an expert, I'm still entitled to you**  
2 **experience and knowledge.**  
3 A Yeah. Worth is, again, a subjective  
4 statement, you know. It's worth it if it's worth it to  
5 that specific doctor.  
6 **Q In it's present condition, would you, to a new**  
7 **tenant, would have rented it out for \$3 a square foot?**  
8 A I would like to, but if asking me --  
9 **Q Market -- market conditions.**  
10 MR. CAGNEY: Same objections.  
11 BY MR. KARPEL:  
12 **Q I get it. Give me the answer.**  
13 A I mean, if I'm being honest, it would get  
14 rented -- rented at a -- at a less per square foot  
15 rate, but -- but it's still within reason. It's not --  
16 it's not a crazy number.  
17 **Q Were you ever told that the -- let me ask you**  
18 **this.**  
19 **The lease that you were given Dr. Sohol -- not**  
20 **you, but given to the agent or broker that you saw, was**  
21 **that just for you Unit 1, or was that for the entire**  
22 **building?**  
23 A It was my understanding it's for Unit 1.  
24 **Q Did you ever learn that that was for the**  
25 **entire building at any time?**

Page 51

1 A No. No.  
2 **Q At any time either before or after the escrow,**  
3 **have you ever had any personal conversation with**  
4 **Dr. Sohol?**  
5 A Never.  
6 **Q At any time since the close of escrow, have**  
7 **you ever spoken to Dr. Tawansy?**  
8 A No.  
9 **Q Were you ever made aware that Dr. Tawansy and**  
10 **Dr. Sohol were in a relationship?**  
11 A Yes.  
12 **Q And other than from your attorney, who told**  
13 **you that?**  
14 A I think I learned it from the summons that was  
15 served to me.  
16 **Q The summons that you learned that Dr. Tawansy**  
17 **felt he had an ownership interest in that property;**  
18 **right?**  
19 A Correct.  
20 **Q And did you understand that ownership interest**  
21 **to be an equitable ownership interest in the property,**  
22 **if you understand? I'm not -- I'm not asking for,**  
23 **like, legal opinion.**  
24 MR. CAGNEY: Objection. Calls for legal  
25 conclusion. Assumes facts not in evidence. Incomplete

Page 52

1 hypothetical.  
2 BY MR. KARPEL:  
3 **Q From your reading of the summons or any other**  
4 **information. I'm not asking for a legal opinion, just**  
5 **your opinion.**  
6 MR. CAGNEY: The question is?  
7 THE WITNESS: Ask the question.  
8 BY MR. KARPEL:  
9 **Q The question is did you learn or did you**  
10 **believe that Dr. Tawansy felt that he had an equitable**  
11 **right to owning that property?**  
12 A To be honest, I didn't scrutinize it that  
13 closely because the whole thing read like a soap opera  
14 to me.  
15 (Off-the-record discussion.)  
16 BY MR. KARPEL:  
17 **Q Who handled the negotiations for the seller on**  
18 **your behalf?**  
19 A My broker.  
20 **Q Do you know which one or both?**  
21 A Both as far as I know.  
22 **Q Did they ever report back to you at any time**  
23 **prior to you purchasing the property that there was any**  
24 **claims to the title other than the -- strike that.**  
25 **At any time prior to you closing the escrow,**

Page 53

1 did your broker ever tell you that there may be a  
2 conflicting claim to the ownership of the property from  
3 any source?  
4 A No.  
5 Q Are you aware whether or not -- well, the  
6 seller was Dr. Sohol; correct?  
7 A I think it was a -- I don't know that it was  
8 her personally. Wasn't it, like, a name, like, a J.K.  
9 Augusta or something?  
10 Q J.K. Augusta something. Some Latin words;  
11 right?  
12 A I -- I really don't know. I didn't pay much  
13 attention.  
14 Q Did you learn that behind J.K. Augusta that  
15 Dr. Jennifer Sohol was one of the -- the principle of  
16 J.K. Augusta?  
17 A I don't think I ever specifically inquired or  
18 cared.  
19 Q Okay. Was it your intention in purchasing the  
20 property at 3200 Long Beach Boulevard to keep the units  
21 as three separate units?  
22 A Not necessarily.  
23 Q My understanding that Ms. Burton had sent  
24 Dr. Tawansy a proposed month-to-month lease; am I  
25 correct?

1 A Correct.  
2 Q Did he ever sign that lease?  
3 A I don't believe so.  
4 Q Did Dr. Tawansy make any rental payments to  
5 you --  
6 A Yes.  
7 Q -- or your company?  
8 A Yes.  
9 Q And what -- how much was that?  
10 A 15,000.  
11 Q Do you know what that was for?  
12 MR. CAGNEY: Objection. Vague.  
13 BY MR. KARPEL:  
14 Q You may answer.  
15 A To rent the front unit.  
16 Q Did you ever learn that Dr. Tawansy believed  
17 that he had a right to possession to the entire  
18 building?  
19 A I heard that at some point after the fact.  
20 Q After what fact?  
21 A After presenting a month-to-month lease to  
22 him, after collecting rent from him.  
23 Q How did you learn? And again, exclude your  
24 attorney.  
25 A I don't recall.

1 Q Did you learn from your broker?  
2 A I don't remember.  
3 Q Did you learn it from Dr. Tawansy?  
4 A I've never spoken to Dr. Tawansy.  
5 Q Did you ever speak to a representative of  
6 Dr. Tawansy's?  
7 A Well, I guess that's the question right now.  
8 Because I was told that it was a representative of  
9 Dr. Tawansy, but -- because the only person I talked to  
10 was what's his name again? Am I allowed to ask you for  
11 his name?  
12 Q Let me ask you a different question. Have you  
13 ever talked to a Gary Lefkowitz [ph]?  
14 A Yes. That's the name.  
15 Q All right. When did you speak to Gary?  
16 A So that's the only representative of  
17 Dr. Tawansy that I've ever spoke to, and I was told  
18 that he was his representative and CEO.  
19 Q When did you speak to Mr. Lefkowitz?  
20 A He came to my office for a meeting.  
21 Q And when was that?  
22 A I don't recall.  
23 Q Is that after you had closed escrow?  
24 A Correct.  
25 Q From prior to the time that Dr. -- sorry. Not

1 a doctor.  
2 Prior to the time that you met with Gary  
3 Lefkowitz, did you or anyone on your behalf take  
4 possession of Units 2 and 3?  
5 A Well, I believe I took possession of the whole  
6 building when I purchased it.  
7 Q Did you take any -- did you begin any  
8 construction on any of the units?  
9 A At what point?  
10 Q Prior to meeting with Mr. Lefkowitz.  
11 A I don't think we had. I think we -- I think  
12 that we were about to. And this is prior to any  
13 knowledge of any of this, any of these assertions. But  
14 as just common practice, we were starting to do  
15 demolition in the back two units. And because there  
16 was a front unit that was paying rent, out of common  
17 courtesy, we gave them a notice to let them know that  
18 we'd be doing demolition so that if, you know, they  
19 bothered by noise or something, they would let us know.  
20 And then that's when, immediately after, we  
21 all of the sudden got a summons of this suit and so  
22 forth and so on. So I -- and when that first happened,  
23 I was completely shocked and had no idea what was going  
24 on, so I decided to halt. And we did not commence with  
25 the demolition. And I believe we still had not

1 commenced with demollition by the time I met with  
2 Lefkowitz.  
3 **Q All right. Prior to meeting Lefkowitz, did**  
4 **anyone your behalf, other than your attorney, attempt**  
5 **to contact the seller -- the prior seller of the**  
6 **building to try and find out what the heck was going**  
7 **on?**  
8 A We didn't attempt to make direct contact with  
9 the seller, no.  
10 **Q Had you had any indirect contact with the**  
11 **seller prior to the meeting with Mr. Lefkowitz?**  
12 A I'm sure we -- we told our broker about the  
13 summons.  
14 **Q Okay. Do you know -- were you ever told that**  
15 **your broker had any contact with the representative of**  
16 **the seller?**  
17 A At what point?  
18 **Q Prior to seeing Mr. Lefkowitz.**  
19 A Ask the question again.  
20 **Q Sure. Prior to meeting with Mr. Lefkowitz,**  
21 **were you ever told by your broker or anybody else that**  
22 **they had contact with the seller?**  
23 A I don't recall.  
24 **Q Were you ever told by your broker that they**  
25 **had brought in this alleged title claim by Dr. Tawansy**

Page 58

1 **to the seller prior to meeting with Mr. Lefkowitz?**  
2 A I imagine my brokers did not have direct  
3 contact with the seller, that my brokers only contacted  
4 through the seller's brokers.  
5 MR. CAGNEY: And don't speculate or guess.  
6 MR. KARPEL: I was going to --  
7 THE WITNESS: That's my assumption.  
8 BY MR. KARPEL:  
9 **Q Okay. Without having -- do you have any**  
10 **information, i.e., told by your broker that your broker**  
11 **spoke to the brokers of the sellers prior to meeting**  
12 **with Lefkowitz?**  
13 A I don't recall.  
14 **Q At any time after you took title to the**  
15 **property, have you been told by your brokers that they**  
16 **have had contact with any representative of the seller?**  
17 A Yes.  
18 **Q Who told you that?**  
19 A My broker.  
20 **Q Okay. Figured that one out.**  
21 **When -- when did they tell you that?**  
22 A I don't remember.  
23 **Q What did they tell you?**  
24 A It was just in general that -- discussing  
25 this -- this wild claim about Tawansy claiming

Page 59

1 ownership. We were -- we were all shocked.  
2 **Q Well, did your brokers tell you that the**  
3 **brokers representing the seller were likewise shocked?**  
4 A I don't think they told me anything.  
5 **Q Did they -- did the -- your brokers tell you**  
6 **what, if anything, the brokers for the seller were**  
7 **going to do to remedy situation, if anything?**  
8 A I'm not aware of anything. I don't know that  
9 there was anything to remedy.  
10 **Q Okay. Did your brokers ever -- prior to you**  
11 **receiving a summons, did your brokers ever tell you**  
12 **that there that they were told by the brokers of the**  
13 **seller that there was this possible -- this claim by**  
14 **this Dr. Tawansy?**  
15 A I'm sorry. May I have that question back?  
16 **Q Prior to you actually getting the summons --**  
17 **let me do it this way.**  
18 **Was the summons the first information that you**  
19 **received from any source that there was a claim to**  
20 **title by Dr. Tawansy at this property?**  
21 A Yes. I believe I've made that clear already.  
22 **Q Okay. All right. Do you know whether or not**  
23 **your brokers had any direct communications with**  
24 **Dr. Sohoh at any time prior to closing?**  
25 A I have no idea. Seems like a lot of these

Page 60

1 questions, you should be deposing the brokers and  
2 you'll get better information.  
3 **Q Looks like we are going to. I need to start**  
4 **with you. I wouldn't have known to get to the brokers**  
5 **if I didn't get to you.**  
6 **So you don't -- you didn't have any**  
7 **information that they had direct communications with**  
8 **Dr. Sohoh?**  
9 A No.  
10 **Q Have you ever been told that your brokers had**  
11 **direct conversation with Dr. Sohoh after you closed the**  
12 **property?**  
13 A No.  
14 **Q Have you brokers ever told you they had any**  
15 **direct communications with Dr. Sohoh at any time after**  
16 **you received the summons?**  
17 A No.  
18 **Q Getting back to meeting with Mr. Lefkowitz,**  
19 **was this before or after you had received the summons?**  
20 A After.  
21 **Q And you don't recall when that meeting**  
22 **occurred?**  
23 A No.  
24 **Q Where did it occur?**  
25 A At my office.

Page 61

1 **Q Who set up that meeting?**  
2 A I believe Ericka communicated directly with  
3 Lefkowitz to set up the meeting.  
4 **Q How long was the meeting?**  
5 A I don't recall.  
6 **Q What was discussed?**  
7 A In general, Lefkowitz was -- was stating their  
8 position of why they felt they were the owners of the  
9 building, and why we were at risk.  
10 **Q How was Mr. Lefkowitz introduced to you?**  
11 A As Tawansy's CEO.  
12 **Q Did he say of what company?**  
13 A No.  
14 **Q And what did he say to you, if you recall?**  
15 A That's kind of a vague question.  
16 **Q Well, do you remember any specifics that he**  
17 **may have said to you?**  
18 A Yeah. He -- if I recall correctly, he talked  
19 about the tumultuous -- what's the word? -- a bad  
20 relationship between him and Sohol.  
21 **Q Tumultuous.**  
22 **(Off-the-record discussion.)**  
23 BY MR. KARPEL:  
24 **Q Okay. So he -- did he describe then the**  
25 **relationship between Sohol and Tawansy?**

Page 62

1 A Correct.  
2 **Q Was this the first time you learned of that**  
3 **other than what you might have read in the summons?**  
4 A Correct.  
5 **Q And what else did he tell you?**  
6 A He went on to tell me things like they were  
7 only passing ownership of the building in paper only  
8 and that they had oral agreements and things like that.  
9 **Q And what, if anything, did you say to all of**  
10 **that?**  
11 A I remember making some kind of a statement  
12 that it was awfully convenient that all the agreements  
13 that they needed to support were oral, and none of the  
14 written agreements were -- were real and just.  
15 **Q Anything else that you remember the**  
16 **conversation?**  
17 A At the end of the conversation, he admitted  
18 that it was probably in their best interest to remove  
19 me and my company from the summons and focus solely on  
20 Sohol as to not -- in order to mitigate the issue so  
21 that I wasn't going to have to go after him for  
22 development fees and costs and so forth and then  
23 delaying my own process and that he would talk to  
24 Tawansy about leaving our space and going to another  
25 space. And then he even asked me if I had space in

Page 63

1 other buildings around that I would be willing to rent  
2 to him.  
3 **Q And what did you answer to that?**  
4 A I said that I didn't currently have anything,  
5 but I could easily get him information on spaces around  
6 the area that was available.  
7 **Q And what, if anything, did he respond?**  
8 A That he was interested in that.  
9 **Q Okay. Anything else that you recall discussed**  
10 **in the meeting?**  
11 A I remember he -- telling me that our big  
12 problem had to do with the estoppels, and that that was  
13 a huge risk for us.  
14 **Q Okay. Did you speak to anybody else as a**  
15 **representative of Dr. Tawansy at any time?**  
16 A Did I seek anybody else?  
17 **Q Did you speak to anybody else?**  
18 MR. CAGNEY: Are you including yourself?  
19 THE WITNESS: Are you including yourself?  
20 BY MR. KARPEL:  
21 **Q Sure. Did we ever speak?**  
22 A We did speak.  
23 **Q Yes, we did. I recall. I do recall.**  
24 **All right. Tell us about that.**  
25 A It was kind of a unofficial conversation,

Page 64

1 where I was asking you is this all real and this just  
2 seems crazy. I've never heard of anything like this  
3 before, and why am I being named in this. I don't know  
4 anything about any of this.  
5 And you responded something like, yeah, it's  
6 just -- it's just the tactics of the position. And I'm  
7 sorry, but we have to do this way.  
8 **Q Did Jennifer -- Jennifer Sohol -- Dr. Jennifer**  
9 **Sohol or her company ever provide you with an estoppel**  
10 **statement?**  
11 A For Tawansy's lease?  
12 **Q For her building.**  
13 A I don't know.  
14 **Q Prior to purchasing the building, did you get**  
15 **an appraisal on -- on the building?**  
16 A That's a good question. I'm not sure.  
17 **Q Do you know if you went through a series of**  
18 **offers and counteroffers prior to purchasing the**  
19 **building?**  
20 A Well, I -- I believe their asking price was  
21 more than what the final sales price ended up being, so  
22 there must have been something that went back and  
23 forth.  
24 **Q And during the escrow, you learned of the**  
25 **tenancy of the Dr. Tawansy in the -- in the building;**

Page 65

1 correct?  
2 A Correct.  
3 Q And you believe that was on a month-to-month  
4 basis?  
5 A My understanding is that the tenancy was on a  
6 lease that expired in June. And that was changed over  
7 to a month-to-month, which I believe we were even given  
8 a copy month-to-month lease and then what subsequently  
9 ended up being terminated. And then we got a copy of a  
10 month-to-month termination lease. Those all were prior  
11 to our closing of escrow.  
12 Q And these were all provided by your broker?  
13 A Correct.  
14 Q Prior to the closing, did you learn of any --  
15 any litigation, whether it involved Dr. Tawansy or  
16 anybody else, dealing with second and third deeds of  
17 trust on the property?  
18 A I don't think so.  
19 Q Did the name Warner or Warner Trust --  
20 (Interruption in the proceedings.)  
21 MR. KARPEL: I'm so sorry. So you know my  
22 choice of music.  
23 (Off-the-record discussion.)  
24 BY MR. KARPEL:  
25 Q I was asking about the name Warner or Warner

Page 66

1 Trust. Does that refresh your memory as to any claims  
2 that might have been made as to any deeds of trust on  
3 the property?  
4 A I don't recall any of that. Doesn't make --  
5 doesn't come to my memory.  
6 Q Did Ericka Burton ever tell you that you did  
7 not need an estoppel statement in regard to the  
8 Dr. Tawansy's tenancy?  
9 A I don't think so.  
10 Q Did your broker tell you you didn't need an  
11 estoppel statement as a result of Dr. Tawansy's  
12 tenancy?  
13 A I don't recall. I think we were all just  
14 under the general understanding that there was no  
15 current lease in place, so there would be no estoppel.  
16 Q Did you ever learn whether or not Renaissance  
17 Surgical Holdings occupied the building?  
18 A That's not familiar to me.  
19 Q How about Children's Retina Institute?  
20 A Not familiar to me.  
21 Q Do you know who a Ryan Shotneh, S-H-O-T-N-E-H  
22 is? You're smiling. Do you know him?  
23 A No.  
24 Q Okay. Are you familiar with a building at  
25 2503 Nipomo Way?

Page 67

1 A That's a residence.  
2 Q Okay. Were you given any kind of a brochure  
3 on the property prior to purchasing it?  
4 A Probably.  
5 Q Do you know whether or not it indicated there  
6 was a tenant in -- in occupancy?  
7 A I don't think it did.  
8 Q Just generally, did the issue of the estoppel  
9 statement come up at any time prior to the closing?  
10 MR. CAGNEY: Objection. Vague.  
11 BY MR. KARPEL:  
12 Q Somebody mention it to you? Did you think of  
13 it?  
14 A I don't remember there being any issue about  
15 it at all.  
16 Q Do you know whether or not your broker asked  
17 for an estoppel statement from the seller?  
18 A I don't know.  
19 Q Did you direct that your broker request an  
20 estoppel statement from the broker?  
21 A Did I direct the broker? Is that you're  
22 asking me?  
23 Q Yes. Direct the broker to request --  
24 A I don't think so.  
25 Q In the prior buildings you had purchased prior

Page 68

1 to your 3200 Long Beach Boulevard, when there was a  
2 tenant in possession, it was your custom and practice  
3 to get an estoppel statement from that --  
4 MR. CAGNEY: Objection. Vague.  
5 MR. KARPEL: Let me finish the question.  
6 MR. CAGNEY: Sure.  
7 BY MR. KARPEL:  
8 Q -- from that tenant?  
9 MR. CAGNEY: Objection. Vague.  
10 BY MR. KARPEL:  
11 Q You may answer.  
12 A I believe that tenants with current leases  
13 that would be ongoing from the time we purchased the  
14 building, it was a general practice through the brokers  
15 and escrow to provide us with estoppels.  
16 Q Did the escrow provide you with an estoppel  
17 statement in this case?  
18 A Not that I know of.  
19 Q Did anyone on your behalf ask escrow to obtain  
20 an estoppel statement?  
21 A Not that I remember.  
22 Q Anybody on your behalf tell the escrow company  
23 they don't need an estoppel statement in this case?  
24 A I don't think so.  
25 Q Did you ever tell your brokers that they did

Page 69

18 (Pages 66 to 69)

1 not -- you did not need an estoppel statement in this  
2 case?  
3 A No.  
4 Q You know what Ed Gelfan [ph]? He's a lawyer.  
5 A No.  
6 Q Us terrible people.  
7 A I try to know as few lawyers as possible.  
8 Q So do I. So do I. After 40-plus years of  
9 doing it, so do I.  
10 Did you ever learn from your -- your broker  
11 whether or not Jennifer Sohol indicated that she was  
12 doing any repairs and construction on the building?  
13 A I don't recall that.  
14 Q When you looked in Unit 3, the shambles one,  
15 was there any building materials in there that you  
16 recall?  
17 A There were, but it seems like they just were  
18 old materials that were just removed and just laying  
19 there rather than being thrown away.  
20 Q Did you ever learn that Dr. Tawansy paid over  
21 \$96,000 to close a sale between herself and J.K. Per  
22 Augusta?  
23 A I don't recall that.  
24 Q Did you meet a Debbie Champay, S-H-A-M-P-A-Y?  
25 A I don't think so.

Page 70

1 Q You stated you kind of live close to the  
2 building; is that correct?  
3 A Yes.  
4 Q About how far?  
5 A Probably five miles.  
6 Q Was the building on any one of your normal  
7 routes that you would pass by on a weekly basis, let's  
8 say?  
9 A No.  
10 Q When you visited the building, did it look  
11 like there was construction going on in the building?  
12 A No.  
13 Q Did you ever learn from any source that there  
14 was construction going on in the building at the time  
15 you had purchased the building, other than from your  
16 lawyer?  
17 A I don't understand the question. After I  
18 purchased the building, did I learn there was  
19 construction going on?  
20 Q Yes.  
21 A Other than by myself?  
22 Q Correct.  
23 A No.  
24 Q Was there any -- did you see any evidence  
25 prior to purchasing the building that there was any

Page 71

1 ongoing construction that was happening at the  
2 building?  
3 A Prior to the purchasing of the building?  
4 Q Yes.  
5 A I never saw any ongoing construction, no.  
6 Q Do you know who served the 30-day notice to  
7 terminate the tenancy in this lawsuit?  
8 A I think that Ericka did.  
9 Q Okay. And what did she tell you about that?  
10 A In general?  
11 Q How did she serve it?  
12 MR. CAGNEY: And exclude anything that would  
13 reveal a communication between me and your office, me  
14 and Ms. Burton, and me and anyone at 2H. And that may  
15 mean there is nothing else to tell, but if you have  
16 information separate and apart from those discussions,  
17 you're free to answer.  
18 THE WITNESS: There is nothing else other than  
19 that.  
20 BY MR. KARPEL:  
21 Q Did you ever talk to a Keith Graves?  
22 A I don't recall that name.  
23 Q And Rod Compton? He's a vice president.  
24 A Who?  
25 Q Rod Compton at 2H.

Page 72

1 A Ron Compton is.  
2 Q Ron. Thank you. I had Rod.  
3 Ron Compton is president -- vice president?  
4 A Yes.  
5 Q Did he ever tell you anything about any of the  
6 background prior to purchasing this building from  
7 Dr. Sohol's company about Dr. Sohol and Dr. Tawansy?  
8 MR. CAGNEY: Objection. Vague.  
9 BY MR. KARPEL:  
10 Q You may answer.  
11 A Well, yeah, then no.  
12 Q Was he involved in any way in the purchase of  
13 the property?  
14 A No.  
15 Q Were you only one at 2H Construction that was  
16 involved in with your brokers in the purchase of this  
17 property?  
18 A No.  
19 Q Okay. Who else was involved?  
20 A Ericka.  
21 Q Do you know whether or not the 30-day notice  
22 was posted on the building?  
23 A Do I know whether it was just --  
24 Q Yeah. It was posted on the building.  
25 A I believe it was posted on the building, yes.

Page 73

1 Q Do you know whether or not anyone else sent  
2 a -- any kind of a certified copy of it to any --  
3 anyone on behalf of Dr. Tawansy?  
4 A If anyone sent it to him on behalf of him?  
5 Q No. To Dr. Tawansy or anyone on behalf of  
6 him.  
7 A I believe it was also mailed to him, yes.  
8 Q By registered mail?  
9 A I don't know.  
10 Q Okay. Do you know where Dr. Tawansy maintains  
11 his -- maintained his offices at the time the unlawful  
12 detainer was filed?  
13 A I have no idea.  
14 Q Who would know, other than your attorney?  
15 A I don't know.  
16 Q Did you ever send a copy to -- to Gary  
17 Lefkowitz?  
18 A I don't think so. I don't think we would know  
19 where to contact him.  
20 Q Were you involved in some property at the Los  
21 Cerritos Wetlands in Long Beach?  
22 MR. CAGNEY: Objection. Relevance. I'm going  
23 to instruct the witness not to answer the question.  
24 It's very far afield.  
25 ///

Page 74

1 BY MR. KARPEL:  
2 Q Okay. How about the air quality -- air  
3 quality board in regard to equal of 2009?  
4 MR. CAGNEY: Same instruction.  
5 BY MR. KARPEL:  
6 Q Okay. Were you involved in a issue of rating  
7 which was done illegally without permits at the Los  
8 Cerritos Wetlands Trust?  
9 MR. CAGNEY: Same instruction.  
10 I see somebody has been Googling.  
11 THE WITNESS: It's the only thing that comes  
12 up if you Google my name.  
13 MR. KARPEL: Have to ask you about the pet --  
14 I mean, because we're here.  
15 Q The petition for writ of mandate seeking to  
16 overturn the special conditions in November of 2010 in  
17 regard to a coastal commission at Studebaker Road?  
18 MR. CAGNEY: In response to that question,  
19 feel free to answer if you can provide any information  
20 other than what your attorneys have shared with you.  
21 And what is the question?  
22 MR. KARPEL: We can move on.  
23 Q Your company built out Douglas Park Long  
24 Beach?  
25 A That's a pretty general statement. I would

Page 75

1 have to say the answer to that would be no, but I do  
2 own a piece of property in Douglas Park.  
3 MR. CAGNEY: Congratulations.  
4 BY MR. KARPEL:  
5 Q How about B.E. Aerospace? Is that familiar to  
6 you?  
7 A B.E. Aerospace?  
8 Q Yeah.  
9 A No. I don't think -- I don't know what is.  
10 Q Phillips Gear?  
11 A Phillips Gear?  
12 Q Phillips G-E -- G-E-A-R.  
13 A That might be a client of ours.  
14 Q MTA Division Ten Bridge Hop?  
15 A That's a project that we completed.  
16 Q Couple more.  
17 Foster Printing? Project?  
18 A Probably.  
19 Q This is good. It's going to refresh your  
20 memory.  
21 Manville?  
22 A Probably. But again, I mean, we've done over  
23 a thousand projects.  
24 Q Cable Co Rigging? Is that familiar to you?  
25 A I don't recall that name.

Page 76

1 Q Building on President Avenue?  
2 A A building on President Avenue?  
3 Q Yeah.  
4 A Yes.  
5 Q Torrance Memorial Specialty Center?  
6 A Yes.  
7 Q A building in -- that doesn't make sense.  
8 Oh. The LAUSD 32nd Street Magnet School, were  
9 you involved in?  
10 A Yes.  
11 Q A building at 2653 Walnut?  
12 MR. CAGNEY: When you say "you" --  
13 MR. KARPEL: You or your company or a company  
14 which you have an ownership in.  
15 MR. CAGNEY: Fair enough.  
16 THE WITNESS: Okay. Yes.  
17 BY MR. KARPEL:  
18 Q Did you or your company in which you may have  
19 had an ownership in do a building at Puente Hills Mall?  
20 A Yes.  
21 Q Same question for the LAUSD Life E.S. School?  
22 A Yes.  
23 Q Willow Medical Office Building?  
24 A Yes.  
25 MR. KARPEL: I don't have any more questions.

Page 77

Atkinson-Baker Court Reporters  
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1 Stipulate the court reporter be relieved of he  
2 obligations under the Code of Civil Procedure.  
3 The written deposition will be delivered to  
4 counsel for the deponent. That the counsel for the  
5 deponent will arrange for the reading, signing, and  
6 correcting of the deposition under the penalty of  
7 perjury. That we will so informed within five days?  
8 Ten days?  
9 MR. CAGNEY: Well --  
10 MR. KARPEL: I don't know how best to --  
11 MR. CAGNEY: We can get it to you five days  
12 after we receive it.  
13 MR. KARPEL: Okay.  
14 MR. CAGNEY: So you may need to expedite, but  
15 I'm not going to get in a situation where he's going 24  
16 or 48 hours.  
17 MR. KARPEL: Okay. Did you get that? Five  
18 days their receipt of it. That will be fine.  
19 Then if we are not so informed of the reading,  
20 signing, correcting deposition within the stated period  
21 of time, an unsigned certified copy may be used for any  
22 purposes in this proceeding. Counsel will lodge the  
23 same with the court if necessary. If the original lost  
24 or unavailable for lodging, an unsigned certified copy  
25 of the deposition may be used for any purposes.

Page 78

1 MR. CAGNEY: So stipulated.  
2 MR. KARPEL: We would like an expedite.  
3 (Proceedings concluded at 2:40 PM)  
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Page 79

1 STATE OF CALIFORNIA )  
2 ) SS.  
3 COUNTY OF LOS ANGELES )  
4  
5  
6 I, the undersigned, say that I have read the  
7 foregoing deposition, and I declare, under penalty of  
8 perjury, that the foregoing is a true and correct  
9 transcript of my testimony contained therein.  
10 EXECUTED this \_\_\_\_\_ day of \_\_\_\_\_,  
11 20\_\_ at \_\_\_\_\_, California.  
12  
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SEAN HITCHCOCK

Page 80

1 STATE OF CALIFORNIA )  
2 ) SS.  
3 COUNTY OF LOS ANGELES )  
4  
5 I, MARIANA HAKVERDIAN, Certified Shorthand  
6 Reporter No. 13438, hereby certify that the foregoing  
7 deposition of SEAN HITCHCOCK was taken by me at the  
8 time and place herein set forth, at which time the  
9 witness was put under oath by me;  
10 That the said deposition was taken down by me  
11 in shorthand and thereafter transcribed under my  
12 direction and supervision, and I hereby certify the  
13 foregoing deposition is a full, true, and correct  
14 transcript of my shorthand notes so taken;  
15 That dismantling this transcript will void the  
16 certification by the Certified Shorthand Reporter.  
17 I further certify that I am neither counsel  
18 for nor related to any party to said action, nor am I  
19 in anywise interested in the outcome thereof.  
20 IN WITNESS WHEREOF, I have subscribed my name  
21 this 2nd day of February, 2017.  
22  
23  
24  
25

MARIANA HAKVERDIAN, CSR No. 13438

Page 81

<p><b>A</b>  <b>AB01142</b> 1:24  <b>able</b> 6:14 29:17  <b>absolutely</b> 19:24  <b>access</b> 28:22 31:3  <b>accident</b> 8:9,10,13  <b>action</b> 81:18  <b>add</b> 31:6,7,8  <b>addition</b> 11:22 31:5  <b>additional</b> 40:17 41:10 41:20  <b>address</b> 24:11 38:13  <b>addressed</b> 40:2  <b>Administration</b> 15:1  <b>admitted</b> 63:17  <b>advising</b> 25:7  <b>Aerospace</b> 76:5,7  <b>affield</b> 74:24  <b>agent</b> 28:1 33:13,24 45:11,15 51:20  <b>agents</b> 26:21 45:16  <b>agreement</b> 18:14 26:10 26:14,17 27:18 28:3,10 28:19 31:14 35:7  <b>agreements</b> 22:9,12 63:8 63:12,14  <b>ahead</b> 8:4 48:14  <b>air</b> 75:2,2  <b>alleged</b> 42:8 58:25  <b>allegedly</b> 45:7  <b>allow</b> 7:2,3  <b>allowed</b> 10:8 39:20 56:10  <b>amenities</b> 49:7,8 50:5  <b>amount</b> 41:13 46:14,17 47:25  <b>ANGELES</b> 1:2 2:2 80:2 81:2  <b>answer</b> 4:12 6:19 7:1,1,2 7:5,9 10:8 14:2 15:20 26:4 32:13 34:10 36:16 38:6 40:10 48:4 51:12 55:14 64:3 69:11 72:17 73:10 74:23 75:19 76:1  <b>answers</b> 6:9 7:23  <b>anybody</b> 16:8 28:1 36:11 37:16 42:4,17 45:2,24 46:4 58:21 64:14,16,17 66:16 69:22  <b>anywise</b> 81:19  <b>apart</b> 72:16  <b>appear</b> 20:10  <b>APPEARANCES</b> 3:1  <b>appeared</b> 24:3 50:18  <b>appears</b> 21:18  <b>application</b> 35:15  <b>appraisal</b> 65:15  <b>Approximately</b> 5:16 13:8 47:3,15,17  <b>area</b> 24:24 30:16 50:19 50:20,25 64:6  <b>arrange</b> 78:5  <b>asked</b> 20:16 35:9,10 63:25 68:16  <b>asking</b> 6:8 22:11 48:18 51:8 52:22 53:4 65:1 65:20 66:25 68:22  <b>aspect</b> 39:5  <b>assertions</b> 57:13</p>	<p><b>assist</b> 32:9  <b>Associates</b> 16:24 17:1,2 17:9,17 29:25 30:1,7 32:17,24 38:14  <b>assume</b> 33:8  <b>Assumes</b> 52:25  <b>assumption</b> 59:7  <b>ATKINSON-BAKER</b> 1:18  <b>attach</b> 21:8  <b>attached</b> 23:7,16  <b>Attachment</b> 21:13  <b>attempt</b> 58:4,8  <b>attention</b> 40:25 54:13  <b>attorney</b> 6:4,10,12 21:25 23:4,14,18 34:6 39:2 39:14 52:12 55:24 58:4 74:14  <b>attorney-client</b> 39:8  <b>attorneys</b> 75:20  <b>Augusta</b> 54:9,10,14,16 70:22  <b>auto</b> 8:10  <b>availability</b> 24:25 25:8 30:5  <b>available</b> 24:15,17 28:22 29:24 30:24 64:6  <b>Avenue</b> 77:1,2  <b>avoid</b> 6:15,20  <b>aware</b> 9:19 12:2 25:25 26:9 39:17,19 41:21 45:17 52:9 54:5 60:8  <b>awfully</b> 63:12</p> <p><b>B</b>  <b>B</b> 4:6  <b>B.E</b> 76:5,7  <b>back</b> 19:11 20:1,1 23:9 40:4 53:22 57:15 60:15 61:18 65:22  <b>background</b> 6:2 10:8 14:24 73:6  <b>bad</b> 62:19  <b>bank</b> 35:18,20 36:3  <b>basic</b> 49:8  <b>basis</b> 17:25 24:23 66:4 71:7  <b>Beach</b> 1:2 2:2 3:5 10:16 10:20,23 11:19,23 12:5 12:8,21 13:3 15:7 16:4 16:12 17:11 18:2,13 19:1 23:24 28:9 30:19 30:21,25 37:14 38:18 38:20 47:6,19 54:20 69:1 74:21 75:24  <b>beginning</b> 12:25 46:2  <b>behalf</b> 2:16 35:2 36:12 36:22 42:17 53:18 57:3 58:4 69:19,22 74:3,4,5  <b>believe</b> 7:12 10:21 11:4 11:17 12:10,16 14:22 16:5,7,10 18:3 20:25 21:7 25:23 26:12,15 31:15 33:2 35:12,18,25 37:1 41:1 42:11 47:21 53:10 55:3 57:5,25 60:21 62:2 65:20 66:3 66:7 69:12 73:25 74:7  <b>believed</b> 55:16</p>	<p><b>best</b> 7:2 47:10 50:9 63:18 78:10  <b>better</b> 61:2  <b>beyond</b> 10:7  <b>big</b> 6:16 50:14 64:11  <b>bite</b> 5:22  <b>bitee</b> 5:24  <b>blocks</b> 30:23  <b>board</b> 9:16,18,20 75:3  <b>bothered</b> 57:19  <b>Boulevard</b> 2:17 3:4,10 10:16,20,23 11:19 12:5 12:9,22 13:4 16:4,13 17:12 18:2,13 19:1 23:24 28:9 37:14 47:19 54:20 69:1  <b>Bridge</b> 76:14  <b>broad</b> 22:14  <b>brochure</b> 68:2  <b>broker</b> 15:8,11 27:25 28:6,6,23,23,25 29:23 31:11 35:4 37:8,10,16 38:1,7,8,9 39:17,17,19 40:25 42:3 43:25 44:20 45:2,19,21,23 46:10 51:20 53:19 54:1 56:1 58:12,15,21,24 59:10 59:10,19 66:12 67:10 68:16,19,20,21,23 70:10  <b>brokers</b> 16:18,22 17:4 25:7,20 28:21 37:7 59:2,3,4,11,15 60:2,3,5 60:6,10,11,12,23 61:1 61:4,10,14 69:14,25 73:16  <b>brought</b> 37:1 40:2,4,24 58:25  <b>building</b> 12:16 14:4,7,23 15:15,24,25 16:15,16 16:21 18:8,11,25 19:2 19:3,5,7,13 23:23 24:14,17,20,22 25:1,8 25:15,22,24 27:12 28:2 28:9,23 30:8,14,22,25 31:1,9,13,17,18,21 32:4,6,9,10,18 33:1,4 33:15,19,25 34:1,3,6 34:24,25 36:13,23,24 37:5,19 38:11 46:18,23 51:22,25 55:18 57:6 58:6 62:9 63:7 65:12 65:14,15,19,25 67:17 67:24 69:14 70:12,15 71:25 72:2,3 73:6,22 73:24,25 77:1,2,7,11 77:19,23  <b>buildings</b> 17:10 30:16 47:5,8 50:25 64:1 68:25  <b>built</b> 75:23  <b>Burton</b> 22:23 46:10 54:23 67:6 72:14  <b>business</b> 15:1 44:14</p> <p><b>C</b>  <b>C-O-B-U-R-N</b> 17:7</p>	<p><b>CA</b> 3:5,10  <b>cabinets</b> 49:16  <b>Cable</b> 76:24  <b>CAGNEY</b> 3:4 10:6 11:25 13:24 14:17 15:18 20:21,24 21:3,18 22:18 23:8 26:2 27:14 29:17 32:11 34:9,15 35:21 36:14 38:3 39:3,5,21 40:8 43:20 48:2,22 50:21 51:10 52:24 53:6 55:12 59:5 64:18 68:10 69:4,6,9 72:12 73:8 74:22 75:4,9,18 76:3 77:12,15 78:9,11,14 79:1  <b>Cal</b> 15:7  <b>California</b> 1:1,15 2:1,17 5:1 12:23 13:6 17:11 80:1,11 81:1  <b>call</b> 11:8  <b>calls</b> 14:17 38:3 50:21,23 52:24  <b>care</b> 50:13  <b>cared</b> 54:18  <b>Careful</b> 39:4  <b>carving</b> 23:13  <b>case</b> 5:20,22 20:16 69:17 69:23 70:2  <b>caution</b> 8:5  <b>Center</b> 77:5  <b>cents</b> 47:17  <b>CEO</b> 56:18 62:11  <b>Cerritos</b> 74:21 75:8  <b>certain</b> 40:18  <b>certificate</b> 15:16 16:1,3 16:12  <b>certificates</b> 15:21  <b>certification</b> 81:16  <b>certified</b> 6:11 74:2 78:21 78:24 81:5,16  <b>certify</b> 81:6,12,17  <b>chair</b> 49:15  <b>chance</b> 21:5 23:1 27:22  <b>change</b> 7:7 8:16  <b>changed</b> 66:6  <b>changes</b> 8:4,6 43:1,5  <b>Children's</b> 1:8 2:7 3:7 67:19  <b>choice</b> 66:22  <b>circumstance</b> 39:16  <b>Civil</b> 78:2  <b>claim</b> 34:11,23 42:12,16 54:2 58:25 59:25 60:13 60:19  <b>claimed</b> 33:18 34:5  <b>claiming</b> 34:23 59:25  <b>claims</b> 41:7,18,23 42:4 53:24 67:1  <b>clear</b> 7:16 37:12 60:21  <b>client</b> 78:13  <b>close</b> 30:17,25 33:21,25 34:3 52:6 70:21 71:1  <b>closed</b> 25:2 42:22 45:25 56:23 61:11  <b>closely</b> 53:13  <b>closing</b> 33:14 43:23 45:9 45:10 53:25 60:24 66:11,14 68:9</p>	<p><b>coastal</b> 75:17  <b>Coburn</b> 17:5,6,7  <b>Code</b> 78:2  <b>collect</b> 21:20 22:1  <b>collecting</b> 55:22  <b>come</b> 8:23 28:4 39:21 67:5 68:9  <b>comes</b> 75:11  <b>coming</b> 12:11  <b>commence</b> 57:24  <b>commenced</b> 58:1  <b>commented</b> 8:6  <b>comments</b> 6:9  <b>commercial</b> 13:12,13 32:9  <b>commission</b> 75:17  <b>common</b> 57:14,16  <b>communicated</b> 62:2  <b>communication</b> 39:6,13 72:13  <b>communications</b> 23:13 39:22,25 60:23 61:7,15  <b>company</b> 9:4 10:12,25 11:6,18 17:17 40:22 41:11,14 55:7 62:12 63:19 65:9 69:22 73:7 75:23 77:13,13,18  <b>comparison</b> 47:10  <b>complaint</b> 34:22  <b>complete</b> 7:2,4,8 18:1 19:13  <b>completed</b> 14:25 76:15  <b>completely</b> 6:19 7:11,23 57:23  <b>Compton</b> 72:23,25 73:1 73:3  <b>computer</b> 21:16  <b>concerning</b> 33:18  <b>concluded</b> 25:12 79:3  <b>conclusion</b> 14:18,21 52:25  <b>condition</b> 51:6  <b>conditions</b> 51:9 75:16  <b>conducted</b> 44:14  <b>conflicting</b> 54:2  <b>Congratulations</b> 76:3  <b>construction</b> 9:3,4,22 10:19 15:5 19:21 31:8 57:8 70:12 71:11,14,19 72:1,5 73:15  <b>consultant</b> 32:3,8  <b>contact</b> 28:5 58:5,8,10 58:15,22 59:3,16 74:19  <b>contacted</b> 59:3  <b>contain</b> 20:19  <b>contained</b> 22:8 80:9  <b>contains</b> 23:6,15  <b>contents</b> 23:1  <b>continue</b> 33:7 44:1  <b>continuing</b> 44:10  <b>contractor</b> 9:5 31:5 37:1 37:2  <b>control</b> 12:22 13:5,17 16:8  <b>convenient</b> 63:12  <b>conversation</b> 6:24 28:7 45:23 52:3 61:11 63:16 63:17 64:25  <b>converse</b> 15:23</p>
--	---	--	--	--

<p>conversion 32:9 converting 32:5 copies 33:8 copy 21:15 45:6 66:8,9 74:2,16 78:21,24 corporation 9:6,8,10 10:24 11:6,7 corporations 11:22 correct 11:4,9 15:3 17:21 19:8,9 28:11 30:18,20 33:11 36:10 38:11,12 39:9 41:5 42:14,18,19 47:23,24 48:9 52:19 54:6,25 55:1 56:24 63:1,4 66:1,2,13 71:2 71:22 80:8 81:13 correcting 78:6,20 correctly 17:22 46:21 62:18 correspondence 33:18 33:23 costs 63:22 counsel 3:1 8:18 20:17 21:15 22:24 41:17 78:4 78:4,22 81:17 count 13:14 counted 49:22 countersuffers 65:18 countersuit 34:20 counting 13:13 COUNTY 1:2 2:2 80:2 81:2 couple 30:23 76:16 court 1:1,18 2:1 6:11 29:3 78:1,23 courtesy 57:17 COURTHOUSE 1:2 2:2 crazy 44:9 51:16 65:2 cross 8:15 CSR 1:23 2:19 81:24 current 14:23 16:14 24:4 24:6 25:6 32:25 33:3,4 33:6,17 38:10 44:2,3 46:12 48:17 67:15 69:12 currently 8:25 17:25 47:10 64:4 custom 69:2</p> <p style="text-align: center;"><b>D</b></p> <p>D 4:1 dance 39:11 date 26:21 50:7 dated 50:8,8 day 80:10 81:21 days 78:7,8,11,18 dealing 66:16 Debbie 70:24 decade 24:17 25:5 decided 34:25 57:24 declare 80:7 deeds 66:16 67:2 defendant 2:16 Defendants 1:10 2:10 3:7 Defendants' 21:10 definitely 28:12 31:22 delayed 29:9,12</p>	<p>delaying 29:13 63:23 delivered 22:24 78:3 demolished 20:4 demolition 57:15,18,25 58:1 deponent 78:4,5 deposing 61:1 deposition 1:13 2:15 4:8 5:13,18,21 6:2,7 8:2,3 8:4,5,9,15 78:3,6,20,25 80:7 81:7,10,13 describe 19:7,10 24:7 44:3 49:2 50:5,7 62:24 described 20:2 48:20 description 4:7 23:22 48:7,10,13 design 50:13 desire 30:7 desk 43:16 detrainer 74:12 determine 19:15 determined 46:16 develop 44:11 development 63:22 different 12:13 17:16 56:12 difficult 25:4 diligence 36:12,17,20,21 direct 16:8 21:25 28:7 58:8 59:2 60:23 61:7 61:11,15 68:19,21,23 directed 21:24 22:12,17 direction 21:22 81:12 directly 33:11 62:2 directors 9:16,19,21 disclose 39:5,24 40:9 disclosing 39:13 44:13 discovery 6:7 discussed 6:4 46:14 62:6 64:9 discussing 8:18 59:24 discussion 35:18 44:8 53:15 62:22 66:23 discussions 36:2 46:4 46:11 72:16 disk 23:2,5,15 dismantling 81:15 Division 76:14 doctor 25:25 44:19,21 47:12 49:18,18 51:5 57:1 doctors 31:12 47:9,12 document 22:24,25 23:16 35:2 documented 40:12 documents 21:21 22:1,3 22:5,6,7,13,17 23:6 40:13 dog 5:22,24,25 doing 57:18 70:9,12 DONALD 3:9 doors 50:15 Douglas 75:23 76:2 Dr 26:10,10,13,14,16,18 26:18,19,21,23 27:3,4 27:7,8,11 28:2,3,19 33:11,14,18,24,25 34:5 34:23 37:21 41:8,19,19 42:13,17 45:12,16</p>	<p>51:19 52:4,7,9,10,16 53:10 54:6,15,24 55:4 55:16 56:3,4,6,9,17,25 58:25 60:14,20,24 61:8 61:11,15 64:15 65:8,25 66:15 67:8,11 70:20 73:7,7,7 74:3,5,10 drive 24:22 due 6:12 36:12,17,20,21 duly 5:5</p> <p style="text-align: center;"><b>E</b></p> <p>E 3:4,9 4:1,6 E.S 77:21 easements 41:23,24 easily 64:5 easy 31:3 Ed 70:4 education 14:25 effort 21:20 either 30:2 38:19,23 52:2 electric 20:5 electrical 37:2 electronic 20:18 22:25 23:2,5 eliminate 34:6 else's 22:4 employed 8:25 9:2 Encino 1:15 2:17 3:10 5:1 endeavor 7:1 ended 35:25 65:21 66:9 engaged 39:1 engineering 15:5 entering 18:13 26:9,13 26:17 27:3,7,13,18 28:2,10,18 31:14 entire 7:7 46:23 51:21,25 55:17 entitles 12:21 13:4 entitled 39:10 40:5 51:1 entity 12:7,22 13:17 equal 75:3 equitable 52:21 53:10 Ericka 22:23 46:10 62:2 67:6 72:8 73:20 escrow 22:8,11 29:8,9 29:12,13,14 36:7,9,11 37:7,11 42:23 43:24 45:9 46:1 52:2,6 53:25 56:23 65:24 66:11 69:15,16,19,22 ESQ 3:4,9 estate 15:8,11 estimate 29:6,18 estoppel 14:10,15 15:16 15:21,25 16:1,3,12 65:9 67:7,11,15 68:8 68:17,20 69:3,16,20,23 70:1 estoppels 64:12 69:15 evidence 43:12 52:25 71:24 ex-wife 10:5,11 exact 13:9 34:18 exactly 27:17 48:18 EXAMINATION- 5:7 examining 49:20</p>	<p>exchange 29:11 exchanges 12:11 36:1 exclude 55:23 72:12 excluding 25:11 41:16 EXECUTED 80:10 exhibit 21:9,10,13 existed 24:7 existing 14:7 17:23 49:21 expedite 78:14 79:2 experience 50:20 51:2 expert 50:21 51:1 expire 17:24 expired 33:5,8 46:18 66:6 exposed 20:5 expressed 30:6,10 extension 42:9 eye 44:19,20</p> <p style="text-align: center;"><b>F</b></p> <p>facilities 49:12,13,15 fact 55:19,20 facts 52:25 fair 39:23 47:25 77:15 fairly 6:6,25 14:12,13 familiar 14:10,12 47:4 67:18,20,24 76:5,24 far 30:21 53:21 71:4 74:24 feasibility 32:5 February 81:21 fed 30:25 feel 75:19 fees 63:22 feet 47:1,15 felt 52:17 53:10 62:8 Figured 59:20 FILE 1:24 filed 74:12 files 49:23,25 50:1 final 65:21 finance 35:16,16 financial 35:16 find 22:12 58:6 fine 78:18 finish 23:22 69:5 first 5:5 18:8 20:2 24:14 28:15,20 30:10 34:22 40:24 42:16 43:2,10,13 43:18 44:15,15,25 45:4 49:3 57:22 60:18 63:2 five 18:22,24 71:5 78:7 78:11,17 floor 20:6 focus 63:19 follows 5:6 foot 47:16,22 50:19 51:7 51:14 footage 47:13 48:8 foregoing 80:7,8 81:6,13 forgotten 8:23 form 36:20 formerly 17:16 forms 36:20 forth 57:22 63:22 65:23 81:8 Foster 76:17</p>	<p>found 25:6,7 free 72:17 75:19 front 24:2 43:15 44:2 46:25 47:2 55:15 57:16 full 81:13 full-time 31:4 fully 36:1 functional 50:17 fund 35:23 further 81:17 furthest 19:12</p> <p style="text-align: center;"><b>G</b></p> <p>G-E 76:12 G-E-A-R 76:12 game 39:23 Gary 56:13,15 57:2 74:16 Gear 76:10,11 Gelfan 70:4 general 6:2 8:19 9:5 19:11 27:12 31:2,4 59:24 62:7 67:14 69:14 72:10 75:25 generally 38:17 68:8 gesture 6:17 gestures 6:16,18,20 getting 26:22 29:9,12 60:16 61:18 give 20:18 27:22 28:19 37:2 48:10,12 50:9 51:12 given 5:12,17 16:19 33:7 36:6 37:24 45:6 46:22 48:7 50:19 51:19,20 66:7 68:2 glossed 48:14 go 6:2,5,5,25 7:18 8:4,13 8:24 18:10 48:14 63:21 going 5:23 6:1 8:22,22 10:7 17:24 20:1 21:8 38:25 47:19 57:23 58:8 59:6 60:7 61:3 63:21 63:24 71:11,14,19 74:22 76:19 78:15,15 good 65:16 76:19 Google 75:12 Googling 75:10 grade 14:25 Graves 72:21 great 27:24 green 8:11,16 ground 8:19 guess 5:23 21:9 29:17 56:7 59:5 guessing 17:8</p> <p style="text-align: center;"><b>H</b></p> <p>H 4:6 H-I-T-C-H-C-O-C-K 5:11 Hakverdian 1:23 2:19 81:5,24 hallways 50:14 halt 57:24 hand 6:16 handle 37:7 handled 53:17 hands 6:17 happened 57:22</p>
---	--	---	---	---

<p>happening 72:1 head 6:15 20:15 hear 6:14,20 heard 34:22 41:17 55:19 65:2 heck 58:6 help 11:1 high 48:5 high-class 19:21 highest 14:25 Hills 77:19 Hitchcock 1:14 2:15 4:3 5:4,9,11,12 10:10 22:18 27:15 80:15 81:7 Hitchcock's 48:22 hold 7:18 9:14 holding 6:16 Holdings 1:8 2:8 3:8 67:17 home 8:14 honest 51:13 53:12 Hop 76:14 Hopefully 6:25 hospital 30:17 47:6 hours 78:16 huge 64:13 huh-huh 6:18 hypothetical 50:22 53:1</p> <p>I</p> <p>i.e 59:10 idea 19:15 27:9 29:14 57:23 60:25 74:13 identical 21:17 identification 21:11 illegally 75:7 imagine 37:23 59:2 immediately 57:20 importance 27:23 44:8 important 6:13,19,23 7:3 7:22 impression 19:19 improve 31:18 improvements 19:4 48:7 48:11,13,21 49:3 50:6 in-house 15:10 inadequate 50:15 include 20:24 45:25 46:22 including 46:6 64:18,19 Inclusive 1:9 2:9 Incomplete 50:22 52:25 indicated 19:18 28:8,12 45:6 68:5 70:11 indicating 24:11 indirect 58:10 information 16:17,23 17:3,19 27:12 33:9 34:4 53:4 59:10 60:18 61:2,7 64:5 72:16 75:19 informed 26:20,25 27:1 27:6 78:7,19 initiated 34:14 input 37:2 inquire 39:11 inquired 24:25 54:17 inquiries 25:13</p>	<p>inquiry 31:10 44:23 45:3 inside 19:3 36:25 Institute 1:8 2:7 3:7 67:19 institution 35:16 instruct 10:7 74:23 INSTRUCTED 4:12 instruction 75:4,9 instructions 22:9,11 insurance 40:17,21 41:10,14,20 intention 54:19 interest 11:23 12:8 30:13 30:15 31:1,2 33:6,19 33:25 34:5 52:17,20,21 63:18 Interested 31:24 44:9 64:8 81:19 interior 50:2 interpret 6:17,18 Interruption 66:20 introduced 62:10 involve 39:22 involved 10:15 26:22 29:20 41:7 66:15 73:12 73:16,19 74:20 75:6 77:9 involvement 37:22 issue 39:2,15 41:7 63:20 68:8,14 75:6 item 40:18 items 20:9,12</p> <p>J</p> <p>J.K 54:8,10,14,16 70:21 January 1:16 2:18 5:1 Jeff 17:4,15 30:2 38:19 Jennifer 25:22 54:15 65:8,8,8 70:11 job 31:4 joint 12:14 June 17:24 25:2 33:5 66:6</p> <p>K</p> <p>Kaiser 47:11,14 Karpel 3:9,9 4:4 5:8 10:9 12:1 14:1,19 15:19 20:21,23 21:1,4,8,12 21:19 22:21 23:10,12 26:3 27:17,21 29:5,22 32:12 34:10,16 35:22 36:16 38:5 39:4,7,10 40:3,15 43:22 48:3 49:1 50:24 51:11 53:2 53:8,16 55:13 59:6,8 62:23 64:20 66:21,24 68:11 69:5,7,10 72:20 73:9 75:1,5,13,22 76:4 77:13,17,25 78:10,13 78:17 79:2 keep 54:20 Keith 72:21 kept 29:9,12,13 46:17 KHALED 1:7 2:7 3:7 Kind 9:4 19:20 20:17 32:3 35:6,15 39:11 48:14 62:15 63:11</p>	<p>64:25 68:2 71:1 74:2 kinds 50:16 knew 44:24 know 7:15,21,22 8:8 9:6 10:22 11:5,10,21 13:9 20:10 21:1 24:13 25:6 26:5 27:10 30:1,3 34:14,20 37:4,8,25 38:16,19 39:20 41:6 43:15,25 45:18,22 47:11,13,18 50:9,14,15 51:4 53:20,21 54:7,12 55:11 57:17,18,19 58:14 60:8,22 65:3,13 65:17 66:21 67:21,22 68:5,16,18 69:18 70:4 70:7 72:6 73:21,23 74:1,9,10,14,15,18 76:9 78:10 knowledge 12:4,8 37:17 38:9 42:16 51:2 57:13 known 11:12 61:4 knows 26:3 KRIEGER 3:3,3</p> <p>L</p> <p>lab 49:12 labeled 22:25 laboratory 49:13,14 Latin 54:10 LAUSD 77:8,21 law 7:13 LAWRENCE 3:4 lawsuit 34:13,14 72:7 lawyer 27:2,25 43:18 46:5 70:4 71:16 lawyers 70:7 laying 20:6 70:18 learn 16:17 24:14 34:11 37:21 39:14 42:8 43:17 51:24 53:9 54:14 55:16 55:23 56:1,3 66:14 67:16 70:10,20 71:13 71:18 learned 33:4 42:3,12 52:14,16 63:2 65:24 learning 30:5 lease 14:23 16:20 17:20 17:23 31:19 33:5,7,8,9 36:3,6 37:24,25 38:7 42:9 44:1,10,11 45:7,8 45:18,24 46:5,13,19 47:18 51:19 54:24 55:2 55:21 65:11 66:6,8,10 67:15 leases 16:15 69:12 leasing 46:18 leave 37:6 leaving 63:24 Lee 16:24 17:1,2,9,17 29:25 30:1,6 32:17,24 32:24 38:13 Lefkowitz 56:13,19 57:3 57:10 58:2,3,11,18,20 59:1,12 61:18 62:3,7 62:10 74:17 legal 14:17,20 52:23,24 53:4</p>	<p>let's 7:18 27:1 28:16 40:4 43:23 49:3 71:7 letter 34:9 liability 10:24 11:6 Life 77:21 light 8:10,13 likewise 60:3 limited 10:24 11:5,6 31:25 Linda 10:10 Line 4:13 litigation 66:15 little 14:24 25:3 live 24:24 71:1 LLC 1:4,9 2:4,8 3:8 9:6 11:8,10,10,12 12:13,16 LLCs 11:21 12:15,18 loan 35:17,23 local 31:2 located 24:4 38:17 location 22:15 24:11 44:21 lodge 78:22 lodging 78:24 long 1:2 2:2 3:5 10:16,20 10:22 11:19,23 12:5,8 12:21 13:3 15:7 16:4 16:12 17:11 18:2,13,25 23:24 28:9 29:9,14 30:19,21,25 31:16 36:8 36:9,9 37:14 38:18,20 47:6,19 54:20 62:4 69:1 74:21 75:23 look 20:7 21:5,14 23:1 71:10 looked 28:15 43:14 70:14 looking 21:12 Looks 61:3 Los 1:2 2:2 74:20 75:7 80:2 81:2 lost 78:23 lot 31:7 36:25 50:8 60:25 low-class 19:14</p> <p>M</p> <p>M-C-C-U-L-L-O-U-G-H 17:8 M.D 1:7 2:7 3:7 Magnet 77:8 mail 43:15 74:8 mailed 74:7 maintained 74:11 maintains 74:10 making 19:1 63:11 Mall 77:19 manager 22:12,16,19,22 mandate 75:15 Manville 76:21 marble 7:11 Marcus 29:2,4 Mariana 1:23 2:18 81:5 81:24 marked 21:10 market 51:9,9 married 10:3 Master's 15:1 material 50:15</p>	<p>materials 70:15,18 matter 5:20 8:6,7 22:7 34:17 McCullough 17:5,7 mean 8:8 13:19 14:3 22:5 29:19 40:11,12 51:13 72:15 75:14 76:22 meaning 7:7 31:6 49:5 mechanical 37:1 medical 19:16,17 24:9 30:15,24 31:13,20,24 32:2,3,5,8,10 44:24 47:5,8 49:6,8,15 50:20 77:23 meet 70:24 meeting 56:20 57:10 58:3,11,20 59:1,11 61:18,21 62:1,3,4 64:10 members 9:18 Memorial 30:19,21,25 47:6 77:5 memory 67:1,5 76:20 mention 68:12 met 31:9 57:2 58:1 middle 19:13 23:22 43:8 48:17 miles 71:5 Millichap 29:2,4 million 32:22 mind 7:19 28:4 31:21 minutes 6:1 mitigate 63:20 modern 50:8 modify 7:13,13,14 moment 21:14 26:8 34:7 Monday 2:18 5:1 money 29:11 month 29:6 46:21 month-to-month 16:20 17:20,25 46:13 54:24 55:21 66:3,7,8,10 months 24:20 29:7,16 mouthed 7:11 move 40:10 75:22 MTA 76:14 music 66:22</p> <p>N</p> <p>N 4:1 name 5:10 10:4,25 17:6 37:21,23 44:7,13 54:8 56:10,11,14 66:19,25 72:22 75:12 76:25 81:20 named 34:20 65:3 names 12:15 nature 49:2,3,5 NC060962 1:6 2:6 necessarily 54:22 necessary 78:23 need 6:21 12:24 31:7 61:3 67:7,10 69:23 70:1 78:14 needed 41:19 63:13 negotiations 53:17 neither 81:17</p>
--	---	--	---	---

net 47:17,20  
never 7:19 19:3 26:19  
33:10,12 38:9 50:1  
52:5 56:4 65:2 72:5  
new 33:7 46:5 51:6  
newest 24:3  
Nipomo 67:25  
noise 57:19  
normal 71:6  
north 19:12  
northern 43:4  
notes 81:14  
notice 16:19 17:20,22  
57:17 72:6 73:21  
November 75:16  
number 4:7 13:9 51:16

**O**

oath 81:9  
Objection 10:6 11:25  
13:24 14:17 15:18 26:2  
32:11 34:15 35:21  
36:14 38:3 43:20 48:2  
50:21 52:24 55:12  
68:10 69:4,9 73:8  
74:22  
objections 6:9 51:10  
obligations 78:2  
observation 19:23  
obtain 69:19  
obtained 15:16  
occasions 5:15 17:14,15  
18:16 25:17 28:14  
occupancy 68:6  
occupied 67:17  
occupying 19:2 44:25  
45:4 46:24 50:3  
occur 61:24  
occurred 61:22  
Ocean 3:4  
Off-the-record 53:15  
62:22 66:23  
offer 19:1 35:1 46:13  
offers 65:18  
office 9:14 19:16,17 22:4  
22:4,16 24:9,12 39:6  
39:22 49:6,9,17 56:20  
61:25 72:13 77:23  
officer 9:12  
offices 74:11  
Oh 35:10 77:8  
okay 5:17 6:1 8:2,22 9:9  
10:18 11:3,8,15,17,21  
12:3 13:11 17:19 19:10  
19:11 20:23 21:24  
22:24 23:21 25:10 26:7  
27:22,22,25 28:4,14,25  
29:23 30:3 31:23 32:1  
40:4,24 43:8 46:11,20  
47:1 48:12 54:19 58:14  
59:9,20 60:10,22 62:24  
64:9,14 67:24 68:2  
72:9 73:19 74:10 75:2  
75:6 77:16 78:13,17  
old 19:14,18,19 43:15  
70:18  
older 48:20  
once 18:18 28:13,13

36:11 39:23  
ongoing 69:13 72:1,5  
opened 36:11  
opera 53:13  
operating 49:10  
opinion 50:9,22 52:23  
53:4,5  
opportunities 31:6  
opportunity 8:3  
oral 6:15 63:8,13  
orally 6:19  
order 63:20  
organized 9:22  
original 34:19 78:23  
originally 33:2  
outcome 81:19  
outdated 19:20  
outed 47:22  
outside 24:10 36:25  
overturn 75:16  
owned 12:12,19 25:25  
owner 9:11 12:4 25:24  
26:11 36:4 37:19 38:10  
45:7 50:25  
owners 5:25 25:21 62:8  
ownership 11:12,15 12:7  
12:14 34:5,24 52:17,20  
52:21 54:2 60:1 63:7  
77:14,19  
owning 53:11

**P**

p.m 2:18  
Page 4:2,7,13 21:12,12  
paid 70:20  
paper 63:7  
Park 75:23 76:2  
parking 36:25  
part 9:20 20:16  
partially 20:4  
particular 12:10 15:16  
22:15 30:7,14,22 31:1  
31:9 48:1  
parts 20:5  
party 42:5 81:18  
pass 71:7  
passing 63:7  
patients 44:21  
pay 54:12  
paying 57:16  
payments 55:4  
pen 8:14  
penalty 78:6 80:7  
people 70:6  
Pepperdine 15:2  
percent 11:16 12:4,18,19  
perform 36:12,21,22  
period 78:20  
perjury 78:7 80:8  
permits 75:7  
person 6:13,23 27:15  
28:5 44:24 45:4 56:9  
personal 14:20 52:3  
personally 50:10 54:8  
pet 75:13  
petition 75:15  
ph 56:13 70:4  
Phillips 76:10,11,12

phrases 7:13,13,14  
physically 18:11  
pictures 20:14,19,24  
piece 76:2  
pieces 20:5  
place 17:23 22:3 67:15  
81:8  
plaintiff 1:5 2:5 3:2 34:17  
34:19  
please 5:9 7:20,22 21:14  
23:9 39:7  
PM 5:2 79:3  
point 10:19 26:11 33:7  
33:20 36:7 37:24 38:11  
55:19 57:9 58:17  
portion 44:11  
position 62:8 65:6  
possession 13:16,20,22  
14:4 42:10 55:17 57:4  
57:5 69:2  
possibilities 31:23  
possibility 25:14  
possible 44:1 60:13 70:7  
possibly 28:13  
posted 73:22,24,25  
potential 30:15  
practice 57:14 69:2,14  
prepare 35:2,3,5  
prepared 20:21 21:6  
35:4  
present 15:24 36:3 46:12  
51:6  
presented 36:3 47:18  
presenting 45:24 46:5  
55:21  
president 9:15,20,21  
72:23 73:3,3 77:1,2  
pretty 75:25  
previous 15:22  
previously 10:2 17:18  
price 32:18 35:8,10,11  
35:13,17 65:20,21  
principle 54:15  
printed 21:16  
Printing 76:17  
prior 12:20 13:3,15 15:14  
17:11 18:13 19:1 25:1  
25:13,22 26:9,13,17,21  
27:3,7,12,18 28:2,10  
30:5 31:13 33:14,21,24  
37:19 42:2,7 43:23  
45:10 53:23,25 56:25  
57:2,10,12 58:3,5,11  
58:18,20 59:1,11 60:10  
60:16,24 65:14,18  
66:10,14 68:3,9,25,25  
71:25 72:3 73:6  
privilege 39:8  
probably 11:2 18:19  
19:17 44:5 49:19,24  
63:18 68:4 71:5 76:18  
76:22  
problem 41:3 64:12  
Procedure 78:2  
proceeding 6:7 78:22  
proceedings 66:20 79:3  
process 63:23  
production 20:18  
professional 44:24

professionals 31:13  
project 76:15,17  
projects 76:23  
properties 1:4 2:4 11:22  
12:3,18,23 13:5,11,12  
13:13,15 15:10 31:3,6  
32:14  
property 10:16 11:1,13  
11:18,23,24 12:5,17,21  
12:25 13:4,18,21,22  
14:6 22:12,19,22 26:1  
26:11,22 27:3 28:16,20  
29:10,12,23 30:6 31:8  
31:19 35:23,24 36:1,4  
37:18,22 38:24 41:24  
42:2,7,10,13,18,23  
43:1,1,2 52:17,21  
53:11,23 54:2,20 59:15  
60:20 61:12 66:17 67:3  
68:3 73:13,17 74:20  
76:2  
proposed 54:24  
provide 21:22 65:9 69:15  
69:16 75:19  
provided 17:2 40:13  
41:10,14 45:18,19,21  
66:12  
proximity 47:6  
Puente 77:19  
pull 7:15  
purchase 10:15,20 12:10  
12:13 16:4,12 18:1,14  
19:1 22:9,11 24:15,18  
25:6,8,22 26:10 28:10  
28:19 30:7 32:18 33:15  
34:25 35:1,6,8,11,13  
35:17,23,24 36:13,23  
37:14 42:2,23 73:12,16  
purchased 10:22 11:18  
11:23,24 12:11,23 13:5  
13:17,22 14:6 16:15  
17:10,17 42:10 57:6  
68:25 69:13 71:15,18  
purchases 15:14,22  
17:10 29:20  
purchasing 12:20 13:3  
15:24 17:11 25:1,14  
26:22 31:1,17 35:25  
42:7 53:23 54:19 65:14  
65:18 68:3 71:25 72:3  
73:6  
purely 19:22  
purpose 31:17  
purposes 78:22,25  
put 27:1 81:9

**Q**

quality 75:2,3  
question 6:25 7:1,3,4,7,8  
7:15,17,18,20,24 8:10  
12:2,24 23:8 24:16  
25:3,9 27:14,20 45:13  
53:6,7,9 56:7,12 58:19  
60:15 62:15 65:16 69:5  
71:17 74:23 75:18,21  
77:21  
questions 4:12 6:8,9,9  
7:10 8:19 61:1 77:25

quickly 6:6,25  
quite 29:20  
Quotes 22:6

**R**

R 3:4  
raise 48:9  
range 13:10  
ranging 22:14  
rate 48:9 51:15  
rating 75:6  
read 23:11 34:21,21  
53:13 63:3 80:6  
readily 28:4  
reading 53:3 78:5,19  
ready 44:11  
real 15:8,10 63:14 65:1  
really 6:13 43:14 54:12  
reason 16:11 30:13  
41:19 51:15  
recall 10:14 15:13,21,23  
16:2 17:22 18:9,17  
20:14 22:2 24:21 25:18  
28:6,17,21 29:1,2,8,15  
29:19,21 30:10 32:21  
32:23 34:18 35:6,8  
36:8,9 37:15,20 40:23  
41:13,21 43:7,9,11  
44:6 46:21 49:15,21,24  
55:25 56:22 58:23  
59:13 61:21 62:5,14,18  
64:9,23,23 67:4,13  
70:13,16,23 72:22  
76:25  
recalling 35:14  
receipt 78:18  
receive 15:25 16:3 33:17  
33:23 34:4 78:12  
received 60:19 61:16,19  
receiving 15:21 60:11  
reception 43:16  
recollection 35:12 37:13  
recommend 8:17  
record 5:10 6:5 7:19  
23:11  
red 8:10,13,15  
referring 20:20 26:5,7  
refresh 67:1 76:19  
regard 32:4 36:13 42:13  
67:7 75:3,17  
regarding 48:23  
regards 36:22 37:13  
registered 74:8  
regular 24:23  
related 81:18  
relation 45:9  
relationship 28:18 52:10  
62:20,25  
relevance 10:7 74:22  
relieved 78:1  
remained 14:7  
remedy 60:7,9  
remember 9:23 25:19  
35:12 38:25 40:7,9,9  
40:19 41:2,9 42:20  
56:2 59:22 62:16 63:11  
63:15 64:11 68:14  
69:21

<p>remove 63:18 removed 70:18 Renaissance 1:8 2:8 3:7 67:16 rent 46:14 47:25 55:15 55:22 57:16 64:1 rental 47:11 48:8 55:4 rentals 47:4 rented 47:8 51:7,14,14 renting 47:14 50:20 repairs 70:12 Repeat 45:13 46:2 repetitive 6:3 rephrase 12:24 report 37:13,17 38:2,24 39:1 53:22 REPORTED 1:23 reporter 6:11 29:3 78:1 81:6,16 REPORTERS 1:18 reports 37:5,9,10 representative 33:13,24 56:5,8,16,18 58:15 59:16 64:15 representing 60:3 request 16:6,9,11 20:25 23:6,16 68:19,23 requested 15:15 required 40:8 requirements 31:9 residence 68:1 residential 31:21,22 respect 6:12 respond 64:7 responded 65:5 response 21:23 23:6,16 75:18 responses 6:14,15 responsible 8:12 37:9 responsive 20:25 result 67:11 retail 19:16 31:21 Retina 1:8 2:7 3:7 67:19 reveal 72:13 review 8:3 37:4,10 reviewed 36:24 37:17 38:1,24 reviewing 37:9,13 ridiculous 48:6 Rigging 76:24 right 6:11,13 10:19 12:2 12:20 21:8 22:16 35:10 36:14 48:16 49:2,17 52:18 53:11 54:11 55:17 56:7,15 58:3 60:22 64:24 risk 62:9 64:13 Road 75:17 Rod 72:23,25 73:2 Ron 73:1,2,3 roof 36:25 room 6:13 49:10,16 rooms 49:20 routes 71:7 rules 8:20 run 31:4 Ryan 67:21</p>	<p style="text-align: center;"><b>S</b></p> <p>S 4:6 S-E-A-N 5:11 S-H-A-M-P-A-Y 70:24 S-H-O-T-N-E-H 67:21 sale 15:17 24:19 25:4 70:21 sales 65:21 saw 19:3 28:20 37:6,23 50:1 51:20 72:5 saying 28:7 says 20:18 scare 47:15 school 7:13 15:6 77:8,21 scrutinize 53:12 Sean 1:14 2:15 4:3 5:4 5:11 80:15 81:7 search 22:17 second 7:19 42:25 66:16 secret 40:12 section 23:22 see 18:8 19:2,4 43:1,12 44:21 71:24 75:10 seeing 49:15 58:18 seek 31:5 64:16 seeking 75:15 seen 24:19 38:8 43:2 seller 42:13 53:17 54:6 58:5,5,9,11,16,22 59:1 59:3,16 60:3,6,13 68:17 seller's 28:23,25 59:4 sellers 59:11 selling 29:10,12 send 74:16 sense 77:7 sent 54:23 74:1,4 separate 36:1 54:21 72:16 September 18:3 25:2,12 series 6:8 65:17 serve 72:11 served 20:17 34:12 42:15,20,22 52:15 72:6 services 31:8 set 28:22 62:1,3 81:8 shakes 6:15 shambles 19:13 20:2,3 43:6 70:14 Shampay 70:24 shared 75:20 shareholder 9:9,25 Shaun 17:5,16 30:2 38:19 she'll 6:21 shocked 57:23 60:1,3 shorthand 81:5,11,14,16 Shotneh 67:21 showed 37:19 38:10 shown 37:25 side 48:5 sign 8:5 24:19 55:2 signing 78:5,20 signs 24:5,10 50:2 sinks 49:16 sit 11:17 15:13 41:2,6,16 situation 60:7 78:15 Six 29:16</p>	<p>smiling 67:22 soap 53:13 Sohol 25:22 26:5,10,14 26:18,18,19,23 27:4,7 27:8,11,16 28:2,3,7,19 41:19 45:12,16 51:19 52:4,10 54:6,15 60:24 61:8,11,15 62:20,25 63:20 65:8,9 70:11 73:7 Sohol's 73:7 sole 9:11,25 solely 63:19 somebody 21:25 27:10 68:12 75:10 someplace 7:14 soon 40:1 sorry 10:2 16:25 18:6 23:8 29:3 45:14 56:25 60:15 65:7 66:21 source 34:4 39:14 43:17 54:3 60:19 71:13 southerly 24:2 Southern 12:23 13:5 17:11 southernmost 44:15 space 19:14 24:9 49:6,9 50:20 63:24,25,25 spaces 64:5 speak 6:21,22,24 25:21 26:13,18 33:13 56:5,15 56:19 64:14,17,21,22 special 75:16 Specialty 77:5 specific 17:4 31:20 37:12 51:5 specifically 22:10 31:5 38:20 54:17 specifics 34:18 62:16 speculate 59:5 speculation 38:4 50:23 spell 5:10 17:6 spoke 25:19 26:21 27:7 33:10 45:12,16 46:9 56:17 59:11 spoken 25:23 26:15,19 27:2,10,16 28:1 52:7 56:4 square 47:1,13,16,22 48:8 50:19 51:7,14 SS 80:1 81:1 standing 16:20 start 13:2 61:3 started 39:23 starting 57:14 state 1:1 2:1 5:9 15:7 80:1 81:1 stated 71:1 78:20 statement 14:10,16 22:13 51:4 63:11 65:10 67:7,11 68:9,17,20 69:3,17,20,23 70:1 75:25 stating 62:7 Stipulate 78:1 stipulated 79:1 storage 20:7,11 49:23,25 stored 20:9,12 22:3,15 Street 77:8</p>	<p>strike 11:11 31:11 53:24 strongly 8:17 Studebaker 75:17 subject 5:20 22:7 subjective 50:10,16 51:3 subpoena 4:8 20:17 21:6 21:13 22:8 23:7,17 subscribed 81:20 subsequently 66:8 substantive 8:6,16 suck 50:12 sudden 57:21 suit 34:19 57:21 Suite 2:17 3:4,10 summons 34:12,21 42:15 52:14,16 53:3 57:21 58:13 60:11,16 60:18 61:16,19 63:3,19 SUPERIOR 1:1 2:1 supervision 81:12 support 63:13 sure 10:10 21:3 23:10 26:6 27:19 28:11 37:6 40:13 46:3 49:14 58:12 58:20 64:21 65:16 69:6 Surgical 1:8 2:8 3:8 67:17 sworn 5:5</p> <p style="text-align: center;"><b>T</b></p> <p>T 4:6 tactics 65:6 take 6:1 8:14,14 21:14 57:3,7 taken 2:16 6:10 23:24 81:7,10,14 talk 31:12 63:23 72:21 talked 48:15 56:9,13 62:18 talking 39:16,23 Tawansy 1:7 2:7 3:7 26:6 26:7,10,13,16,21 27:3 33:11,14,18,24,25 34:5 34:23 37:21 41:8,19 42:13,17 52:7,9,16 53:10 54:24 55:4,16 56:3,4,9,17 58:25 59:25 60:14,20 62:25 63:24 64:15 65:25 66:15 70:20 73:7 74:3 74:5,10 Tawansy's 50:6 62:11 65:11 67:8,11 teach 7:12 Technically 40:6 tell 8:24 19:22,24 20:12 22:14 32:17,24 37:18 38:23 44:13,20 45:2,3 54:1 59:21,23 60:2,5 60:11 63:5,6 64:24 67:6,10 69:22,25 72:9 72:15 73:5 telling 21:24 27:10 64:11 ten 18:20 76:14 78:8 tenancy 65:25 66:5 67:8 67:12 72:7 tenant 13:16,21 14:4,7 14:23 15:14,24 16:15</p>	<p>17:20,23 19:3 24:4 27:11 32:25 33:3,6,9 37:18 38:10 42:9 44:2 44:3,9 45:8,12,16,24 46:6,7,12,23 47:19 48:20 50:5 51:7 68:6 69:2,8 tenant's 33:5 tenants 69:12 term 31:16 terminate 72:7 terminated 66:9 termination 16:20 66:10 terms 50:7 terrible 70:6 testified 5:6 8:11 22:18 33:10 testimony 48:23 80:9 Thank 73:2 theme 8:12 thereof 81:19 thing 6:23 8:17 38:25 53:13 75:11 things 22:9 50:16 63:6,8 think 8:14 12:6,13,24,25 17:17 21:16,22 22:18 23:21 24:13 25:3,5,16 33:2,10 36:5 40:1 41:25 43:3 44:7,17 45:1,5 48:15,22 49:11 50:4 52:14 54:7,17 57:11,11,11 60:4 66:18 67:9,13 68:7,12,24 69:24 70:25 72:8 74:18 74:18 76:9 third 19:12 20:1 42:5 66:16 thought 48:13,19 50:13 thousand 76:23 three 5:16 10:22 19:8 54:21 thrown 70:19 time 5:17 6:24 8:7 10:13 11:24 13:16,22 15:15 25:14 27:18 28:15 33:14 34:22 42:10,25 43:2,20 45:25 46:6 51:25 52:2,6 53:22,25 56:25 57:2 58:1 59:14 60:24 61:15 63:2 64:15 68:9 69:13 71:14 74:11 78:21 81:8,8 timeframe 28:20 29:6 times 18:20,22,24 24:18 25:4 28:9 title 10:14 37:4,9,10,13 37:17 38:2,10,24 39:1 39:15 40:17,21 41:4,8 41:11,14,18,20 42:5,17 46:7 53:24 58:25 59:14 60:20 titled 26:11 today 8:11,20 11:17 15:13 41:2,7,16 today's 8:9 20:16 told 23:4,5,15 24:3 27:15 28:1,22 29:23 33:3,6 38:9 45:11,15 51:17 52:12 56:8,17 58:12,14</p>
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**Atkinson-Baker Court Reporters**  
www.depo.com

<p>58:21,24 59:10,15,18 60:4,12 61:10,14 top 20:15 36:25 Torrance 77:5 trails 7:6 transaction 25:1,11 27:4 27:8,13 transcribed 81:11 transcript 8:15 80:9 81:14,15 treasurer 10:12 trial 8:7 triple 47:17,20 true 80:8 81:13 trust 37:7 66:17,19 67:1 67:2 75:8 truthfully 7:23 try 7:16 58:6 70:7 trying 33:2 40:6 tumultuous 62:19,21 turn 29:13 two 12:11 29:6,20 36:1 57:15 type 8:17 20:11,12 35:1 41:13 44:14</p> <p align="center"><b>U</b></p> <p>uh-huh 6:18 ultimately 25:2 42:12 unavailable 78:24 undergraduate 15:4 undersigned 80:6 understand 7:11,17,18 7:20,21,24,25 8:1 13:19 14:3 19:8 27:19 39:8 40:16 52:20,22 71:17 understanding 14:15 16:14 51:23 54:23 66:5 67:14 understood 28:11 unit 19:12,13 20:1 24:2,3 24:3,5,8,11 43:4,4,8,10 43:13,18 44:2,15,15,16 44:25 45:4 46:22,23,25 47:2 48:1,8,10,13,15 48:16,17,17,23 49:4 50:2,6 51:21,23 55:15 57:16 70:14 units 19:8,10 24:1 54:20 54:21 57:4,8,15 unlawful 74:11 unofficial 64:25 unsigned 21:15 78:21,24 up-to-date 48:20 upgrade 31:18 usable 20:11 use 7:10,22 19:15,16 24:6 31:11,20</p> <p align="center"><b>V</b></p> <p>vacant 19:14 24:9 vague 11:25 13:24 15:18 22:14 24:16 26:2 32:11 34:15 35:21 36:14 38:3 43:20 48:2 50:9,22 55:12 62:15 68:10 69:4 69:9 73:8</p>	<p>value 31:6,8 Ventura 2:16 3:10 vice 9:20,21 72:23 73:3 visit 23:23 visited 18:25 42:25 43:12 71:10 voice 7:6 void 81:15 vs 1:6 2:6</p> <p align="center"><b>W</b></p> <p>walked 36:24 walking 24:5 walls 20:5 Walnut 77:11 want 8:4 28:11 39:7 wanted 21:1 wanting 25:5 warn 39:3 Warner 66:19,19,25,25 wasn't 25:9 31:25 54:8 63:21 way 10:7,15 20:3,8 21:18 27:1 28:16 60:17 65:7 67:25 73:12 ways 16:18 We'll 27:22 we're 8:22 37:12 39:16 75:14 we've 76:22 weekly 71:7 went 63:6 65:17,22 weren't 44:10 Wetlands 74:21 75:8 WHEREOF 81:20 wife 10:3 wife's 10:4 wild 59:25 willing 64:1 Willow 77:23 wiring 20:5 witness 2:15 4:2 5:5,24 22:20 27:19 29:4,19 39:9 40:1,11 43:21 48:24 53:7 59:7 64:19 72:18 74:23 75:11 77:16 81:9,20 word 7:10,21 8:15,16 62:19 words 54:10 work 17:4 24:24 31:7 32:8 worked 32:4 38:20 works 47:22 worth 50:19 51:3,4,4 wouldn't 61:4 writ 75:15 write 8:16 written 63:14 78:3 wrong 48:19 www.depo.com 1:19</p> <p align="center"><b>X</b></p> <p>X 4:1,6</p> <p align="center"><b>Y</b></p> <p>yeah 20:14 22:20 40:11 43:23 49:7 50:10 51:3</p>	<p>62:18 65:5 73:11,24 76:8 77:3 year 5:19 10:23 29:7,16 years 29:21 30:12,14 50:8,8 70:8</p> <p align="center"><b>Z</b></p> <p>ZELNER 3:9</p> <p align="center"><b>0</b></p> <p>001 20:19 22:25</p> <p align="center"><b>1</b></p> <p>1 1:9 2:8 4:8 21:9,10,13 48:8,16,17 49:4 50:3,6 51:21,23 1's 48:10,13 1:00 5:2 10 1:9 2:8 4:14 100 11:16 12:4,18,18 1031 12:11 29:11 36:1 12 24:20 13438 1:23 2:19 81:6,24 15,000 46:21 55:10 16633 2:16 3:10 1997 9:24</p> <p align="center"><b>2</b></p> <p>2 4:15 48:15,23 57:4 2,650,000 35:13 2.5 32:22 2.50 47:17 2:40 79:3 20 4:14 13:10,11,15 80:11 20,000 47:15 2009 75:3 2010 75:16 2012 26:1 2013 18:4 2016 17:24 18:5,6,7 25:2 25:12 2017 1:16 2:18 5:1 81:21 21 4:8 24 78:15 249 3:4 2503 67:25 2653 77:11 288-3376 1:19 298 20:19 22:25 2H 1:4 2:4 9:3,4,22 10:19 11:1,13,22,24 12:3,16 12:17,21,25 15:10 72:14,25 73:15 2nd 81:21</p> <p align="center"><b>3</b></p> <p>3 21:12 32:22 47:22 50:19 51:7 57:4 70:14 3:10 2:17 30 1:16 2:18 5:1 30-day 72:6 73:21 3060 1:4 2:4 11:1,13,22 12:3,17 15:10 310.273.8444 3:11 3200 10:16,20,22 11:18 12:5,8,21 13:1,3 16:4</p>	<p>16:12 17:11 18:1,11,13 18:25 23:24 28:9 37:14 38:20 47:19 54:20 69:1 32nd 77:8</p> <p align="center"><b>4</b></p> <p>4 4:14 40-plus 70:8 48 78:16</p> <p align="center"><b>5</b></p> <p>5 4:4 5,000 47:3 562.901.2500 3:5</p> <p align="center"><b>6</b></p> <p>6 4:15</p> <p align="center"><b>7</b></p> <p>735 2:17 3:10 74 4:14 75 4:15,15 750 3:4</p> <p align="center"><b>8</b></p> <p>800 1:19</p> <p align="center"><b>9</b></p> <p>90802 3:5 91436 3:10 96,000 70:21</p>
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# EXHIBIT "P"

**SUMMONS  
Cross-Complaint  
(CITACION JUDICIAL-CONTRADEMANDA)**

FOR COURT USE ONLY  
(SOLO PARA USO DE LA CORTE)  
ORIGINAL FILED  
Superior Court of California  
County Of Los Angeles

OCT 14 2016

Sherri R. Carter, Executive Judicial Clerk  
By [Signature] Deputy  
E. James

**NOTICE TO CROSS-DEFENDANT:**

**(AVISO AL CONTRA-DEMANDADO):**

JENNIFER SOHOL, an Individual; JK PER ANGUSTA AD FELISCITAS LLC, a California Limited Liability Company; **YOU ARE BEING SUED BY CROSS-COMPLAINANT: (LO ESTÁ DEMANDANDO EL CONTRA-DEMANDANTE):**

KHALED A. TAWANSY, M.D., an Individual,

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the cross-complainant. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center ([www.courtinfo.ca.gov/selfhelp](http://www.courtinfo.ca.gov/selfhelp)), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site ([www.lawhelpcalifornia.org](http://www.lawhelpcalifornia.org)), the California Courts Online Self-Help Center ([www.courtinfo.ca.gov/selfhelp](http://www.courtinfo.ca.gov/selfhelp)), or by contacting your local court or county bar association. NOTE: The court has a statutory lien for waived fees and costs on any settlement or arbitration award of \$10,000 or more in a civil case. The court's lien must be paid before the court will dismiss the case.

Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al contrademandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California ([www.sucorte.ca.gov](http://www.sucorte.ca.gov)), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services, ([www.lawhelpcalifornia.org](http://www.lawhelpcalifornia.org)), en el Centro de Ayuda de las Cortes de California ([www.sucorte.ca.gov](http://www.sucorte.ca.gov)), o uniéndose en contacto con la corte o el colegio de abogados locales. AVISO: Por ley, la corte tiene derecho a reclamar las cuotas y los costos exentos por imponer un gravamen sobre cualquier recuperación de \$10,000 ó más de valor recibida mediante un acuerdo o una concesión de arbitraje en un caso de derecho civil. Tiene que pagar el gravamen de la corte antes de que la corte pueda desechar el caso.

The name and address of the court is:  
(El nombre y dirección de la corte es):  
LOS ANGELES SUPERIOR COURT-LONG BEACH  
275 Magnolia  
Long Beach, CA 90802

SHORT NAME OF CASE (from Complaint): (Nombre de Caso):

Tawansy, M.D. v. Sohol

CASE NUMBER: (Número del Caso):

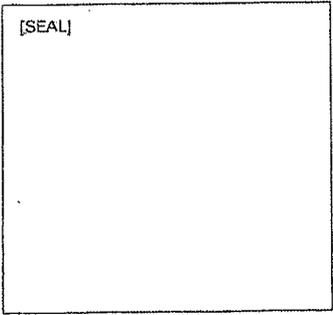
The name, address, and telephone number of cross-complainant's attorney, or cross-complainant without an attorney, is:  
(El nombre, la dirección y el número de teléfono del abogado del contrademandante, o del contrademandante que no tiene abogado, es): Law Firm of Donald E. Karpel 16633 Ventura Boulevard, Suite 735  
Donald E. Karpel, Esq. (SBN: 61678) Encino, California 91436  
Tel: (310) 273-8444/Fax: (323) 720-8852

DATE: Sherri R. Carter OCT 14 2016 Clerk, by [Signature] Deputy (Fecha) (Secretario) (Adjunto)

(For proof of service of this summons, use Proof of Service of Summons (form POS-010).)  
(Para prueba de entrega de esta citación use el formulario Proof of Service of Summons (POS-010).)

**NOTICE TO THE PERSON SERVED: You are served**

- as an individual cross-defendant.
- as the person sued under the fictitious name of (specify):
- on behalf of (specify):  
under:  CCP 416.10 (corporation)  CCP 416.60 (minor)  
 CCP 416.20 (defunct corporation)  CCP 416.70 (conservatee)  
 CCP 416.40 (association or partnership)  CCP 416.90 (authorized person)  
 other (specify):
- by personal delivery on (date):



SHORT TITLE: Tawansy v. Sohol	CASE NUMBER NC060799
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**INSTRUCTIONS FOR USE**

- This form may be used as an attachment to any summons if space does not permit the listing of all parties on the summons.
- If this attachment is used, insert the following statement in the plaintiff or defendant box on the summons: "Additional Parties Attachment form is attached."

List additional parties (Check only one box. Use a separate page for each type of party.):

- Plaintiff    
  Defendant    
  Cross-Complainant    
  Cross-Defendant

2H PROPERTY 3060, LLC, A California Limited Liability Company;  
 2H Construction, Inc., A California Corporation;  
 Sean R. Hitchcock;  
 Erica Burton;  
 ROWS 1 through 20,



**ADDITIONAL PARTIES ATTACHMENT**

Attachment to Summons Tawansy v. Sohol, et. al.,

CROSS-COMPLAINT

1 DONALD KARPEL (SBN 61678)  
2 ZELNER AND KARPEL  
3 16633 Ventura Blvd. Suite 735  
4 Encino, CA 91436  
5 310-273-8444 (Tel)  
6 323-720-8852 (Fax)  
7 dkarpel@deklawfirm.com

CONFIRMED COPY  
ORIGINAL FILED  
Superior Court of California  
County of Los Angeles

OCT 14 2016

Shari R. Carter, Executive Assistant  
By: [Signature] Deputy  
B. Jones

8 Attorney for Defendant/Cross-Complainant,  
9 Khaled A. Tawansy, M.D., an Individual

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA

11 FOR THE COUNTY OF LOS ANGELES-SOUTH DISTRICT

12 JK PER ANGUSTA AD FELICITAS, LLC, a ) Case No. NC060799  
13 California Limited Liability )  
14 Company )  
15 , ) CROSS COMPLAINT  
16 Plaintiff, )  
17 vs. ) Assigned to Honorable Judge  
18 ) Ross M. Klein  
19 MARGARET KUSKA, an Individual; )  
20 CAROLINE WARNER TUGEL, an ) Dept.27  
21 Individual; RICHARD S. WARNER AND )  
22 TARA J. WARNER, Trustees of the ) Case Filed September 09, 2016  
23 RICHARD S. WARNER AND TARA J. WARNER )  
24 FAMILY TRUST 1993; KHALED A. ) CROSS COMPLAINT FOR:  
25 TAWANSY, an Individual AND DOES 1- )  
26 20 INCLUSIVE, ) 1) SPECIFIC PERFORMANCE AND TO  
27 ) QUIET TITLE  
28 Defendants. ) 2) RESCISION AND CANCELLATION OF  
29 ) DEED  
30 KHALED A. TAWANSY, M.D., an ) 3) FRAUD  
31 Individual, ) 4) BREACH OF CONTRACT  
32 ) 5) UNFAIR COMPETITION  
33 Cross Complainant, ) 6) BREACH OF FIDUCIARY DUTY  
34 )  
35 Vs. )  
36 )  
37 JENNIFER SOHOL, an Individual; JK )  
38 PER ANGUSTA AD FELICITAS )  
39 LLC, a California Limited )  
40 Liability Company; 2H )  
41 PROPERTY 3060 LLC, A California )

42 CROSS COMPLAINT  
43 KHALED A. TAWANSY, M.D. V. JENNIFER SOHOL-Case NC060799

1 Limited Liability Company; )  
 2 2H Construction, Inc., A )  
 3 California Corporation; Sean R. )  
 4 Hitchcock; Ericka Burton; and )  
 5 Rows 1 Through 20, )  
 6 Cross Defendants. )  
 7 )  
 8 )  
 9 )  
 10 )  
 11 )  
 12 )  
 13 )  
 14 )  
 15 )  
 16 )  
 17 )  
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 20 )  
 21 )  
 22 )  
 23 )  
 24 )  
 25 )  
 26 )  
 27 )  
 28 )

6 CROSS-COMPLAINANT, KHALED A. TAWANSY, M.D., an Individual, alleges  
 7 as follows:  
 8

9 1) This Action concerns the title to the following piece of real  
 10 estate in the City of Long Beach, located at 3200 N. Long Beach Blvd  
 11 and described as:

12 THE LAND DREFERRED TO HEREIN BELOW IS SITUTATED IN THE COUNTY OF  
 13 LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:  
 14

15 PARCEL 1:

16 LOTS 17, 18 AND 19 IN BLOCK "A" OF TRACT 2901, IN THE CITY OF  
 17 LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP  
 18 RECORDED IN BOOK 36 PAGE(S) 83 OF MAPS IN THE OFFICE OF THE COUNTY  
 19 RECORDER OF SAID COUNTY, TOGETHER WITH THAT PORTION OF THE WESTERLY  
 20 HALD OF THAT CERTAIN ALLEY, 20 FEET SIDE, AS SHOWN AND DEDICATED UPON  
 21 THE MAP OF SAID TRACT NO. 2901, WHICH ADJOINS SAID LOTS ON THE EAST,  
 22 VACATED BY RESOLUTION NO. C-22311 OF THE CITY COUNCIL OF SAID CITY, A  
 23 COPY OF WHICH WAS RECORDED AUGUST 1, 1977 AS INSTRUMENT NO. 77-833919,  
 24 BOUNDED NORTHELY BY THE EASTERNLY PROLOGNATION OF THE NORTHERLY LINE  
 25 OF SAID LOT 17, AND BOUNDED SOUTHERLY BY THE EASTERLY PROLONGATION OF  
 26 THE SOUTHERNLY LINE OF SAID LOT 19.  
 27

1           EXCEPT THEREON ALL OIL MINERALS, AND OTHER HYDROCARBONS SUSTANCES  
2 IN AND UNDER SAID LAND LYING BELOW A DEPTH OF 500 FEET FROM THE  
3 SURFACE, WITHOUT HOWEVER, THE RIGHT TO USE ANY PART OF THE SURFACE  
4 THEREOF, AS EXCEPTED AND RESERVED IN VARIOUS DEEDS RECORDED ON JUNE  
5 17, 1964.

6  
7           PARCEL 2:

8           LOTS 36, 27 AND 38 IN BLOCK "A" OF TRACT 2901, AS PER MAP  
9 RECORDED IN BLOOK 36, PAGE 63 OF MAPS, IN THE OFFICE OF THE COUNTY  
10 RECORDER OF SAID o SAID COUNTY WITH THAT PORTION OF THE EASTERLY HALF  
11 OF THAT CERTAIN ALLYE, 20 FEET WIDE, AS SHOWN AND DEDICATED UPON THE  
12 MAP OF SAID TRACT 2901, WHICH ADJOINS SAID LOTS ON THE WEST, VACATED  
13 BY RESOLUTION NO. C-2231 OF THE CITY COUNCIL OF SAID CITY, A COPY OF  
14 WHICH RECORDED AUGUST 1, 1977 AS INSTRUMENT NO. 77-833919, BOUNDED  
15 NORTHERY BY THE WESTERLY PROLOGATION OF THE NORTHERLY LINE OF SAID LOT  
16 36, AND BOUNDED SOUTHERLY BY THE WETERLY PROLOGATION OF THE SOUTHERLY  
17 LINE OF SAID LOT 39.

18  
19           2)       Khaled A. Tawansy, referred to herein as Dr. Tawansy is a  
20 doctor licensed doctor in the State of California with a practice  
21 devoted to the Retina, adult and pediatric Vitreo-Retinal Surgery,  
22 Diabetic and Retinal Vascular Surgery Diseases, Retinopathy of  
23 Prematurity and Congenital Anomalies, Retinal Detachment and  
24 Degenerations, Trauma and Surgical Complications, and Inflammatory and  
25 Infectious Diseases.

26  
27           3) That Dr. Tawansy is a resident of Los Angeles County.  
28

CROSS COMPLAINT

KHADED A. TAWANSY, M.D. V. JENNIFER SCHOL-Casa NC069799

1           4) That Dr. Jennifer Kaur Rodriguez Sohol is a licensed doctor in  
2 the State of California.

3           5) That Dr. Sohol is a resident of Los Angeles County.

4           6) That JK PER ANGUSTA AD FELICITAS, LLC is a Limited Liability  
5 company organized and existing in the State of California. That JK PER  
6 ANGUSTA AD FELICITAS, LLC was formed on February 11, 2014 as entity  
7 number 20140431053,  
8

9           7) That Cross Defendant 2H Property 3060 is a California Limited  
10 Liability Company, doing business in the City of Long Beach  
11 California.  
12

13           8) That Cross Defendant 2H Construction Inc. is a California  
14 corporation doing business in the City of Long Beach California.

15           9) That Sean R. Hitchcock is a resident of the county of Los  
16 Angeles and does business in Long Beach California.  
17

18           10) That Erika Burton is a resident of the County of Los Angeles  
19 and does business the City of Long Beach, California.

20           11) That each of the Roe 1-20 Cross-Defendants were somehow  
21 involved in this transaction and acted as co-conspirators or aiders  
22 and abettors of the acts complained of herein, or as agents of the  
23 other cross-cross defendants. The names of these entities are not now  
24 know. When ascertained this complaint will be amended to include the  
25 names of said Roe 1-20 cross defendants.  
26

1           12) That the parcel of real property at issue herein is unique  
2 in that it is located less than two blocks from Long Beach Memorial  
3 Hospital and the Millers Children's Institute at Long Beach Memorial.  
4 The parcel is unique in that it is the intention of Dr. Tawansy to  
5 occupy the property for his medical practice. There is no other parcel  
6 of real estate that can accomplish what is needed by Dr. Tawansy. As a  
7 result, the parcel of real estate must be reconveyed to him as it is  
8 unique.  
9

10           13) That Dr. Tawansy and Dr. Sohoh lived together in Dr.  
11 Tawansy's home in Pasadena for many years.

12           14) That Dr. Tawansy and Dr. Sohoh stopped living together  
13 approximately one year ago in 2015, and at the time were engaged to be  
14 married.  
15

16           15) That Dr. Sohoh created **JK PER ANGUSTA AD FELICITAS, LLC** at  
17 the direction of Dr. Tawansy to take title to a property owned by him  
18 located at 3200 North Long Beach Boulevard, Long Beach, California  
19 that had been owned personally by Doctor Tawansy from approximately  
20 June 1, 2012.  
21

22           16) That Dr. Tawansy purchased the 3200 N. Long Beach Property by  
23 paying approximately \$250,000 down at closing and made payments of  
24 about \$260,000 since then for payments on the mortgage, and other  
25 costs associated with the property.  
26

27           17) That the building has been totally rehabbed inside at 'to 2/3  
28 of the structure into medical offices for Dr. Tawansy. That Dr.

1 Tawansy has paid for all of the improvements that began in 2015 and  
2 are continuing today of approximately \$300,000. That these  
3 improvements were paid for by Dr. Tawansy after June of 201t and are  
4 continuing.

5  
6 18) That in approximately June of 2015 that a \$1,200,000 loan  
7 payoff was due to be paid by Dr. Tawansy. Along with some additional  
8 fees the amount for the loan payoff was \$1,305,521.71.

9  
10 19) That due to the relationship with Dr. Tawansy and Dr. Sohol,  
11 and the then building out of a surgery center for Dr. Tawansy at 125  
12 N. Raymond St. Pasadena California, it was agreed that Dr. Tawansy  
13 would deed the property to **JK PER ANGUSTA AD FELICITAS, LLC**, with the  
14 understanding that Dr. Tawansy would be the beneficial owner of the  
15 3200 N. Long Beach property and given Dr. Sohol's ability to get a  
16 loan to pay off the mortgage balance. That Dr. Sohol explained that  
17 the word Felicitas means a bull eye, that although the property was  
18 held in the **JK PER ANGUSTA AD FELICITAS, LLC** name, that in fact Dr.  
19 Tawansy still owned the property now as the beneficial and equitable  
20 owner of the real estate.

21  
22 20) That Jennifer Sohol told many other people that **JK PER**  
23 **ANGUSTA AD FELICITAS, LLC** was to allow Dr. Tawansy to continue to own  
24 the real estate at 3200 N. Long Beach Blvd. including representations  
25 to Dr. Tawansy, to Sandy Tumen, to Bill Maher, Debbie Champay, Keith  
26 Graves, Adraino Flores, Mario Abina, Robert Sepasia, Marty Marcus, and  
27 to Gary Lefkowitz, among many others.

1           21) That at the close of the new mortgage that Dr. Sohol got for  
2 JK PER ANGUSTA AD FELICITAS, LLC, that Dr. Tawansy paid the closing  
3 costs of \$99,412,28. Nothing was paid by Dr. Sohol.

4  
5           22) That on June 17<sup>th</sup>, 2014 that Dr. Tawansy signed a grant Deed  
6 to JK PER ANGUSTA AD FELICITAS, LLC for no consideration, but paid a  
7 documentary transfer tax of \$1,595.00 to record the deed.

8           23) That in setting up JK Per Angusta Ad Feliciatas, LLC, that  
9 Dr. Sohol represented that the J stood for her name, Jennifer and that  
10 the K stood for Dr. Tawansy's name, Khalid.

11  
12           24) That in or about June of 2015, Dr. Sohol came to Dr. Tawansy  
13 and asked him to sign a one year lease on the property as Dr. Sohol  
14 told Dr. Tawansy that the bank that had lend the money on the loan  
15 needed to see that it was leased. As Dr. Tawansy was the 100%  
16 beneficial owner of the property with Dr. Sohol merely acting as the  
17 legal owner on the paperwork, Dr. Tawansy signed the lease as this was  
18 the approximate amount of the payments on the building and taxes. Each  
19 month, given the close relationship with Dr. Tawansy and Dr. Sohol,  
20 Dr. Tawansy would make the payments directly into Dr. Sohol's account  
21 at Chase Manhattan bank without having to pay Dr. Sohol.

22  
23           25) That notwithstanding the agreement that Dr. Sohol would run  
24 JK Per Angusta Ad Felistcias, LLC with Dr. Tawansy as the entire 100%  
25 owner of the property, she has now claimed that Dr. Tawansy owns no  
26 right in the property and has defrauded Dr. Tawansy out of his  
27 ownership interest, in his interest as the beneficial owner of the  
28

1 entire JK Per Angusta AD Felicitas, LLC and of the property to which  
2 Dr. Tawansy has invested nearly \$1,000,000.

3  
4 26) That notwithstanding the agreement and the lack of any equity  
5 in purchasing or rehabilitating the property and any lack of any  
6 payments made for the purchase, Dr. Sohol has now asked Dr. Tawansy to  
7 purchase the 3200 N. Long Beach Blvd. property for \$2,695,000 when in  
8 fact the property is owned beneficially by Dr. Tawansy.

9  
10 27) That notwithstanding the agreement for the placement of only  
11 the amounts of money required to pay off the mortgage, Dr. Sohol is  
12 now understood took out more loans. She executed a Deed of trust for  
13 \$580,000 to Pacific Enterprise Bank dated June 17<sup>th</sup> 2014. Then Dr.  
14 Sohol executed a deed of trust in the amount of \$725,000 to Pacific  
15 Enterprise Bank dated June 17<sup>th</sup>, 2014. Then Dr. Sohol executed a deed  
16 of trust dated May 28, 2014 in the amount of \$598,000 in favor of  
17 Pacific Enterprise Bank. Then Dr. Sohol executed a Subordination Non  
18 Disturbance and Attornment Agreement and Estoppel Certificate for a  
19 lease dated May 2, 2015 between JK PER ANGUSTA AD FELICITAS, LLC and  
20 Jennifer Kaur Rodriguez Sohol and Pacific Enterprise Bank of an  
21 "unrecorded lease" on the property for 20 years ending on May 2, 2024.  
22

23 28) That the current title report for the property shows that the  
24 property is subject to a lien in the name of Dr. Tawansy to the United  
25 States of America for \$179,999.22.  
26  
27  
28

1 29) That the current title report of the property shows that the  
2 property is subject to a lien in the name of Dr. Tawansy to the United  
3 States of America for \$296,444,72.

4 30) That the current title report of the property shows that the  
5 property is subject to a lien in favor of the tax collector of the  
6 County of Los Angeles in the amount of \$181.24  
7

8 31) That at all times in 2015 and in 2016 Dr. Tawansy represented  
9 to Ed Gelfand, an attorney representing Dr. Sohol and JK Per Angusta  
10 Ad Felicitas that Dr. Tawansy was the total owner of the 3200 Long  
11 Beach property, which was held in the beneficial name of JK Per  
12 Angusta Ad Felicitas but which was legally owned by Dr. Tawansy. Dr.  
13 Tawansy expressed this to Mr. Gelfand person and in a personal meeting  
14 with Mr. Gelfand.  
15

16 32) That in or about 2015, Gary Lefkowitz, the CEO of Dr.  
17 Tawansy's businesses told Mr. Gelfand that Dr. Tawansy owns the 3200  
18 Long Beach property and that the LLC created by Dr. Sohol was a mere  
19 fiction created so that the loan could be repaid and that Dr. Tawansy  
20 owns the entire building legally, with JK Per Angusta Ad Felicitas  
21 merely owning a beneficial interest and not a legal interest in the  
22 property.  
23

24 33) That in or about 2015, Dr. Tawansy expressed to the real  
25 estate broker chosen by JK per Angusta Ad Felicitas Marcus and  
26 Millichap that Dr. Tawansy actually owns the building and the title in  
27  
28

1 the name of JK Per Angusta Ad Feliditas was merely to protect Dr.  
2 Tawansy's investment in the building.

3 34) That at the time of doing its due diligence on the 3200 Long  
4 Beach Property, that 2H Properties 3060 LLC and 2H Construction, Inc.  
5 and Sean R. Hanson and Ericka Burton knew of Dr. Tawansy's ownership  
6 in JK Per Angusta Felicitas.  
7

8 35) That 2H Properties, LLC, 2H Construction, Inc. and Sean R.  
9 Hanson and Ericka Burton did not ask for a customary estoppel  
10 certificate from Dr. Tawansy, who they knew, was the tenant of the  
11 property, and in which any willing purchaser would have requested. The  
12 lack of asking for the estoppel certificate is evidence that 2H  
13 Properties, LLC, 2H Construction, Inc. and Sean R. Hanson and Ericka  
14 Burton knew of Dr. Tawansy's claims to the real estate as the actual  
15 legal owner of the property.  
16

17 36) That the brokers in the transaction Marcus and Millichap  
18 represented to 2H Properties, LLC, 2H Construction Inc., and to Sean  
19 R. Hitchcock and Erica Burton that Dr. Tawansy was the actual owner of  
20 the real property.  
21

22 37) That Ed Gelfand as the attorney for Jennifer Sohol and for JK  
23 Per Angusta Ad Felicitas, and acting in concert with Jennifer Sohol  
24 did not inform the purchasers that Dr. Tawansy claimed to be the real  
25 owner of the property and that the property was deeded into JK Per  
26 Angusta Ad Felicitas only for the purposes of legal ownership, whereas  
27 the beneficial ownership remained in Dr. Tawansy's name.  
28

1 38) That a review of the matters affecting title would reveal to  
2 2H Property 3060 LLC, to 2H Construction Inc. and to Sean R. Hitchcock  
3 and Erica Burton would reveal that there were numerous tax liens in  
4 the name of Dr. Tawansy and a new trust deed relating to the reduction  
5 of the mortgage on the property.  
6

7 39) That an actual conspiracy arose to cheat Dr. Tawansy out of  
8 his property, by Jennifer Sohol, JK Ad Augusta Felicitas acting with  
9 2H Properties 3060 LLC, 2H Construction Inc., and with Sean R.  
10 Hitchcock and Erica Burton to avoid having any communication with Dr.  
11 Tawansy which could have revealed his actual ownership interest in and  
12 to the 3200 Long Beach property.  
13

14 40) That this conduct in forming the conspiracy was done create  
15 an artificial form of a purchase by 2H Property 3060 LLC which was  
16 done to avoid any claims made by Dr. Tawansy as to his actual  
17 ownership interest in the legal title to the property through the JK  
18 PER ANGUSTA AD FELICITAS, LLC entity,  
19

20 41) That Dr. Tawansy believes Jennifer Sohol or her entity of JK  
21 Per Angusta Ad Felicitas or some entity controlled by Jennifer Sohol  
22 or Ed Gelfand is the actual owner or a partial owner in the new entity  
23 now claiming to own the property at 3200 Long Beach Blvd.  
24

25 42) That in conducting this fraud, the Defendants and each of  
26 them have used the United States Mails, the United State wires, bank  
27 accounts and the internet to achieve their nefarious goals of cheating  
28 Dr. Tawansy out of his interest in the 3060 Long Beach property.

1           43) That 2H Properties 3060, 2H Construction Inc., Sean R.  
2 Hitchcock, and Erika Burton, knew prior to the close of escrow that  
3 there were problems with the close of a sale as tax liens in the  
4 amount of \$296,446.81 and a lien of \$179, 9992.22 had been liened by  
5 the Internal Revenue Service as and for tax liens for Khaled A.  
6 Tawansy. This was detailed in a letter dated June 29, 2016 from  
7 Commonwealth Land Title Insurance Company.  
8

9           44) That 2H Property 3060 LLC, 2H Construction Inc., Sean R.  
10 Hitchcock and Ericka Burton knew that a loan in the amount of  
11 \$1,475,000 sat on the property notwithstanding that it was supposed to  
12 have been removed, and the time that JK Per Advantages took legal  
13 title to the property with Khaled A. Tawansy remaining the beneficial  
14 owner of the property. This was detailed in a letter dated June 29,  
15 2016 from Commonwealth Land Title Insurance Company.  
16

17           45) Had 2H Property 3060 LLC, 2H Construction Inc., Sean R.  
18 Hitchcock done normal diligence in the purchase of commercial real  
19 estate, as that is their business they would have learned that the  
20 Master Lease was beneficially owned by Dr. Tawansy, and that the  
21 sublease needed for the banks was only for one year until the surgery  
22 center could be build out the then having Dr. Tawansy take Jennifer  
23 Schol off of the loan and paying the loan off.  
24

25           46) That when JK PER ANGUSTA AD FELICITAS LLC was formed it had  
26 as its location, the offices of Dr. Tawansy at 7447 N. Figueroa St.  
27 Suite 200, Los Angeles, CA 90041, indicating his interest in the JK,  
28

1 without Dr. Tawansy's consent Jennifer Sohol changed the address to  
2 her own address, without the consent of the beneficial owner of  
3 property, Dr. Khaled A. Tawansy.

4           47) That after the close of the deed from Tawansy to **JK PER**  
5 **ANGUSTA AD FELICITAS LLC**, it was agreed that both Dr. Tawansy and  
6 Jennifer Sohol would share the building with both having offices here.  
7 However, Jennifer Sohol agreed that she did not want a practice in  
8 Long Beach and both Dr. Tawansy and Jennifer Sohol agreed that only  
9 Dr. Tawansy would own the building and that Dr. Tawansy would be  
10 responsible for to build out the property and that it was agreed  
11 between Dr. Tawansy and **JK PER ANGUSTA AD FELICITAS LLC** he build out  
12 of the building, which although in the name of **JK PER ANGUSTA AD**  
13 **FELICITAS LLC**, it was beneficially owned by Dr. Tawansy, In fact, Dr.  
14 Tawansy was responsible for all benefits and burdens of the 3200 Long  
15 Beach property, and Jennifer Sohol would not be responsible for the  
16 benefits and burdens of the Real Estate other than the mortgage and  
17 taxes for which she was repaid by Dr. Tawansy. Jennifer Sohol was  
18 totally told about the reduction of the mortgage, but did nothing to  
19 assure it was taken off prior the close of escrow. There is no title  
20 document requiring Dr. Tawansy to do anything after the close  
21  
22

23           48) Nevertheless, Dr. Tawansy as the equity and beneficial owner  
24 of 3200 long Beach Boulevard, continued to support the property after  
25 the Transfer to JK for the real reason was that he owned the property.  
26  
27  
28

1 49) The Standard sublease agreement had no integration clause.  
2 The parties Dr. Tawansy and Jennifer Sohol both agreed that the  
3 property could not be occupied by anyone until substantial  
4 rehabilitation work had been done. As a result, the property was not  
5 able to be occupied until June of 2016. As a result of the Agreements  
6 between Dr. Tawansy and Dr. Sohol it was agreed that the lease would  
7 commence on the date the building was available for use, and that the  
8 lease would run from July of 2016 for one year. Dr. Tawansy spend over  
9 \$500,000 developing the property which would all be lost if he was  
10 forced to turn over the building to its new owners  
11

12 50) After the Deed by Dr. Tawansy to the **JK PER ANGUSTA AD**  
13 **FELICITAS LLC**, Doctor Tawansy spent over \$500,000 in rehabilitating  
14 the building which includes the following amounts in total detrimental  
15 reliance and based upon the promises made by Jennifer Sohol and of **JK**  
16 **PER ANGUSTA AD FELICITAS LLC**.  
17

18 51) A check made payable from Children's Retina Institute to  
19 Redesign Group, Inc. in the amount of \$15,996.01  
20

21 52) A check in the amount of \$8,888.97 from Children's Retina  
22 Institute to Jennifer Sohol dated 1/07/2014.  
23

24 53) A check in the amount of \$10,000. to Jennifer Sohol from  
25 Children's Retina dated 7/10/14-this is approximately the date upon  
26 which both Dr. Sohol and Dr. Tawansy agreed that Dr. Sohol would not  
27 occupy the offices at 3200 Long Beach Blvd and that Dr. Tawansy would  
28 continue to own the property as the sole owner of the property,

1 although legal title was in the name of the JK PER ANGUSTA AD  
2 FELICITAS LLC.

3  
4 54) A check from Children's Retina Institute to Jennifer Sohol in  
5 the amount of \$10,000 dated 8/15/14-well after the close of the  
6 escrow. If the sale was a total sale to the JK PER ANGUSTA AD  
7 FELICITAS LLC, then Doctor Tawansy would not be paying Jennifer any  
8 money and would walked from the deal. As each payment gets maid it is  
9 clear that Dr. Tawansy continued to own the property as his own.

10  
11 55) A check made from Khaled A Tawansy, M.D., to So Cal Gas  
12 Edison in the amount of \$117.26 dated 8-12-14.

13  
14 56) A check in the amount of \$3,274 to Cenovo Cuevas for work on  
15 the project at 3200 Long Beach Blvd. dated 8/16/14, drawn on the  
16 account of Children's Retina Institute.

17  
18 57) A check in the amount of \$2,100 to Unique Hardware drawn on  
19 Children's Retina Institute dated 9/06/14.

20  
21 58) A check in the amount of \$10,000 to Jennifer Sohol drawn on  
22 Children's Retina Institute dated 10/28/2014.

23  
24 59) A check in the amount of \$5,000 to Jennifer Sohol drawn on  
25 Children's Retina Institute and dated 12/13/14.

26  
27 60) A check in the amount of \$5,000 to Jennifer Sohol drawn on  
28 Children's Retina Institute dated 12/13/14.

1           61) A check in the amount of \$20,000 made payable to Jennifer  
2 Sohoh from Children's Retina Institute dated 1/23/15. Of significant  
3 note is the memo on the check sating "Long Beach Property Loan  
4 Repayment." If the deed to the JK PER ANGUSTA AD FELICITAS LLC, meant  
5 Dr. Tawansy had no interest in the property, then why would he have  
6 been making loan payments from the date that the loan was taken out  
7 each month until today! It is clear evidence that Dr. Tawansy  
8 continued to own the 3200 Long Beach Property as the equitable and  
9 beneficial owner of the property.  
10

11           62) A check make payable to Keith Graves in the amount of  
12 \$2,034.12 for roof work, and other work at the property paid for by  
13 Khaled A. Tawansy, M.D., dated 1/26/15. It is important that Dr. Sohoh  
14 was there when this work was done but that Dr. Tawansy did pay for  
15 this entire issue.  
16

17           63) A check made payable to Jennifer Sohoh in the amount of  
18 \$5,000 noting it was for the Long Beach Buildout. Now if Dr. Tawansy  
19 had nothing to do with the building, why would he be paying for the  
20 build out? This check was made by Children's Retina Institute and is  
21 dated 1/31/15.  
22

23           64) A check made payable to Jennifer Sohoh in the amount of  
24 \$5,000 made payable from Children's Retina Institute dated 2/06/15.  
25 Note on the check says Long Beach.  
26  
27  
28

1           65) A check made payable to Cash for objects dealing with the  
2 buildout of Long Beach in the amount of \$1650 dated 2/20/15 and  
3 stating 3200 Long Beach Blvd. The check is drawn on Children's Retina  
4 Institute.

5  
6           66) A check made payable to Jennifer Sohol in the amount of  
7 \$10,000 from Children's Retina Institute dated 2/14/15. The note on  
8 the check states "Paid \$40k towards TI (Tenant Improvements).  
9

10           67) A check made payable to cash in the amount of \$3,200, dated  
11 2/14/15 for work done on the buildout of the Long Beach project from  
12 Children's Retina Institute.

13  
14           68) A check made payable to Cash in the amount of \$1100 for work  
15 done on the build out of the 3200 Long Beach property dated 2/15/14,  
16 from the Children's Retina Institute.

17  
18           69) A check in the amount of \$2,742.44 in favor of Jay Sanford,  
19 Inc. for work done at 3200 Long Beach Blvd drawn on Children's Retina  
20 Institute and dated 2/18/15.

21           70) A check in the amount of \$7,500 to Jennifer Sohol and to from  
22 Children's Retina Institute **JK PER ANGUSTA AD FELICITAS LLC**, dated  
23 2/22/15 stating 3200 Long Beach Blvd.  
24

25           71) A check in the amount of \$10,000 to JK Per Angusta Ad  
26 Felicitas from Children's Retina Institute dated 2/14/15 with a note  
27 on it "Paid 40K toward TI" (Tenant Improvements)  
28

1 72) A check in the amount of \$225 to Iris Exudugg for work at  
2 3200 Long Beach Blvd. drawn on Children's Retina Institute on 2/24/15.

3  
4 73) A check in the amount of \$1650 to cash to pay for work done  
5 at 3200 Long Beach Blvd. and listing the date at 2/20/15. The check  
6 was drawn from Children's Retina Institute.

7  
8 74) A check made payable to Jay Sanford, Inc. In the amount of  
9 \$5981.28 for Final check Long Beach TI (Tenant Improvement) made  
10 payable from Children's Retina Institute and dated 2/24/2015.

11 75) A check for \$5,000 to Jennifer Schol/ JK PER ANGUSTA AD  
12 FELICITAS LLC, from Children's Retina Institute dated 2/18/15 and  
13 noting 3200 Long Beach Blvd.

14  
15 76) A check made payable to Carlos Lopez in the amount of \$804  
16 for work done at 3200 Long Beach Blvd and noting 3200 Long Beach Blvd.

17  
18 77) A check in the amount of \$1052 for cash for work one at 3200  
19 Long Beach Blvd for work being done at the property. The check is  
20 dated 3/3/15 and is on the account of Children's Retina Institute.

21  
22 78) A check made payable to Edwin Menia for \$2,025 for work done  
23 at 3200 Long Beach Blvd. and paid on 3/3/15 from Children's Retina  
24 Institute,

25  
26 79) That on March 3, 2015, a check in the amount of \$339 was paid  
27 to Lozal Cabaxes for work done at 3200 Long Beach Blvd. by Children's  
28 Retina Institute.

1 80) Than on March 3, 2015 a check for cash in the amount of \$389  
2 was made to pay for work at 3200 Long Beach Blvd. from Children's  
3 Retina Institute.

4  
5 81) That on March 15<sup>th</sup>, 2015 a check was made payable to **JK PER**  
6 **ANGUSTA AD FELICITAS LLC**, in the amount of \$15,000 for the 3200 Long  
7 Beach Blvd. Property from Children's Retina.

8  
9 82) That on March 17<sup>th</sup>, 2015 that a check in the amount of \$1350  
10 was paid to Carolos Lopez for work done on 3200 Long Beach Blvd. paid  
11 for by Children's Retina Institute.

12  
13 83) That on March 17<sup>th</sup> 2015 a check in the amount of \$270 was paid  
14 to Carlos Lopez for work done at 3200 Long Beach Blvd. and paid for by  
15 Children's Retina Institute.

16  
17 84) That on March 18<sup>th</sup>, 2015 there was a check in the amount of  
18 \$15,000 made payable to **JK PER ANGUSTA AD FELICITAS LLC**, for the 3200  
19 Long Beach Blvd and paid for by Children's Retina Institute.

20  
21 85) That on March 24, 2015 a check in the amount of \$1,716 was  
22 made payable to Edward Mejla for work done at 3200 Long Beach Blvd.  
23 and; paid for by Children's Retina Institute.

24  
25 86) That on March 25, 2015 that a check was paid to Jose Arrann  
26 in the amount of \$6,029 for work done at 3600 Long Beach Blvd and paid  
27 for by Children's Retina Institute.

1 87) That on March 31, 2015 a check in the amount of \$20,000 was  
2 made payable to **JK PER ANGUSTA AD FELICITAS LLC** and paid for by  
3 Children's Retina Institute, noting it was for 3200 Long Beach Blvd.  
4

5 88) That on April 4<sup>th</sup> 2015 a check was paid to Jennifer Sohol and  
6 to **JK PER ANGUSTA AD FELICITAS LLC**, in the amount of \$10,000 for the  
7 3200 Long Beach Blvd property.  
8

9 89) That on March 14<sup>th</sup> 2015 a check in the amount of \$10,000 was  
10 paid to **JK PER ANGUSTA AD FELICITAS LLC**, for 3200 N. Long Beach Blvd  
11 by Children's Retina Institute.  
12

13 90) That on March 21, 2015 a check in the amount of \$16,000 was  
14 paid to **JK PER ANGUSTA AD FELICITAS LLC** for the 3200 Long Beach  
15 property by Children's Retina.  
16

17 91) That on June 29, 2015 a check in the amount of \$15,000 was  
18 paid to Jennifer Sohol MD Inc. by Khaled A. Tawansy, M.D., for the  
19 3200 Long Beach property.  
20

21 92) From July of 2015 until September of 2016, Children's Retina  
22 Institute and Dr. Tawansy have paid Jennifer Sohol or **JK PER ANGUSTA**  
23 **AD FELICITAS LLC** their rent each month.  
24

25 93) That the property was not able to be occupied when the lease  
26 was entered into and that Dr. Tawansy or Children's Retina spent in  
27 excess of over \$100,000 to prepare the first and second units in the  
28 building, both to be used as doctor(s) offices.  
29

1 94) That the third unit at 3200 Long Beach Blvd contains  
2 thousands of dollars of equipment and tools and machinery necessary  
3 for the build out of the units that all belong to Dr. Tawansy and are  
4 not the property of any of the Cross Defendants.  
5

6 95) That each time an issue arose with the City of Long Beach  
7 relating to the property from the time the deed was recorded to JK  
8 that the City would contact Dr. Tawansy and he did the work and  
9 Jennifer Sohol allowed this work to be done as if Dr. Tawansy still  
10 owned the building as the beneficial and equitable owner of the  
11 building.  
12

13 As and for a First Cause of Action

14 SPECIFIC PERFORMANCE AND TO QUIET TITLE

15 95) That Dr. Tawansy realest the provisions of paragraphs 1-94 as  
16 though fully set forth herein.  
17

18 96) That the deed given to **JK PER ANGUSTA AD FELICITAS LLC** was  
19 given in error and due to the fraud of Jennifer Sohol, and based upon  
20 her promises that she would run the **JK PER ANGUSTA AD FELICITAS LLC**  
21 for the benefit of Dr. Tawansy.  
22

23 97) That as a result of the conduct of Dr. Sohol and of **JK PER**  
24 **ANGUSTA AD FELICITAS LLC**, that the deed was given as a result of fraud  
25 and error due to Jennifer Sohol and of **JK PER ANGUSTA AD FELICITAS LLC**  
26 and that the Deed should be declared to be null and void and title  
27 should be replaced with the deed in the name of Dr. Khaled A. Tawansy.  
28

1 98) That the cross defendants knew of Dr. Tawansy's actual  
2 ownership of the real estate but avoided asking for an estoppel  
3 certificate from him and did not question the issue as to taxes  
4 alleged to be owing and a trust deed that was supposed to be reduced.  
5 The cross defendants knew that Dr. Tawansy paid for the entire build  
6 out of the property and that he has tools and Property throughout 3200  
7 N. Long Beach Boulevard. Acting as such, these co-defendants knew that  
8 Dr. Tawansy had an ownership interest in the property, yet closed the  
9 transaction knowing these issues in order to conspire with Jennifer  
10 Sohol and **JK PER ANGUSTA AD FELICITAS LLC** to harm Dr. Tawansy and to  
11 steal the property from him.  
12

13  
14 99) That 2H Property 3060 LLC and 2H Construction Inc. now claim  
15 to own the property located at 3200 N. Long Beach Boulevard which was  
16 transferred to them via a deed signed by Jennifer Sohol on behalf of  
17 **JK PER ANGUSTA AD FELICITAS LLC**, but Jennifer Sohol did not own the  
18 property and nor did JK Per Angusta Ad Felicitas as they held the  
19 property for Dr. Tawansy. Had 2H Property 3060 LLC AND 2H Construction  
20 Inc. done any due diligence they would have discovered and in fact  
21 knew that Dr. Tawansy owned the property and it was being held in the  
22 name of JK Per Angusta Ad Felidictas for Dr. Tawansy. In fact, 2H  
23 Property 3060 LLC and 2H Construction Inc. knew at all times that Dr.  
24 Tawansy owned the property and they entered into a conspiracy to  
25 deprive Dr. Tawansy of the title to the 3200 N. Long Beach Blvd.  
26 property.  
27  
28

1 100) That in a pleading dated September 9, 2016, Dr. Sohol and JK  
2 PER ANGUSTA AD FELICITAS LLC claimed to own the property,  
3 notwithstanding their agreement to own the property as legal owners  
4 for the benefit of Dr. Tawansy.  
5

6 As and for a Second Cause of Action

7 Rescission of the Deed to the Property

8 101) That Dr. Tawansy realest the provisions of paragraphs 1-100  
9 as though fully set forth herein.  
10

11 102) That the title to the property should be deemed in the name  
12 of Dr. Tawansy as against anyone who owned the property such as JK PER  
13 ANGUSTA AD FELICITAS LLC or in the name of 2H Property 3060 LLC or in  
14 the name of 2H Construction Inc. in that they each took title knowing  
15 that Dr. Tawansy was the actual owner of the property being held for  
16 him by JK Per Angusta Ad Felicitas. As all co-defendants knew that Dr.  
17 Tawansy was the beneficial owner of the property located at 3200 N.  
18 Long Beach Blvd., in Long Beach.  
19

20 As and For a Third Cause of Action

21 Fraud

22 103) That Dr. Tawansy realest the provisions of paragraphs 1-102  
23 as though fully set forth herein.  
24

25 104) That Dr. Tawansy first learned of the fraud of Dr. Sohol and  
26 of JK PER ANGUSTA AD FELICITAS LLC within the past several months.  
27  
28

1 105) That Jennifer Sohol and JK PER ANGUSTA AD FELICITAS LLC made  
2 the representations as to holding the title for Dr. Tawansy in the JK  
3 PER ANGUSTA AD FELICITAS LLC without the intention of performing them.  
4

5 106) That the conduct of Dr. Sohol and of JK PER ANGUSTA AD  
6 FELICITAS LLC was done in a fraudulent manner to obtain the deed to  
7 the property making statements that were untrue. As a result, Dr.  
8 Sohol and JK PER ANGUSTA AD FELICITAS LLC should be held liable to Dr.  
9 Tawansy for his losses and those acting in concert with Dr. Sohol and  
10 JK Per Angusta Ad Felicitas, 2H property 3060 LLC, 2H Construction  
11 Inc. Sean R. Peterson and Erica Burton should be held liable for the  
12 Fraud of Dr. Sohol and of JK Per Angusta Ad Felicitas for all damages  
13 to Dr. Tawansy.  
14

15 107) That the cross defendants knew of Dr. Tawansy's actual  
16 beneficial and equitable ownership interests in and to the 3200 N.  
17 Long Beach Property but all acted to defeat Dr. Tawansy's interest all  
18 for the benefit of themselves and all the detriment of Dr. Tawansy.  
19

20 As and for a Fourth Cause of Action

21 Breach of Contract

22 108) That Dr. Tawansy realrest the provisions of paragraphs 1-107  
23 as though fully set forth herein.  
24

25 109) That the conduct alleged herein violates the contract  
26 entered into between Jennifer Sohol and JK PER ANGUSTA AD FELICITAS  
27 LLC to Dr. Tawansy. That the other co-defendants assisted Jennifer  
28

1 Sohol and JK PER ANGUSTA AD FELICITAS LLC in breaching the contract  
2 and in causing damages to Dr. Tawansy.

3  
4 As and For a Fifth Cause of Action

5 Unfair Competition

6 110) That Dr. Tawansy reallest the provisions of paragraphs 1-109  
7 as though fully set forth herein.

8  
9 111) That the acts by the cross defendants as alleged herein are  
10 in violation of the provisions of California Business and Professions  
11 Code section 17200.

12 112) That the actions of each Cross Defendant was of unfair  
13 competition, practices that are unlawful and were unfair and  
14 fraudulent.  
15

16 As and for a Sixth Cause of Action

17 Breach of Fiduciary Duty

18 113) That Dr. Tawansy reallest the provisions of paragraphs 1-112  
19 as though fully set forth herein.  
20

21 114) That a declaration of rescission be granted cancelling the  
22 deed from Dr. Tawansy to JK PER ANGUSTA AD FELICITAS LLC for fraud and  
23 misrepresentation in gaining the deed.  
24

25 115) That the JK PER ANGUSTA AD FELICITAS LLC was set up to act  
26 as the sole agent of Dr. Tawansy and to hold the title to the real  
27 property in its name for the benefit of Dr. Tawansy,  
28

1 116) That as a result thereof, there was a fiduciary duty between  
2 Dr. Sohul, the managing member of the LLC and JK PER ANGUSTA AD  
3 FELICITAS LLC and Dr. Tawansy.

4  
5 117) That Dr. Sohul and JK PER ANGUSTA AD FELICITAS LLC with the  
6 assistance of the other cross defendants breached that duty.

7  
8 Demand for Relief.

9 1) That the deed be cancelled from Dr. Tawansy to JK PER ANGUSTA AD  
10 FELICITAS LLC.

11  
12 2) That title the property be quieted and it be declared that Dr.  
13 Tawansy is the owner of the property.

14  
15 3) That Dr. Tawansy is entitled to damages in excess of \$4,000,000.

16  
17 4) That Dr. Tawansy be awarded punitive damages according to proof at  
18 trial.

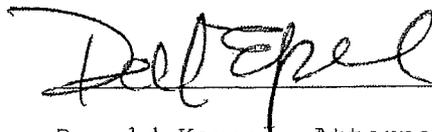
19 5) That Dr. Tawansy be awarded costs of suit.

20  
21 6) That Dr. Tawansy be awarded his cost for attorneys.

22  
23 7) For such other relief as it proper.

24 Dated October 14, 2016

Zelner and Karpel

25  
26 

27 Donald Karpel, Attorney for

28 Khaled A. Tawansy

CROSS COMPLAINT

KHALED A. TAWANEY, M.D. V. JENNIFER SOHOL-Case NC160799



# EXHIBIT "Q"

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1 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
2 FOR THE COUNTY OF LOS ANGELES, LONG BEACH COURTHOUSE  
3

4 2H PROPERTIES 3060, LLC, )  
5 )  
6 Plaintiff, )  
7 vs. ) No. NC060962  
8 )  
9 KHALED A. TAWANSY, M.D.; )  
10 CHILDREN'S RETINA INSTITUTE; )  
11 RENAISSANCE SURGICAL HOLDINGS, )  
12 LLC; AND DOES 1 through 10, )  
13 Inclusive, )  
14 Defendants. )  
15 )

12  
13 DEPOSITION OF  
14 ERICKA BURTON  
15 ENCINO, CALIFORNIA  
16 JANUARY 30, 2017  
17

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25

Ericka Burton  
January 30, 2017

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<p>1 SUPERIOR COURT OF THE STATE OF CALIFORNIA 2 FOR THE COUNTY OF LOS ANGELES, LONG BEACH COURTHOUSE 3 4 2H PROPERTIES 3060, LLC, ) 5 Plaintiff, ) 6 vs. ) No. NC060962 7 KHALID A. TAWANSY, M.D.; ) 8 CHILDREN'S RETINA INSTITUTE; ) 9 RENAISSANCE SURGICAL HOLDINGS, ) 10 LLC; AND DOES 1 through 10, ) 11 Inclusive, ) 12 Defendants. ) 13 14 15 DEPOSITION OF ERICKA BURTON, a witness herein, 16 taken on behalf of the defendant at 16633 Ventura 17 Boulevard, Suite 735, Encino, California, at 3:10 18 p.m., on Monday, January 30, 2017, before Mariana 19 Hakverdian, CSR 13438 20 21 22 23 24 25</p> <p style="text-align: right;">Page 2</p>	<p>1 I N D E X 2 WITNESS PAGE 3 ERICKA BURTON 4 MR. KARPEL 5 5 MR. CAGNEY 67 6 7 8 E X H I B I T S 9 NUMBER DESCRIPTION PAGE 10 1 Deposition Subpoena 25 11 12 13 Q U E S T I O N S I N S T R U C T E D N O T T O A N S W E R 14 Page Line 15 30 7 16 43 13 17 53 6 18 19 20 21 22 23 24 25</p> <p style="text-align: right;">Page 4</p>
<p>1 APPEARANCES OF COUNSEL: 2 3 For PLAINTIFF: 4 KRIEGER &amp; KRIEGER 5 BY LAWRENCE R. CAGNEY, ESQ. 6 249 E. Ocean Boulevard, Suite 750 7 Long Beach, CA 90802 8 562.901.2500 9 10 For DEFENDANTS KHALED A. TAWANSY, M.D.; CHILDREN'S 11 RETINA INSTITUTE; and RENAISSANCE 12 SURGICAL HOLDINGS, LLC.: 13 ZELNER &amp; KARPEL 14 BY DONALD E. KARPEL, ESQ. 15 16633 Ventura Boulevard, Suite 735 16 Encino, CA 91436 17 310.273.8444 18 19 20 21 22 23 24 25</p> <p style="text-align: right;">Page 3</p>	<p>1 ENCINO, CALIFORNIA; MONDAY, JANUARY 30, 2017 2 3:10 PM 3 *** 4 ERICKA BURTON, 5 the witness herein, having been first duly sworn, 6 testified as follows: 7 -EXAMINATION- 8 BY MR. KARPEL: 9 Q Would you please state and spell your name for 10 the record? 11 A Ericka Burton, E-R-I-C-K-A. 12 Q Are you currently employed? 13 A Yes. 14 Q Who are you employed by? 15 A 2H Construction. 16 Q How long have you been employed by 2H 17 Construction? 18 A Approximately 15, 16 years. 19 Q I'm sorry? 20 A 15, 16 years. 21 Q And what is the location for 2H Construction, 22 the address? 23 A The whole address? 2653 Walnut Avenue, Signal 24 Hill, California 90755. 25 Q And what is your job title with them?</p> <p style="text-align: right;">Page 5</p>

2 (Pages 2 to 5)

Ericka Burton  
January 30, 2017

1 A I'm the controller for 2H Construction.  
2 Q Do you own any -- do you hold any kind of  
3 licenses with the State of California?  
4 A Driver's license.  
5 Q Other than driver's license. Thank you.  
6 You're right. Other than driver's license.  
7 A No.  
8 Q Do you have a broker's license or an agent's  
9 license in real estate?  
10 A No.  
11 MR. CAGNEY: Keep going.  
12 MR. KARPEL: No. No. No. I'm going back.  
13 Q What are you -- what are your duties for 2H  
14 Construction?  
15 A I'm the controller for 2H Construction.  
16 Q And what does that entail?  
17 A Head of accounting and finance.  
18 Q Have you ever had your deposition taken  
19 before?  
20 A No.  
21 Q Congratulations. There's always a first. I'm  
22 going to go -- take some time, give you a little bit of  
23 ground rules. They may have been already discussed by  
24 your attorney, but I'm going to go over them anyhow.  
25 That way, we know for the record that I have told you

1 what a deposition is. It's not like anything you  
2 think. Okay.  
3 A deposition is not -- well, a deposition is a  
4 discovery proceeding, where I'll be asking a series of  
5 questions. My questions, your answers, comments,  
6 questions, objections by counsel are all being taken  
7 down by the certified court reporter to your immediate  
8 right. I said it, and I've always said it in all my  
9 years I've taken in, the only really important person  
10 in this office, other than yourself, is the court  
11 reporter. She has got to be able to hear your  
12 responses. And she is constantly typing and taking  
13 down everything that you say, so it's important that  
14 you speak up, keep your voice up, and answer the  
15 questions.  
16 This is not a conversation. We don't -- can't  
17 step on each other's lines; okay? Each of us have our  
18 lines in acting and on the stage. Please don't step on  
19 mine; I won't step on yours. What that allows the  
20 court reporter to do is she can only take down one  
21 person speaking at a time. She's good. But when we  
22 both speak over each other, it gets really bad. So  
23 please let me answer my -- let me present my question  
24 fully, and then let me finish it. I will allow you to  
25 complete your complete answer before I begin my next

1 question. So it's question, answer, question, answer.  
2 Nobody is going to come running in with a --  
3 like Della Street, who, by the way just died. That  
4 woman who played Della Street on Perry Mason. I've got  
5 you now. Here is the piece of evidence that's going to  
6 destroy you. None of that is going to happen. This is  
7 purely a fact finding mission to find out what you knew  
8 about a certain series of transactions, what you  
9 remember, who you may have spoken to, timeframes,  
10 documents, things lining that.  
11 It's important that all of your answers be  
12 oral. Shakes of your head, gestures that you put your  
13 arms up and say, "It was this far apart," or, "It hurt  
14 me here," okay, you're pointing to a part of your body.  
15 The court reporter cannot interpret any of your  
16 gestures.  
17 So even a shake of the head, yes or no, she  
18 cannot do that. And I'll be saying is that a, "yes" or  
19 "no." Same things with the words, "uh-huh" and  
20 "uh-uh." Okay. Actually spelled out, they are the  
21 same. It's different emphasis and accent. So please  
22 use words like, "yes," "no". And everything that you  
23 need to say has got to be oral.  
24 At the end of the deposition, in a period of  
25 time, you're going to get a transcript of the

1 deposition. It will hopefully have question, answer,  
2 question, answer. You will have a right to read the  
3 deposition, review it, and sign it and make any changes  
4 that you may want to make to the deposition. I have to  
5 caution you that any changes of a substantive matter  
6 can be commented on at the time of the hearing or trial  
7 in this matter.  
8 Let me explain that to you for a moment, a  
9 substantive material change. It has nothing to do with  
10 this case, it's always the clearest way to explain, and  
11 the question was that light red or green as the two  
12 cars came up to the intersection, and today you said  
13 that light was green. And you go home and get the  
14 transcript and think about it and take a pen and cross  
15 out the word "green" and write in the word "red."  
16 Well, that would be a significant and material change  
17 to the facts of how that accident occurred.  
18 Likewise, today, any changes that you what to  
19 make during -- direct yourself to attorney to review  
20 it; okay?  
21 If I use a word or I get marble mouth, and  
22 boy, I do get marble mouth, as we know, you don't  
23 understand my question, just say I don't understand  
24 that question, and I'll repeat it or rephrase it so you  
25 do.

1 Do you have any questions before we begin?  
2 A No.  
3 Q You're here under subpoena.  
4 Do you understand that?  
5 A Yes.  
6 Q And the oath that you are given is the same  
7 oath as if you were testifying in a court of law.  
8 Do you understand that too?  
9 A Yes.  
10 Q Okay. So what is the highest degree of  
11 education you completed?  
12 A One year of college.  
13 Q Do you have any degree in accounting or  
14 licensing in accounting or CPA?  
15 A No.  
16 Q After college, did you take any bookkeeping  
17 classes or any technical classes?  
18 A Some, yes.  
19 Q In what?  
20 A Just accounting courses, general business,  
21 management, time management courses.  
22 Q How many employees are there at 2H  
23 Construction, if you know?  
24 MR. CAGNEY: Objection. Vague.  
25 ///

Page 10

1 BY MR. KARPEL:  
2 Q You may answer. Your best estimate.  
3 MR. CAGNEY: Did you say employers?  
4 MR. KARPEL: Employees.  
5 THE WITNESS: Oh. Employees.  
6 BY MR. KARPEL:  
7 Q Yeah.  
8 A Probably approximately 60, 65.  
9 Q And who do you report to?  
10 A Sean Hitchcock.  
11 Q Are there people below you in your accounting  
12 and finance department that you have supervised?  
13 A Yes.  
14 Q About how many?  
15 A Approximately five or six.  
16 Q Okay. Are you familiar with the property at  
17 3200 Long Beach Boulevard?  
18 A Yes.  
19 Q How did you become familiar with it?  
20 A When Sean told me he was purchasing it.  
21 Q When did he tell you he was going to purchase  
22 it?  
23 A I don't recall the exact time, but I believe  
24 it was July, August.  
25 Q Okay. One of the things I didn't tell you,

Page 11

1 and you're very good about that, is if -- I'm entitled  
2 to your best estimate, but I don't want you to guess;  
3 okay?  
4 A Okay.  
5 Q Leave it at that; okay? And if it's going to  
6 be a pure guess, and you're going to pull it out of the  
7 air, it doesn't help us. If you give us a range, just  
8 like you did -- late spring 2000, early summer 2016,  
9 someplace around there.  
10 What did he tell you about the property at  
11 3200 Long Beach Boulevard?  
12 A I don't -- can you rephrase the question?  
13 Q Sure. What did you tell you about -- I'm just  
14 going to purchase 3200 Long Beach Boulevard?  
15 A Yes. Pretty much.  
16 Q Okay. Did he describe to you the type of  
17 property it was?  
18 A No. I usually get an e-mail from the brokers  
19 that show what type of property it is.  
20 Q Did you get an e-mail in this case?  
21 A I'm sure -- I'm sure I did.  
22 Q And who was that from?  
23 A It would have been Lee and Associates.  
24 Q And who at Lee and Associates?  
25 A Jeff Coburn and Shaun McCullough.

Page 12

1 Q And that's S-H-A-W-N?  
2 A S-H-A-U-N.  
3 Q And what did e-mail say, if you recall?  
4 A I don't recall exactly.  
5 Q How about in substance in?  
6 A Usually, it's an e-mail that just shows Sean a  
7 property that's available and if he is interested.  
8 Q When you got the e-mail from Lee and  
9 Associates, was that before Mr. Hitchcock told you he  
10 was going to buy it or after?  
11 A I don't recall exactly.  
12 Q How about best estimate?  
13 A Can you ask the question again?  
14 Q Sure. When you got the e-mail from Lee and  
15 Associates -- let's do it this way.  
16 When you got the e-mail from Lee and  
17 Associates, was that the first time you heard of 3200  
18 Long Beach Boulevard?  
19 A Yes.  
20 Q Did it tell you that Sean was going to buy the  
21 property, or that the property was just being offered?  
22 That being e-mail.  
23 A No. It would have just be been an e-mail that  
24 showed him a property that was available for sale.  
25 Q Okay. And what did you do with that e-mail?

Page 13

1 A I don't do anything with it. I wait to hear  
2 from back from Sean.  
3 **Q Were you copied on that e-mail, or was it**  
4 **directed to you?**  
5 A Copied.  
6 **Q Do you recall whether it had a purchase price**  
7 **request in it?**  
8 A I do not recall.  
9 **Q Do you recall whether or not -- how large a**  
10 **piece of property it was?**  
11 A I'm sure it did that have information. It  
12 usually has that. At least tha..  
13 **Q Did it have any information whether it was**  
14 **tenant occupied or not?**  
15 A I don't recall.  
16 **Q All right. What was the next information you**  
17 **had heard about in regard to 3200 Long Beach Boulevard?**  
18 A Probably that Sean wanted to purchase it.  
19 **Q Okay. And in regard to when you received a**  
20 **copy of the e-mail, how long was that?**  
21 A Can you ask the question again?  
22 **Q Sure. You received the e-mail from the**  
23 **brokers, how much time passed before you had learned**  
24 **that Sean wants to buy it?**  
25 A I don't remember that.

Page 14

1 **Q Was it months, weeks, days?**  
2 A It could have been days.  
3 **Q And how did you learn that Sean wanted to buy**  
4 **it?**  
5 A He more likely replied to the e-mail, "I'm  
6 very interested."  
7 **Q At this point, did you have -- at this point**  
8 **being the time that you received this reply from Sean,**  
9 **had you had any discussions with Sean about purchasing**  
10 **3200?**  
11 A Not that I recall.  
12 **Q Did you have discussions with anybody else in**  
13 **regard to purchasing 3200?**  
14 A No.  
15 **Q When I'm referring to 3200, I'm referring to**  
16 **3200 Long Beach Boulevard. Is that okay?**  
17 A Yes.  
18 **Q All right. And I'm using first name Sean, I'm**  
19 **referring to Sean Hitchcock; correct?**  
20 A Yes.  
21 **Q Okay. Just to see if we can move this even**  
22 **faster.**  
23 **What was the next contact you had in regard to**  
24 **the purchase of 3200?**  
25 A I could not tell you what the exact next

Page 15

1 contact was. I...  
2 **Q How about generally, what do you remember?**  
3 A It would have been something to do with  
4 getting escrow open.  
5 **Q Okay. And how do you get information to open**  
6 **escrow?**  
7 A Through the brokers.  
8 **Q At that point, had you had any conversations**  
9 **with Sean about the purchase of 3200?**  
10 A No.  
11 **Q Were you aware that Sean was also in midst of**  
12 **a 1031 exchange at the time that he expressed interest**  
13 **in purchasing 3200 Long Beach Boulevard?**  
14 A Rephrase that question, please.  
15 **Q Sure. At the time that you learned that Sean**  
16 **was interested in purchasing the 3200 Long Beach**  
17 **Boulevard, were you also aware that Sean was in the**  
18 **midst of making arrangements for two properties on a**  
19 **1031 exchange?**  
20 A Not at that time.  
21 **Q Okay. Did you subsequently learn that?**  
22 A Yes.  
23 **Q Okay. When did you learn that?**  
24 A Shortly after we decide to purchase a  
25 property, we discuss that.

Page 16

1 **Q All right. So the broker -- am I correct to**  
2 **say the brokers instructed you to open escrow, or you**  
3 **had learned that escrow was being opened?**  
4 A I learned that the escrow was being opened.  
5 **Q Okay. Did you, at that point, see the escrow**  
6 **instructions?**  
7 A I'm sure very shortly after that.  
8 **Q Okay. Mr. Hitchcock indicated that he has**  
9 **purchased, sounds like, many properties of the 15 to 16**  
10 **years that you were there; is that correct?**  
11 A Yes.  
12 **Q What would be the procedures in regard to once**  
13 **Sean had -- had indicated a desire to purchase the**  
14 **property? Would you be involved in the purchase of the**  
15 **property, the financial end of it?**  
16 A To a degree, yes.  
17 **Q And what degree, generally, first of all?**  
18 A I act as liaison between the brokers and Sean  
19 and escrow.  
20 **Q Okay. And what do you mean by "liaison"?**  
21 **What would you do?**  
22 A I receive the e-mails from -- from the start  
23 of -- open of escrow through the close of escrow that  
24 need to be addressed, handled, and make sure that Sean  
25 is on top of it because that's my job.

Page 17

1 Q And he has other things to do?  
2 A Yes.  
3 Q All right. In regard to the 3200 Long Beach  
4 Boulevard, did you -- did you serve the same purposes  
5 generally in regard to acting as a liaison between the  
6 brokers and escrow?  
7 A Yes.  
8 Q Okay. Who actually opened escrow in 3200?  
9 A That's --  
10 Q Somebody calls into an escrow company and  
11 says -- or delivers a sale agreement, correct, to an  
12 escrow company?  
13 A The brokers do.  
14 Q Okay. Did you have any -- did you have any  
15 involvement in opening the escrow?  
16 A Not the initial opening of escrow. The  
17 brokers do that, and then I also am copied on that  
18 e-mail.  
19 Q Did you have any involvement in the  
20 negotiations of the purchase price?  
21 A None.  
22 Q Did you have any -- any involvement in doing  
23 any due diligence in regard to the purchase of the  
24 building on behalf of Sean?  
25 MR. CAGNEY: Objection. Vague.

Page 18

1 BY MR. KARPEL:  
2 Q Before opening the escrow.  
3 A Can you ask the question again?  
4 Q Sure. Before opening escrow, did you -- were  
5 you involved in any -- doing any of the activities  
6 which are generally known as due diligence in regard to  
7 purchasing the property?  
8 A No.  
9 Q Okay. Did you have -- after opening escrow,  
10 did you have an opportunity to review the title report?  
11 A That's not something I do.  
12 Q Okay. Who would review the title report?  
13 A The brokers.  
14 Q Did you receive any e-mails or information  
15 from the brokers in regard to any problems with title  
16 report in regard to 3200?  
17 A I don't recall problems with the title report.  
18 I -- but I don't -- I remember that we needed to get  
19 another one.  
20 Q You had to get two title reports?  
21 A No. I just meant, like, we -- I just remember  
22 them telling us we needed to get title report. I don't  
23 remember the exact content of the e-mail.  
24 Q Do you recall learning at any time that you  
25 needed to get additional title insurance on this

Page 19

1 particular property?  
2 A No. I don't recall.  
3 Q Did you -- do you recall having any  
4 discussions with the broker or brokers in regard to the  
5 title report on 3200?  
6 A No.  
7 Q And that's a report that you did not review;  
8 correct?  
9 A No.  
10 Q That's a double negative.  
11 MR. CAGNEY: Did you review the title report?  
12 THE WITNESS: I did not review the title --  
13 what was the first question?  
14 BY MR. KARPEL:  
15 Q The way I phrased it and you saying, "no,"  
16 it --  
17 A Sorry.  
18 Q -- became a double negative, which meant that,  
19 in fact, you did review the title report.  
20 MR. CAGNEY: So let's clarify it.  
21 THE WITNESS: I did not --  
22 BY MR. KARPEL:  
23 Q Did you review the title report?  
24 A I did not review the title report.  
25 Q Okay. Very good. Thank you. Our ears are

Page 20

1 trained for these things.  
2 Okay. All right. Did you review the escrow  
3 instructions?  
4 A To a degree.  
5 Q To what degree did you review the escrow  
6 instructions?  
7 A Just to make sure I know how much the property  
8 is being purchased for; when escrow supposed to open,  
9 close, just things I need to be aware of.  
10 Q Do you recall how much the property was  
11 purchased?  
12 A 2.65 million.  
13 Q Did you learn at any time during escrow  
14 whether or not there was a tenant that was in -- on the  
15 property?  
16 A At some point, I did.  
17 Q Okay. When was that?  
18 A I don't know exactly. I just remember them  
19 saying there was a tenant in place.  
20 Q Was that before the close of escrow?  
21 A Yes.  
22 Q Do you know what an estoppel statement is?  
23 A Yes.  
24 Q Had you, in any of the properties prior to  
25 3200 Long Beach Boulevard, ever seen an estoppel

Page 21

6 (Pages 18 to 21)

1 statement?  
2 A Yes.  
3 Q What is your -- not legal -- what is your  
4 understanding what an estoppel statement is?  
5 A Something that the tenant signs and provides  
6 to us if they are remaining in the space and want to  
7 continue their lease.  
8 Q Do you know whether or not an estoppel  
9 statement was requested for the property at 3200?  
10 A I don't know that.  
11 Q No, it wasn't; or, no, you have no information  
12 whether it was requested?  
13 A I have no information as to whether it was  
14 requested.  
15 Q Did you have any discussions with the brokers  
16 concerning the tenant on the property prior to closing?  
17 A Yes.  
18 Q And what were those discussions?  
19 A I was told the tenant was not renewing their  
20 lease. I had a cancellation, termination of that  
21 lease, but that they were still there.  
22 Q Did you ever inquire as to why they were still  
23 there as -- well, do you know what the date of the  
24 termination of the -- strike that.  
25 Do you remember the date of the termination

Page 22

1 notice that was given to the tenant?  
2 A I don't remember that exact date.  
3 Q Was that date for the termination, was it  
4 before or after close of escrow?  
5 A Before.  
6 Q Okay. Who provided that termination notice to  
7 you?  
8 A The escrow or brokers. I don't remember who  
9 exactly sent it to me.  
10 Q Where was the escrow in this property? Where?  
11 What was the name of the company?  
12 A Should I guess? I think it was Chartwell.  
13 Q I don't want you to guess.  
14 A It was one I never used before.  
15 Q I don't want a guess.  
16 A I believe it was Chartwell, but I don't -- I  
17 don't -- it was someone I never used before.  
18 Q Do you know who choosed -- who chose  
19 Chartwell?  
20 A I believe it was the seller.  
21 Q Okay. Prior to the close of escrow, did you  
22 have any personal discussions with the seller of this  
23 property?  
24 A No.  
25 Q Prior to the close of escrow, did you have any

Page 23

1 discussions with the brokers representing the sellers  
2 of the property?  
3 A No.  
4 Q Now, the -- you learned about the tenant from  
5 your brokers; correct?  
6 A Correct.  
7 Q Which would have been Shaun and Jeff?  
8 A Yes.  
9 Q What did they tell you about the tenant,  
10 anything more?  
11 MR. CAGNEY: I think perhaps you should  
12 indicate when you're speaking about Shaun McCullough  
13 versus Sean Hitchcock.  
14 MR. KARPEL: You're right. I think that's  
15 very good.  
16 Q I'm talking about the brokers for a moment;  
17 okay?  
18 You learned about the tenant from the brokers;  
19 correct?  
20 A Yes.  
21 Q Which were Lee and Associates?  
22 A Yes.  
23 Q And that was before the close of escrow?  
24 A Yes.  
25 Q Let's do this. Did you tell Sean Hitchcock

Page 24

1 about the existence of the broker -- of the tenant  
2 before the close of escrow?  
3 A No. He would have been involved in that  
4 e-mail.  
5 MR. KARPEL: Okay. We had a -- we served a  
6 subpoena on you, and I'm going to have this attached as  
7 Exhibit 1.  
8 (Defendants' Exhibit 1 marked for  
9 identification.)  
10 BY MR. KARPEL:  
11 Q And the subpoena asks for series of documents  
12 on Page 2 of 3.  
13 Do you recall seeing that?  
14 A I believe so.  
15 Q Were any of the e-mails between yourself and  
16 the broker included in -- strike that.  
17 Did you produce any of those records?  
18 MR. CAGNEY: Well, Mr. Karpel, I'll represent  
19 that those records responsive to the subpoena were  
20 produced through me, and I have included them on the  
21 disk that I provided you before the Hitchcock  
22 deposition commenced labeled 2H production, January  
23 30th, 2017 00012298.  
24 MR. KARPEL: Okay.  
25 Q In those documents, were any of the series of

Page 25

1 e-mails which we have been discussing concerning  
2 opening of escrow, existence of a tenant that you got  
3 from the brokerage, were those in the documents that  
4 you turned over in response to that subpoena?  
5 A In the documents that our attorney turned  
6 over?  
7 Q Yes. Yes.  
8 A I believe so.  
9 Q Okay. All right. Let's get back.  
10 In regard to -- you -- you received an e-mail,  
11 or was it a series of e-mails concerning the tenant  
12 prior to the close of escrow from the brokers, do you  
13 recall?  
14 A I don't recall if there was a series. I don't  
15 recall it being much at all.  
16 Q Do you remember -- I know you started to tell  
17 us what the -- what that substance of those e-mails was  
18 regarding the tenant. One was that he was not  
19 intending to stay; is that correct?  
20 A I did not say that.  
21 Q Okay. What -- what was the subject matter of  
22 the e-mails that were provided to you from the broker  
23 concerning the tenant?  
24 A That their -- their lease was terminated, but  
25 that they were still there.

Page 26

Q Okay. Anything else?  
A No.  
Q Did you have any discussions with Sean  
Hitchcock concerning the fact that the information you  
received from the brokers that the tenant was still in  
occupancy of the property?  
A The only conversation we would have had was me  
asking him if he wanted me to provide them with a  
month-to-month lease or a new lease.  
Q And you -- did you have that discussion prior  
to the close of escrow or after close of escrow?  
A I don't recall exactly, but I would imagine it  
was before the close.  
Q Okay. And what was discussed between you and  
Mr. Hitchcock regarding providing this lease to the  
tenant?  
A That the brokers would give us a  
month-to-month they were giving them before close, and  
we would see if they signed it or not.  
Q I'm not sure I understand your response.  
A The brokers were going to provide them with a  
month-to-month lease if they wanted to continue to stay  
at the close of escrow.  
Q Okay. And to your knowledge, did you see that  
lease provided by the brokers to the tenant?

Page 27

A Yes.  
Q Okay. And when did you see that?  
A Prior to the close of escrow.  
Q And what was -- what were the terms of that  
lease?  
A It was a month-to-month lease.  
Q And for how much?  
A 15,000 a month, I believe.  
Q And did you ever learn that -- the name of the  
tenant that was in possession prior to the close of  
escrow?  
A At that point, I think so, yes.  
Q And what was his name, if you recall?  
A Dr. Tawansy is all I know.  
Q Okay. At the time of the close -- prior the  
close of escrow, did you ever learn whether or not to  
Dr. Tawansy had any claim that he actually owned the  
property?  
A Ask the question again.  
Q Prior to the close of escrow, did you ever  
learn from any source whether or not Dr. Tawansy had  
made a claim that he owned the property?  
A No.  
Q Did you have any information that Dr. Tawansy  
believed that he had -- he had a written lease on the

Page 28

property?  
A When?  
Q Prior to the close of escrow.  
A No.  
Q Did you learn at any time that Dr. Tawansy  
believed he a written lease?  
A That was in conversations after I found out  
about this.  
Q Conversations -- now, you've got to eliminate  
conversations you might have had with your attorney.  
What were the sources of those conversations  
other than your attorney?  
A I don't recall conversations. I think -- I  
remember talking to Sean about it, Sean Hitchcock, and  
finding out about it.  
Q Okay. And what did he say to you?  
A I believe that was when I couldn't get ahold  
of anyone from the tenant to respond to me. I don't  
remember how this -- how it all took place. I just  
remember hearing that, once escrow closed,  
supposedly they thought they owned the building.  
Q And is that the first time you learned about  
the claim that Dr. Tawansy felt that he owned the  
building?  
A Yes.

Page 29

1 **Q And you -- did you learn that from the brokers**  
2 **or from Mr. Hitchcock?**  
3 A I don't remember where I learned it from,  
4 which person.  
5 **Q And what was Mr. Hitchcock's response to that?**  
6 A That's ridiculous.  
7 **Q Did you take any action once you had heard**  
8 **that the tenant believed that he owned an interest in**  
9 **the property?**  
10 MR. CAGNEY: If you can answer the question  
11 without revealing the contents of any communications --  
12 MR. KARPEL: Correct.  
13 MR. CAGNEY: -- with me or anyone at my  
14 office, you're free to do so; otherwise, I will  
15 instruct you not to answer the question.  
16 MR. KARPEL: Yeah.  
17 THE WITNESS: I can't.  
18 BY MR. KARPEL:  
19 **Q You can't?**  
20 A I can't.  
21 **Q Did you have any discussions with Sean about**  
22 **what to do about the tenant?**  
23 MR. CAGNEY: Again, to the extent that those  
24 discussions involved me, the same rule would apply.  
25 THE WITNESS: Then I can't answer that.

Page 30

1 BY MR. KARPEL:  
2 **Q All right. So what I'm looking for is any**  
3 **conversations you may have had without the attorney**  
4 **present or anything that was discussed between Sean and**  
5 **yourself and the attorney, but I would like to know any**  
6 **conversations you may have had with Sean Hitchcock**  
7 **dealing specifically with what to do about the tenant?**  
8 A I did not.  
9 **Q To your knowledge, was a month-to-month lease**  
10 **presented to the tenant?**  
11 A Yes.  
12 **Q And who presented it to the tenant?**  
13 A The brokers did initially.  
14 **Q And that was before the close of escrow?**  
15 A Correct.  
16 **Q When you say, "initially," was there a**  
17 **subsequent time a month-to-month lease was presented to**  
18 **the tenant?**  
19 A I forwarded them a copy.  
20 **Q At the time you forwarded them a copy of -- of**  
21 **the proposed month-to-month lease, did you have any**  
22 **discussions with any -- with the tenant or any**  
23 **representative representing the tenant about the lease?**  
24 A Not about the lease.  
25 **Q About anything else?**

Page 31

1 A When I called the phone number that is  
2 attached to the lease for the doctor, I spoke to a  
3 woman who answered the phone.  
4 **Q And who was that?**  
5 A I believe her name was Brenda.  
6 **Q Okay. Was the phone number, did it answer as**  
7 **a business, if you recall, a name?**  
8 A I don't remember.  
9 **Q Okay. And did Brenda -- did Brenda identify**  
10 **herself, who she was, other than Brenda?**  
11 A No.  
12 **Q And what was the substance and sum of the**  
13 **conversation you had with Brenda?**  
14 A I asked her who I could contact to let them  
15 know I was the new property manager the company --  
16 sorry -- of the property and where and who -- who I  
17 could contact to let them know on who you send rent to  
18 if you are going to stay in the building.  
19 **Q What did Brenda?**  
20 A She gave me Gary Lefkowitz's [ph] phone number  
21 and said that I needed to speak with him.  
22 **Q Did you have a conversation with Gary**  
23 **Lefkowitz at that time?**  
24 A Not at that time. I called him several times,  
25 and he did not return my call right away.

Page 32

1 **Q And you indicate that you were -- that you**  
2 **identified yourself as the property manager; is that**  
3 **correct?**  
4 A Yes.  
5 **Q Okay. Were you, in fact, the property manager**  
6 **for 3200 Long Beach?**  
7 A I was once escrow closed.  
8 **Q Okay. And had you acted as a property manager**  
9 **for any other of the other Sean Hitchcock properties**  
10 **once escrow closed?**  
11 MR. CAGNEY: Objection. Vague.  
12 BY MR. KARPEL:  
13 **Q You may answer.**  
14 A Yes.  
15 **Q Okay. On how many properties?**  
16 A I can't give an exact count but several.  
17 **Q Okay. Are you aware whether or not the State**  
18 **of California requires any kind of a broker's license**  
19 **to be a property manager today, if you know?**  
20 A No.  
21 **Q No, you don't know, or it doesn't?**  
22 A I don't know. I don't know.  
23 **Q Do you know whether or not state of California**  
24 **requires any type of licensure to act as a property**  
25 **manager today?**

Page 33

1 A I do not know that.  
2 Q All right. I want to get back to the  
3 Mr. Lefkowitz, but I want to get back to during the --  
4 prior to the close of escrow -- strike that.  
5 In Mr. Hitchcock's deposition, he indicated  
6 that he believed that they needed to have some  
7 additional title insurance. He wasn't quite sure, but  
8 I thought he said something along those lines, or a new  
9 title insurance company.  
10 Do you remember anything about that in the  
11 sale of 3200?  
12 A I remember something about the title  
13 insurance, but I don't know exact -- what the exact  
14 content of the conversation was.  
15 Q Do you know whether or not the issue, whatever  
16 it might have -- well, the issue regarding the title  
17 insurance had anything to do with he a second and third  
18 deed of trust on the property that needed to be cleared  
19 off?  
20 A I don't recall because I don't have anything  
21 to do with that portion of it. When there's issues  
22 like that, the brokers and escrow deal with it.  
23 Q Did the brokers tell you what the issue was  
24 dealing with the property damage --  
25 A Not that I --

Page 34

1 Q -- the property -- the property title?  
2 A Not that I recall.  
3 Q Did you have any personal discussions with  
4 Sean Hitchcock dealing with the title insurance issue?  
5 A No.  
6 Q Were you given any directions by Mr. Hitchcock  
7 in regard to the titling -- title issue?  
8 A No.  
9 Q You do recall there was some issue, but you  
10 don't recall what it is?  
11 A Because I don't have anything to do with that  
12 portion of it.  
13 Q Okay.  
14 A I'm, again, the liaison, so I don't have to  
15 pay attention to those little details.  
16 Q All right. I think I asked you a question  
17 of -- and I'm not sure I got an answer -- about due  
18 diligence.  
19 Were you involved in doing -- in completing  
20 any of the due diligence in regard to completing the  
21 sale?  
22 MR. CAGNEY: Objection. Vague.  
23 MR. KARPEL: Okay.  
24 Q On behalf of Mr. Hitchcock at 3200 Long Beach?  
25 MR. CAGNEY: Objection. Vague.

Page 35

1 MR. KARPEL: You may answer it.  
2 THE WITNESS: No.  
3 BY MR. KARPEL:  
4 Q Who, to your knowledge -- you know what due  
5 diligence is?  
6 A Yes.  
7 Q Okay. Without asking for a legal opinion,  
8 what is your understanding of completion of due  
9 diligence in purchase of a -- a piece of property?  
10 A That all inspections are complete, all items  
11 and things are in order, a timeframe where you can  
12 decide whether or not you want to purchase or not.  
13 Q Typically, inspections; title report checks;  
14 if it's a building with home Homeowner's Association,  
15 looking at CCNRs.  
16 Do you know what CCNRs are?  
17 A Yes.  
18 Q Okay. So we're on the same page?  
19 A Yes.  
20 Q But your testimony is that you were not  
21 involved in any of the completion of the due diligence  
22 for the completion of the property at 3200; is that  
23 correct?  
24 A That's correct.  
25 Q Were you aware of any issues that were raised

Page 36

1 in the completion of the due intelligence by any of the  
2 brokers on behalf of Mr. Hitchcock for the property at  
3 3200 Long Beach?  
4 A No.  
5 Q Were you made aware of any issues with -- in  
6 regard to the inspection of the building?  
7 A No.  
8 Q Were you made aware of whether or not -- well,  
9 do you know the name Dr. Jennifer Sohol.  
10 A I do now.  
11 Q Prior to the close of escrow, did you know  
12 that name?  
13 A I believe so, yes.  
14 Q And in what context did you know that name  
15 prior to the close of escrow?  
16 A She was the seller.  
17 Q And did you have any dealings with her  
18 directly?  
19 A None.  
20 Q Did you have any dealings with her agents or  
21 brokers?  
22 A No.  
23 Q Were you made aware of any -- by any of the  
24 agents -- were you made aware by any of Mr. Hitchcock's  
25 brokers that they had contact with Dr. Sohol prior to

Page 37

1 the close of escrow?  
2 A No.  
3 **Q Were you made aware or were you told by any of**  
4 **Mr. Hitchcock's agents that they had conversations with**  
5 **the agents of Dr. Sohol in regard to the tenant?**  
6 A No.  
7 **Q Did you ever see a lease that allegedly**  
8 **existed between the seller and Dr. Tawansy?**  
9 A I don't think so.  
10 **Q When you sent the lease, the month-to-month**  
11 **lease, did you send it to Dr. Tawansy?**  
12 A Yes.  
13 **Q Did you also send it to Mr. Lefkowitz?**  
14 A No. Oh. Strike that.  
15 He was copied on the e-mail.  
16 **Q And did you have an address for Dr. Tawansy at**  
17 **the time you sent him the lease?**  
18 A The 3200 Long Beach Boulevard.  
19 **Q Was there any address that you were aware of?**  
20 A I think there was. There might have been one  
21 in L.A. I think they have an office in L.A.  
22 **Q Were you aware of anything on South Figueroa?**  
23 A That might have been it.  
24 **Q Eagle Rock rather than L.A.?**  
25 A I could not tell you that.

Page 38

1 **Q Okay. Numbers 7 -- ah, doesn't matter. 7447?**  
2 A Vaguely. It was handwritten. I believe that  
3 was given to me by Brenda.  
4 **Q Okay. And what did Brenda tell you? To send**  
5 **correspondence at that address, or do you know?**  
6 A No. She just said to contact Gary. And she  
7 gave me that, maybe, because -- to have someplace else  
8 to send.  
9 **Q So you had address for Mr. Lefkowitz; correct?**  
10 A No. I had an e-mail address.  
11 **Q You had an e-mail.**  
12 **But you had an address for Mr. -- for Dr.**  
13 **Tawansy?**  
14 A I don't know what the address was for. She  
15 just gave me that address.  
16 **Q And what did she say to you when she gave you**  
17 **that address?**  
18 A You can try this one.  
19 **Q Okay. And this is -- did she say in**  
20 **contents -- context of you requesting somewhere to send**  
21 **documents?**  
22 MR. CAGNEY: Objection. Vague.  
23 BY MR. KARPEL:  
24 **Q All right. What was the context in which she**  
25 **gave you the address?**

Page 39

1 A I asked her where I could send my letter  
2 introducing myself and let someone know where to send  
3 rent if the tenant was going to the stay at 3200 Long  
4 Beach Boulevard, and she gave me Lefkowitz's phone  
5 number. And it could have actually been Lefkowitz that  
6 gave me that address. I don't recall because I  
7 handwrote it on the lease.  
8 **Q Okay. But there was an address provided to**  
9 **you?**  
10 A Another address, yes.  
11 **Q Right. And that address was a way of sending**  
12 **the lease -- proposed lease?**  
13 A It was, I think, just an option, an alternate,  
14 to send as well as 3200.  
15 **Q At any time, did you ever learn how often**  
16 **Dr. Tawansy was at 3200?**  
17 A No.  
18 **Q Did you see the building at 3200 prior to its**  
19 **closing?**  
20 A No.  
21 **Q Did you see the building at 3200 after its**  
22 **close?**  
23 A Yes.  
24 **Q Okay. When did you first see the building?**  
25 A When I posted the notice to vacate the

Page 40

1 premises.  
2 **Q Okay. And where did you post that notice?**  
3 A On the front door.  
4 **Q There are three units at there, generally, at**  
5 **the building; is that correct?**  
6 A Yes.  
7 **Q And which door did you post it on?**  
8 A The door on the south end of the building  
9 facing Long Beach Boulevard.  
10 **Q And did you also send a certified copy or**  
11 **registered copy of the notice?**  
12 A No. I mailed it.  
13 **Q Where did you mail it to?**  
14 A To 3200 Long Beach Boulevard.  
15 **Q Did you ever mail a copy of it to the South**  
16 **Figueroa address?**  
17 A No.  
18 **Q But you knew that was an alternate address;**  
19 **correct?**  
20 MR. CAGNEY: Objection.  
21 MR. KARPEL: You may answer.  
22 MR. CAGNEY: Argumentative.  
23 BY MR. KARPEL:  
24 **Q You can still answer.**  
25 A I did not know that was an address that was

Page 41

1 good for him to collect mail.  
2 **Q That was the address you sent your letter of**  
3 **introduction to; correct?**  
4 A In combination with the one I sent to 3200. I  
5 wanted to make sure somebody got it.  
6 **Q But your letter of introduction was sent to**  
7 **the address on South Figueroa; correct?**  
8 A You know, I couldn't tell you that I sent that  
9 letter there. I think once I spoke with Gary, I just  
10 stuck to e-mails because no one was responding to me.  
11 **Q Did you ever send the notice through an e-mail**  
12 **to anybody?**  
13 MR. CAGNEY: Objection. Vague. What notice  
14 are we talking about?  
15 BY MR. KARPEL:  
16 **Q The 30-day notice to terminate.**  
17 A Notice to terminate?  
18 **Q Yeah.**  
19 A No.  
20 **Q Did you send any 30-day notice of any kind**  
21 **to -- to an e-mail address on behalf of Dr. Tawansy?**  
22 A No.  
23 **Q When did -- you said you -- you actually saw**  
24 **the building when you posted. Did you actually go in**  
25 **the building?**

Page 42

1 A The door was locked, and I looked inside, and  
2 no one seemed to be -- no one appeared to be there.  
3 **Q Did the door -- did the building have any kind**  
4 **of a sign on it indicating what kind of business it**  
5 **was?**  
6 A I believe the doctor's name was on the door,  
7 but I don't recall exactly.  
8 **Q Have you ever been into Unit 1?**  
9 A No.  
10 **Q Why did you send a -- that was a 30-day notice**  
11 **to vacate; correct?**  
12 A Yes.  
13 **Q Why did you send a 30-day notice to vacate?**  
14 MR. CAGNEY: If you can answer that question  
15 without revealing the contents of any of our  
16 communications, you're welcome to do so. But if it  
17 would require you to reveal that, then I will instruct  
18 you not to answer.  
19 THE WITNESS: Cannot do that.  
20 BY MR. KARPEL:  
21 **Q Did Mr. Hitchcock ever tell you -- just lawyer**  
22 **for a second. Hate to do this.**  
23 **Did Mr. Hitchcock ever tell you to send the**  
24 **30-day notice to terminate?**  
25 A No.

Page 43

1 **Q Was it -- was it a 30-day notice to terminate**  
2 **or 30-day notice to vacate, if you recall?**  
3 A I don't recall.  
4 **Q Who prepared it?**  
5 A My -- our attorney.  
6 **Q Prior to posting that notice, did you have any**  
7 **conversation with Mr. Lefkowitz concerning your intent**  
8 **to first post the notice?**  
9 A No.  
10 **Q Did you have any conversation with**  
11 **Mr. Lefkowitz concerning the sending of the 30-day**  
12 **notice to vacate?**  
13 A Yes.  
14 **Q Did you have any conversation with**  
15 **Mr. Lefkowitz concerning the month-to-month lease,**  
16 **which you had proposed -- or Mr. Hitchcock had**  
17 **proposed?**  
18 A When?  
19 **Q At any time.**  
20 A Only in the conversation I had with him in the  
21 one time he came to our office.  
22 **Q So let's back up. Let's go up.**  
23 **You had -- when did Mr. Lefkowitz come to your**  
24 **office?**  
25 A I don't recall the exact date, but it was

Page 44

1 in -- some time in October.  
2 **Q Was this after the close of the escrow?**  
3 A Yes.  
4 **Q And how was that meeting set up? Did he call**  
5 **you guys? Did you call him?**  
6 A I called him.  
7 **Q So you knew of his existence prior to that**  
8 **meeting; correct?**  
9 A Yes.  
10 **Q And how did you first become aware? Was that**  
11 **through Brenda?**  
12 A Yes.  
13 **Q And now, after you learned of Mr. Lefkowitz's**  
14 **existence, did you have any discussions with**  
15 **Mr. Lefkowitz prior to him coming to the office?**  
16 A One telephone call, and I don't even remember  
17 the conversation. It was just to ask him where I  
18 should send information and get e-mail addresses from  
19 him.  
20 **Q Okay. And that's when he provided you the**  
21 **Figueroa -- South Figueroa address?**  
22 A I don't know that. I don't remember that.  
23 **Q Well, did he tell you to send notices to 3200**  
24 **Long Beach?**  
25 A He gave me e-mail addresses to send any

Page 45

1 information to.  
2 **Q Did you ask for a, for lack of another word,**  
3 **brick-and-mortar address?**  
4 A I believe he told me 3200 Long Beach Boulevard  
5 was good.  
6 **Q Okay. The -- was that the only conversation**  
7 **had you prior to -- strike that.**  
8 **Was that the only communication of any kind**  
9 **that you might have had with Mr. Lefkowitz prior to him**  
10 **coming to the office?**  
11 A Yes.  
12 **Q Did you have any conversations or**  
13 **communications with Dr. Tawansy prior to Mr. Lefkowitz**  
14 **coming to the office?**  
15 A No.  
16 **Q Let's get to the October meeting with**  
17 **Mr. Lefkowitz.**  
18 **Who attended that meeting?**  
19 A Sean, myself, and Mr. Lefkowitz.  
20 **Q Okay.**  
21 A Sean Hitchcock.  
22 **Q How long did that meeting last?**  
23 A Approximately 20, 30 minutes I think.  
24 **Q What was discussed during that meeting?**  
25 A Just did he plan on staying, and how -- how

Page 46

1 can we -- that -- that was when we knew that  
2 Dr. Tawansy seemed to think he owned the building, and  
3 we were discussing how would you like to resolve this.  
4 **Q All right. How did you learn that Dr. Tawansy**  
5 **owned the building?**  
6 MR. CAGNEY: Objection. Calls for facts not  
7 in evidence and legal conclusion.  
8 BY MR. KARPEL:  
9 **Q How did you learn that Dr. Tawansy had claimed**  
10 **or alleged that he owned the building?**  
11 A I believe it was Gary Lefkowitz that mentioned  
12 that to me.  
13 **Q Okay. And what did he say in that regard?**  
14 A I don't remember the exact conversation. I  
15 was quite surprised.  
16 **Q Do you remember what was the basis of his**  
17 **alleged claim?**  
18 A He just said -- he asked me do you realize  
19 Dr. Tawansy is still the owner of that building, and I  
20 said I do not believe so.  
21 **Q Did Mr. Lefkowitz ever explain to you the**  
22 **factual basis behind the claim that Dr. Tawansy**  
23 **owned -- still owned building?**  
24 A I don't believe there is any factual basis.  
25 **Q The alleged factual basis. Do you understand?**

Page 47

1 A No. His -- the conversation I ever had with  
2 Gary was vague and all over the place. He didn't seem  
3 to have any facts.  
4 **Q Did Mr. Lefkowitz ever tell you that he --**  
5 **that they, Dr. Tawansy Jennifer Sohol, were engaged to**  
6 **be married?**  
7 A He did mention that in the meeting.  
8 **Q Did he tell you that for tax purposes and**  
9 **financial purposes, that the ownership -- well, strike**  
10 **that.**  
11 **Did mr. Lefkowitz tell you that Dr. Tawansy**  
12 **owned the property prior to Jennifer Sohol?**  
13 A He did mention that.  
14 **Q Did he -- did he tell you there was a**  
15 **transaction that occurred in 2014, where Mr. --**  
16 **Dr. Tawansy had transferred title to Dr. Sohol to pay**  
17 **off loans and other things but kept an equitable**  
18 **ownership of the property? Did he say something along**  
19 **those lines?**  
20 A Something along those lines, but he didn't say  
21 when. If he did, I don't remember that.  
22 **Q Okay. What was the result of the**  
23 **conversation?**  
24 MR. CAGNEY: Objection. Vague.  
25 ///

Page 48

1 BY MR. KARPEL:  
2 **Q You can answer.**  
3 A There was no real result.  
4 **Q Okay. When you asked him how -- how -- well,**  
5 **who was it that presented how you were going to deal**  
6 **with this problem? Was it him, or was it yourself or**  
7 **Mr. Hitchcock?**  
8 A Ask the question again, please.  
9 **Q Sure. You said a few minutes ago that you**  
10 **were looking for a resolution to the issue. I was**  
11 **wondering did that suggestion of a resolution**  
12 **Mr. Lefkowitz, yourself, or Mr. Hitchcock?**  
13 A Mr. Lefkowitz.  
14 **Q And what was -- did he make a suggestion of**  
15 **how to resolve the issue?**  
16 A Not really.  
17 **Q Well, did he make any suggestion?**  
18 A The only suggestion he seemed to really make  
19 was, you know, that we can -- we can get this worked  
20 out. I can prove that Tawansy is the owner.  
21 **Q Did he bring any proof with him?**  
22 A He did not.  
23 **Q And did you have any discussions with**  
24 **Mr. Hitchcock after Mr. Lefkowitz left concerning the**  
25 **meeting that he had had with him?**

Page 49

1 A Not really. We have a lot more important  
2 things to take care of.  
3 **Q Did you ever have any discussions with**  
4 **Mr. Hitchcock as to how to deal with Dr. Tawansy's**  
5 **tenancy?**  
6 MR. CAGNEY: Again, I will caution you not to  
7 reveal the contents of any communications that occurred  
8 involving me or my law firm.  
9 BY MR. KARPEL:  
10 **Q So?**  
11 A Ask the question again, please.  
12 **Q Sure. Did you have any discussions with**  
13 **Mr. Hitchcock concerning how -- what you were going to**  
14 **do with this alleged tenancy and the alleged ownership?**  
15 A No.  
16 **Q What, if anything, did you learn Mr. Hitchcock**  
17 **did with the information that he had from the meeting**  
18 **with Mr. Lefkowitz?**  
19 A I didn't -- ask the question again.  
20 **Q What, if anything, did you learn from**  
21 **Mr. Hitchcock about what he was going to do about the**  
22 **information that he had gathered with Mr. -- from the**  
23 **meeting with Mr. Lefkowitz?**  
24 MR. CAGNEY: So if you learned from a  
25 source --

Page 50

1 MR. KARPEL: Other than --  
2 MR. CAGNEY: -- other than conversations that  
3 involved me, you're free to disclose that. But if it  
4 would require you to reveal those communications, then  
5 I'll instruct you not to respond.  
6 MR. KARPEL: Or you could be told, alternative  
7 to my lawyer, that is not covered as long as there is  
8 no communications of the discussions.  
9 THE WITNESS: If he said anything, that was  
10 probably all he said was that he would contact -- to  
11 me, that he would contact our attorney.  
12 BY MR. KARPEL:  
13 **Q Okay. What was your next involvement**  
14 **following the Lefkowitz meeting concerning the property**  
15 **of 3200 Long Beach Boulevard?**  
16 A No involvement. Once a property is -- escrow  
17 closes, if there is no construction being done on the  
18 project, I contact them, I tell them where to send  
19 their rent, and I take it from there.  
20 **Q Was there any contract started -- contract --**  
21 **was there any construction started at the 3200 Long**  
22 **Beach Boulevard property?**  
23 A I didn't see it with my own eyes, but I was  
24 told some demo had occurred at the other end of the  
25 building, not where Dr. Tawansy was -- had his space.

Page 51

1 **Q Who told you that?**  
2 A Probably Sean.  
3 **Q Sean Hitchcock?**  
4 A Yes.  
5 **Q Following the close of escrow, were the agents**  
6 **at Lee and Associates involved with any dealings with**  
7 **the property at 3200, if you are aware?**  
8 A Not that I'm aware of.  
9 **Q Did you receive any e-mails back and forth**  
10 **with them after the close of escrow?**  
11 A No.  
12 **Q Were they involved in any of the issues**  
13 **dealing with the alleged ownership issue from**  
14 **Dr. Tawansy?**  
15 MR. CAGNEY: Objection. Vague.  
16 BY MR. KARPEL:  
17 **Q You can answer.**  
18 A Not that I know of.  
19 **Q Other than from your lawyer, did you receive**  
20 **direction -- I'll just ask directly -- from**  
21 **Mr. Hitchcock to serve the 30-day notice to quit? I'm**  
22 **just asking if you got it from Mr. Hitchcock.**  
23 A Ask the question again.  
24 **Q Sure. Did you receive a direction from**  
25 **Mr. Hitchcock to go ahead and serve the 30-day notice**

Page 52

1 **to quit?**  
2 MR. CAGNEY: Independent of --  
3 MR. KARPEL: Right.  
4 THE WITNESS: I did not.  
5 BY MR. KARPEL:  
6 **Q Okay. So any information that you had**  
7 **received in regard to the -- to the serving of the**  
8 **30-day notice would have been from a communication from**  
9 **a lawyer; correct?**  
10 MR. CAGNEY: Objection. Attorney-client  
11 privilege. I'll instruct the witness not to answer.  
12 BY MR. KARPEL:  
13 **Q Okay. Prior to this incident, had you ever**  
14 **served a 30-day notice on any tenant on behalf of 2H**  
15 **Construction?**  
16 A Never on behalf of 2H Construction.  
17 **Q How about from any company?**  
18 A On behalf of 2H Properties.  
19 **Q Okay. And on how many occasions have you**  
20 **served a 30-day notice on a tenant for 2H Properties?**  
21 A Maybe once.  
22 **Q Okay. And what was the circumstances of that?**  
23 A A tenant wasn't paying rent.  
24 **Q And a tenant that was in possession after the**  
25 **close of escrow of a property that was purchased by 2H**

Page 53

1 Properties?  
2 A Yes.  
3 Q Did that tenant have a -- a lease agreement?  
4 A Yes.  
5 Q Was that lease agreement with the prior owner,  
6 or was the lease agreement with 2H Properties?  
7 A I don't recall.  
8 Q Other than any information you received from  
9 your attorney, were you ever given instructions on how  
10 to serve a 30-day notice to quit?  
11 A Only from an attorney.  
12 Q Prior to posting the 30-day notice, did you  
13 have any communications with Mr. Lefkowitz concerning  
14 the 30-day notice?  
15 A No.  
16 Q Any information -- did you have any  
17 communications with Dr. Tawansy concerning the 30-day  
18 notice prior to posting?  
19 A No.  
20 Q After posting the 30-day notice, did you have  
21 any communications with Dr. Tawansy?  
22 A No.  
23 Q After posting the 30-day notice, did you have  
24 any communications with Mr. Lefkowitz?  
25 A No.

Page 54

1 Q When the demolition began at the property at  
2 3200 Long Beach Boulevard, did you have any  
3 communication with Dr. Tawansy?  
4 A No.  
5 Q Did you have any communication with  
6 Mr. Lefkowitz after that -- the demolition began?  
7 A No.  
8 Q Since posting the 30-day notice, have you had  
9 any communications with -- any -- with Dr. Tawansy?  
10 A No.  
11 Q With Mr. Lefkowitz?  
12 A No.  
13 Q From any of their representatives?  
14 A No.  
15 Q Have you taken any action in regard to the  
16 property at 3200 Long Beach Boulevard after you posted  
17 the notice to quit regarding Dr. Tawansy?  
18 A No.  
19 Q Had you heard from Mr. Hitchcock -- and again,  
20 you have to exclude any information that he may be  
21 relaying to from the attorney -- regarding any actions  
22 that he was going to take in regard to Dr. Tawansy  
23 after the posting of the 30-day notice?  
24 A No.  
25 Q Did you review any documents in preparation

Page 55

1 for today's deposition?  
2 A Just the summons -- the subpoena.  
3 Q Okay. Did you -- other than any conversations  
4 you may have had with a lawyer, did you have any  
5 discussion with anybody else about today's deposition?  
6 A Sean.  
7 Q And when did you discuss this with Sean?  
8 A On the drive here.  
9 Q So Sean is still here?  
10 A I don't know.  
11 Q Okay. I didn't know if you drove together or  
12 separately. Did you drive together or separately?  
13 A We drove together.  
14 Q And what was the discussions that you had with  
15 Sean about today's deposition?  
16 A I asked him what to expect in a deposition.  
17 Q And what did he tell you?  
18 A Just answer the questions.  
19 Q Okay. By the way, you have an exceptionally  
20 mellow questioner. Larry will tell you that. It could  
21 get a lot worse than this.  
22 Give me a moment.  
23 Were you involved at all in the negotiations  
24 of the purchase of the property?  
25 A No.

Page 56

1 Q That was all handled by brokers, correct, to  
2 your knowledge?  
3 A Yes.  
4 Q Did you ever ask -- strike that.  
5 Did anyone from 2H Construction or 2H  
6 Properties request you to ask for an estoppel statement  
7 from Dr. Tawansy?  
8 A No.  
9 Q Did anyone from 2H properties or 2H  
10 Construction -- 2H Property bought the property;  
11 correct?  
12 A Correct.  
13 Q Did anyone from 2H Property ask you to get an  
14 estoppel statement from any of the brokers representing  
15 Dr. Sohol?  
16 A No.  
17 Q Did anyone at 2H Properties tell you that  
18 there was no need to have an estoppel statement in this  
19 kind of situation?  
20 A No.  
21 Q Did anyone at 2H properties or construction,  
22 anyone that you work for, tell you don't worry about  
23 getting an estoppel statement?  
24 A No.  
25 Q Is obtaining -- you have been involved in 2H

Page 57

1 Properties in other purchases of commercial property;  
2 correct?  
3 A Yes.  
4 Q And if -- you have seen estoppel statements;  
5 correct?  
6 A Yes.  
7 Q And you've requested estoppel statements?  
8 A I have never personally requested an estoppel  
9 statement.  
10 Q Have you been requested to obtain one by your  
11 buyer from escrow?  
12 A No.  
13 Q Have you been requested by your -- did you  
14 request a broker to obtain an estoppel statement?  
15 A No.  
16 Q Were you ever CC'd on any correspondence from  
17 Mr. Hitchcock where he had asked his brokers to obtain  
18 an estoppel statement at any prior purchase?  
19 A No.  
20 Q Have you been aware that Mr. Hitchcock has  
21 ever asked for an estoppel statement on any property?  
22 A No.  
23 Q Have you ever seen an estoppel statement  
24 provided to Mr. Hitchcock or his agents by any property  
25 purchased by Mr. Hitchcock?

Page 58

1 A Yes.  
2 Q Do you know who requested that estoppel  
3 statement?  
4 A Escrow or brokers.  
5 Q Okay. Have you ever seen an e-mail that you  
6 were CC'd on from any property prior to purchase of  
7 2300 Long Beach Boulevard that was an instruction to  
8 escrow to obtain an estoppel statement?  
9 A Ask the question again.  
10 Q Sure. Prior to the purchase of the property  
11 at 3200 Long Beach Boulevard, have you ever been --  
12 have you ever seen an e-mail directed to the escrow  
13 company to obtain an escrow -- estoppel statement on  
14 behalf of Mr.-- I'm sorry -- 2H Properties?  
15 A I don't believe I've ever seen a request for  
16 an estoppel statement.  
17 Q All right. But you are aware that the broker  
18 or the escrow company normally gets an estoppel  
19 statement; is that correct?  
20 A In a situation where a tenant plans on staying  
21 and keeping the lease they currently have or wants a  
22 new lease.  
23 Q In the case of Mr. -- Dr. Tawansy, at the time  
24 of the closing, you knew that -- well, strike that.  
25 At the time of closing of the escrow, you had

Page 59

1 knowledge that Dr. Tawansy was still occupying the  
2 property; correct?  
3 A Yes.  
4 Q And at the time of the closing of the escrow,  
5 a month-to-month lease was prepared for Dr. Tawansy;  
6 correct?  
7 A Yes.  
8 Q And at the time of the closing of escrow, a  
9 month-to-month lease was prepared, and it was delivered  
10 either through escrow or through e-mails or sent to  
11 Dr. Tawansy; correct?  
12 A Yes.  
13 Q And at the time of the close of escrow, you  
14 endeavored to check the status of that month-to-month  
15 request for a lease through either Mr. Lefkowitz or  
16 Dr. Tawansy and sending him a second one; is that  
17 correct?  
18 A Yes.  
19 Q Do you know whether or not Mr. Hitchcock  
20 obtained a loan for the purchase of the property?  
21 A He did not obtain a loan.  
22 Q Did you ever tell Mr. Hitchcock that you did  
23 not need an estoppel statement for the closing of this  
24 property?  
25 A Did I ever tell him?

Page 60

1 Q Yes.  
2 A No.  
3 Q Did you ever overhear whether or not the  
4 brokers told Mr. Hitchcock that he did not need an  
5 estoppel statement in this particular situation?  
6 A I did not hear that.  
7 Q Did Mr. Hitchcock ever tell you that he did  
8 not need an estoppel statement in this particular  
9 statement?  
10 A He did not.  
11 Q Did you ever see an e-mail or other  
12 communication where somebody, on behalf Mr. Hitchcock  
13 or his companies, were telling escrow that he did not  
14 need an estoppel statement in this particular  
15 situation?  
16 A I don't recall ever seeing that.  
17 Q Did you ever see e-mail or other  
18 communications in which 2H Properties or another  
19 property -- 2H Properties or the companies owned by  
20 Mr. Hitchcock was telling brokers that they did not  
21 need an estoppel statement in this situation?  
22 A I did not see it.  
23 Q This being the purpose of 3200.  
24 A I did not see that.  
25 Q To your knowledge, did the issue of the

Page 61

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1 estoppel statement ever come up during -- prior to the  
2 close of escrow?  
3 A No.  
4 MR. CAGNEY: Objection. Vague.  
5 BY MR. KARPEL:  
6 Q Do you know an Ed Gelfand [ph]?  
7 A I'm sorry?  
8 Q Ed Gelfand?  
9 A Never heard of him.  
10 Q Ever had any conversations with him?  
11 A Not that I know of.  
12 Q Since the close of escrow, did you have any  
13 conversations with a Dr. Jennifer Sohol?  
14 A No.  
15 Q And you had no conversation with Dr. Khalid  
16 Tawansy?  
17 A No.  
18 Q You never --  
19 A I'm sorry?  
20 Q That's a double negative.  
21 Did you ever have any conversations with  
22 Dr. Tawansy after the close of escrow?  
23 A No.  
24 Q The only time you were at the property was  
25 when you posted the notice; correct?

Page 62

1 A Correct.  
2 Q And the door was looked?  
3 A Correct.  
4 Q Did you look into the building?  
5 A I tried to look in the glass to see if anyone  
6 was there.  
7 Q And what did you see?  
8 A A very empty looking office space.  
9 Q And this was the -- what we call Unit 1, the  
10 one that faces Long Beach Boulevard?  
11 A Yes.  
12 Q Somewhat faces?  
13 A Yes.  
14 Q So it would be the first of the three units?  
15 A Depending on which direction you're coming  
16 from.  
17 Q Okay. The northernmost unit would be Unit 3?  
18 A I believe so, yes.  
19 Q And there's a middle unit. And then the one  
20 that, apparently, Dr. Tawansy was occupying would have  
21 been unit one; is that correct --  
22 A Yes.  
23 Q -- to your knowledge?  
24 And the lease that was prepared on a  
25 month-to-month basis, that was for the use by

Page 63

1 Dr. Tawansy occupancy of Unit 1 only; correct?  
2 A Correct.  
3 Q How much was that lease for? Do you remember?  
4 A 15,000.  
5 Q And how did that number -- how did you  
6 arrive -- well, who -- who arrived at that number?  
7 A That's the number I was given. That was given  
8 on lease by the brokers because they said that's what  
9 he was paying previously.  
10 Q Did you ever have any discussions with -- with  
11 Mr. Hitchcock concerning the amount of the lease?  
12 A No.  
13 Q So the information concerning the \$15,000 on  
14 the proposed month-to-month lease came from the  
15 brokers; correct?  
16 A Yes.  
17 Q And that was based upon what he was paying  
18 previously; correct?  
19 A What I was told, yes.  
20 Q Did you ever receive any lease payments from  
21 any representative or Dr. Tawansy after the close of  
22 escrow?  
23 A I did.  
24 Q And did you have any discussion of what that  
25 was for?

Page 64

1 A I don't recall any exact discussions. I just  
2 remember Gary telling me he was -- that it was a rent  
3 check because I went downstairs to meet him. But he  
4 was running out when I went down there, and he said --  
5 my receptionist said he left you a rent check.  
6 Q Did Mr. Lefkowitz tell you it was a rent  
7 check?  
8 A I believe so, but I don't recall exactly.  
9 Q Was that -- well, I thought said he -- did you  
10 talk to him that day that he left if off?  
11 A No. I think when he was in the meeting with  
12 us, he said something about the rent check.  
13 Q At the time you had the meeting with  
14 Mr. Lefkowitz, had he made that \$15,000 rent check?  
15 A One more time?  
16 Q Okay. At the time you had the meeting with  
17 Mr. Lefkowitz, yourself, and Sean Hitchcock, had  
18 Dr. Tawansy paid \$15,000 to 2H Properties or 2H  
19 Construction?  
20 A I believe it was from Dr. Tawansy. It was --  
21 Gary gave it to me.  
22 Q Was it at the time? Had he already made a  
23 payment?  
24 A Yes.  
25 Q And was there any other times that he made a

Page 65

1 payment?  
2 A One more time.  
3 Q And did you have a conversation with  
4 Mr. Lefkowitz that the time?  
5 A No.  
6 Q And is there anything written on the check  
7 that you know?  
8 A Not that I recall. I would have to look at  
9 it.  
10 Q At the time that you received first check from  
11 Dr. Tawansy for \$15,000, had he signed the  
12 month-to-month agreement?  
13 A No.  
14 Q At the time you received the second check from  
15 Dr. Tawansy, had he signed month-to-month agreement?  
16 A No.  
17 Q And when he delivered the second check, had he  
18 told you whether that was for rent or some other  
19 reason?  
20 A He didn't. He kept just leaving them at the  
21 front desk.  
22 Q So it's for certain -- well, the second check,  
23 we really don't know what that was for; am I correct?  
24 MR. CAGNEY: Objection. Argumentative.  
25 ///

Page 66

1 BY MR. KARPEL:  
2 Q You may answer.  
3 A I believe it was for rent.  
4 Q No one told you that it was for rent; correct?  
5 A That's not correct. I'm -- I'm pretty sure  
6 that Gary said that it was the rent check, but --  
7 whenever I did speak with him at the meeting. He never  
8 said it was for anything else.  
9 MR. KARPEL: I have no further questions.  
10 MR. CAGNEY: Just a quick question just to  
11 clarify something I think may have been ambiguous.  
12 -EXAMINATION-  
13 BY MR. CAGNEY:  
14 Q Ms. Burton, in response to one of Mr. Karpel's  
15 questions, you indicated that you had no communications  
16 with either Dr. Tawansy or Gary Lefkowitz, but you did  
17 mail copies of the 30-day notice to three different  
18 entities; correct?  
19 A Correct.  
20 Q And was one of those entities Renaissance  
21 Surgical Holdings?  
22 A Yes.  
23 Q And was one of them Dr. Tawansy himself?  
24 A Yes.  
25 Q And was one of them Children's Retina

Page 67

1 Institute?  
2 A Yes.  
3 MR. CAGNEY: Nothing further.  
4 MR. KARPEL: Let the court reporter be  
5 relieved of her obligation under the Code of Civil  
6 Procedure. The original deposition may be delivered  
7 to -- same -- same stip.  
8 MR. CAGNEY: So stipulated.  
9 MR. KARPEL: Same timing too then.  
10  
11 (Stipulation from the deposition of Sean  
12 Hitchcock is as follows:  
13 "Mr. KARPEL: Stipulate the court reporter be  
14 relieved of he obligations under the Code of Civil  
15 Procedure.  
16 The written deposition will be delivered to  
17 counsel for the deponent. That the counsel for the  
18 deponent will arrange for the reading, signing, and  
19 correcting of the deposition under the penalty of  
20 perjury. That we will so informed within five days?  
21 Ten days?  
22 MR. CAGNEY: Well --  
23 MR. KARPEL: I don't know how best to --  
24 MR. CAGNEY: We can get it to you five days  
25 after we receive it.

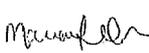
Page 68

1 MR. KARPEL: Okay.  
2 MR. CAGNEY: So you may need to expedite, but  
3 I'm not going to get in a situation where he's going 24  
4 or 48 hours.  
5 MR. KARPEL: Okay. Did you get that? Five  
6 days their receipt of it. That will be fine.  
7 Then if we are not so informed of the reading,  
8 signing, correcting deposition within the stated period  
9 of time, an unsigned certified copy may be used for any  
10 purposes in this proceeding. Counsel will lodge the  
11 same with the court if necessary. If the original lost  
12 or unavailable for lodging, an unsigned certified copy  
13 of the deposition may be used for any purposes.  
14 MR. CAGNEY: So stipulated.  
15 MR. KARPEL: We would like an expedite."  
16  
17 (Proceedings concluded at 4:30 PM)  
18  
19  
20  
21  
22  
23  
24  
25

Page 69

1 STATE OF CALIFORNIA )  
 ) SS.  
2 COUNTY OF LOS ANGELES )  
3  
4  
5  
6 I, the undersigned, say that I have read the  
7 foregoing deposition, and I declare, under penalty of  
8 perjury, that the foregoing is a true and correct  
9 transcript of my testimony contained therein.  
10 EXECUTED this \_\_\_\_\_ day of \_\_\_\_\_,  
11 20\_\_ at \_\_\_\_\_, California.  
12  
13  
14  
15  
16 \_\_\_\_\_  
17 ERICKA BURTON  
18  
19  
20  
21  
22  
23  
24  
25  

Page 70

1 STATE OF CALIFORNIA )  
 ) SS.  
2 COUNTY OF LOS ANGELES )  
3  
4  
5 I, MARIANA HAKVERDIAN, Certified Shorthand  
6 Reporter No. 13438, hereby certify that the foregoing  
7 deposition of ERICKA BURTON was taken by me at the time  
8 and place herein set forth, at which time the witness  
9 was put under oath by me;  
10 That the said deposition was taken down by me  
11 in shorthand and thereafter transcribed under my  
12 direction and supervision, and I hereby certify the  
13 foregoing deposition is a full, true, and correct  
14 transcript of my shorthand notes so taken;  
15 That dismantling this transcript will void the  
16 certification by the Certified Shorthand Reporter.  
17 I further certify that I am neither counsel  
18 for nor related to any party to said action, nor am I  
19 in anywise interested in the outcome thereof.  
20 IN WITNESS WHEREOF, I have subscribed my name  
21 this 2nd day of February, 2017.  
22  
23    
24  
25 MARIANA HAKVERDIAN, CSR No. 13438  

Page 71

**Atkinson-Baker Court Reporters**  
www.depo.com

<p><b>A</b></p> <p>AB01142 1:24 able 7:11 accent 8:21 accident 9:17 accounting 6:17 10:13 10:14,20 11:11 act 17:18 33:24 acted 33:8 acting 7:18 18:5 action 30:7 55:15 71:18 actions 55:21 activities 19:5 additional 19:25 34:7 address 5:22,23 38:16 38:19 39:5,9,10,12,14 39:15,17,25 40:6,8,10 40:11 41:16,18,25 42:2 42:7,21 45:21 46:3 addressed 17:24 addresses 45:18,25 agent's 6:8 agents 37:20,24 38:4,5 52:5 58:24 ago 49:9 agreement 18:11 54:3,5 54:6 66:12,15 ah 39:1 ahead 52:25 ahold 29:17 air 12:7 alleged 47:10,17,25 50:14,14 52:13 allegedly 38:7 allow 7:24 allows 7:19 alternate 40:13 41:18 alternative 51:6 ambiguous 67:11 amount 64:11 ANGELES 1:2 2:2 70:2 71:2 answer 4:13 7:14,23,25 8:1,1 9:1,2 11:2 30:10 30:15,25 32:6 33:13 35:17 36:1 41:21,24 43:14,18 49:2 52:17 53:11 56:18 67:2 answered 32:3 answers 7:5 8:11 anybody 15:12 42:12 56:5 anywise 71:19 apart 8:13 apparently 63:20 APPEARANCES 3:1 appeared 43:2 apply 30:24 approximately 5:18 11:8 11:15 46:23 Argumentative 41:22 66:24 arms 8:13 arrange 68:18 arrangements 16:18 arrive 64:6 arrived 64:6 asked 32:14 35:16 40:1</p>	<p>47:18 49:4 56:16 58:17 58:21 asking 7:4 27:8 36:7 52:22 asks 25:11 Associates 12:23,24 13:9,15,17 24:21 52:6 Association 36:14 ATKINSON-BAKER 1:18 attached 25:6 32:2 attended 46:18 attention 35:15 attorney 6:24 9:19 26:5 29:10,12 31:3,5 44:5 51:11 54:9,11 55:21 Attorney-client 53:10 August 11:24 available 13:7,24 Avenue 5:23 aware 16:11,17 21:9 33 17 36:25 37:5,8,23 37:24 38:3,19,22 45:10 52:7,8 58:20 59:17</p> <p align="center"><b>B</b></p> <p>B 4:7 back 6:12 14:2 26:9 34:2 34:3 44:22 52:9 bad 7:22 based 64:17 basis 47:16,22,24,25 63:25 Beach 1:2 2:2 3:5 11:17 12:11,14 13:18 14:17 15:16 16:13,16 18:3 21:25 33:6 35:24 37:3 38:18 40:4 41:9,14 45:24 46:4 51:15,22 55:2,16 59:7,11 63:10 began 55:1,6 behalf 2:16 18:24 35:24 37:2 42:21 53:14,16,18 59:14 61:12 believe 11:23 23:16,20 25:14 26:8 28:8 29:17 32:5 37:13 39:2 43:6 46:4 47:11,20,24 59:15 63:18 65:8,20 67:3 believed 28:25 29:6 30:8 34:6 best 11:2 12:2 13:12 68:23 bit 6:22 body 8:14 bookkeeping 10:16 bought 57:10 Boulevard 2:17 3:4,10 11:17 12:11,14 13:18 14:17 15:16 16:13,17 18:4 21:25 38:18 40:4 41:9,14 46:4 51:15,22 55:2,16 59:7,11 63:10 hoy 9:22 Brenda 32:5,9,9,10,13 32:19 39:3,4 45:11 brick-and-mortar 46:3 bring 49:21 broker 17:1 20:4 25:1,16</p>	<p>26:22 58:14 59:17 broker's 6:8 33:18 brokerage 26:3 brokers 12:18 14:23 16:7 17:2,18 18:6,13,17 19:13,15 20:4 22:15 23:8 24:1,5,16,18 26:12 27:5,17,21,25 30:1 31:13 34:22,23 37:2,21,25 57:1,14 58:17 59:4 61:4,20 64:8,15 building 18:24 29:21,24 32:18 36:14 37:6 40:18 40:21,24 41:5,8 42:24 42:25 43:3 47:2,5,10 47:19,23 51:25 63:4 Burton 1:14 2:15 4:3 5:4 5:11 67:14 70:15 71:7 business 10:20 32:7 43:4 buy 13:10,20 14:24 15:3 buyer 58:11</p> <p align="center"><b>C</b></p> <p>CA 3:5,10 CAGNEY 3:4 4:5 6:11 10:24 11:3 18:25 20:11 20:20 24:11 25:18 30:10,13,23 33:11 35:22,25 39:22 41:20 41:22 42:13 43:14 47:6 48:24 50:6,24 51:2 52:15 53:2,10 62:4 66:24 67:10,13 68:3,8 68:22,24 69:2,14 California 1:1,15 2:1,17 5:1,24 6:3 33:18,23 70:1,11 71:1 call 32:25 45:4,5,16 63:9 called 32:1,24 45:6 calls 18:10 47:6 cancellation 22:20 care 50:2 cars 9:12 case 9:10 12:20 59:23 caution 9:5 50:6 CC'd 58:16 59:6 CCNRs 36:15,16 certain 8:8 66:22 certification 71:16 certified 7:7 41:10 69:9 69:12 71:5,16 certify 71:6,12,17 change 9:9,16 changes 9:3,5,18 Chartwell 23:12,16,19 check 60:14 65:3,5,7,12 65:14 66:6,10,14,17,22 67:6 checks 36:13 Children's 1:8 2:7 3:7 67:25 choosed 23:18 chose 23:18 circumstances 53:22 Civil 68:5,14 claim 28:17,22 29:23</p>	<p>47:17,22 claimed 47:9 clarify 20:20 67:11 classes 10:17,17 cleared 34:18 clearest 9:10 close 17:23 21:9,20 23:4 23:21,25 24:23 25:2 26:12 27:11,11,13,18 27:23 28:3,10,15,16,20 29:3 31:14 34:4 37:11 37:15 38:1 40:22 45:2 52:5,10 53:25 60:13 62:2,12,22 64:21 closed 29:20 33:7,10 closes 51:17 closing 22:16 40:19 59:24,25 60:4,8,23 Coburn 12:25 Code 68:5,14 collect 42:1 college 10:12,16 combination 42:4 come 8:2 44:23 62:1 coming 45:15 46:10,14 63:15 commenced 25:22 commented 9:6 comments 7:5 commercial 58:1 communication 46:8 53:8 55:3,5 61:12 communications 30:11 43:16 46:13 50:7 51:4 51:8 54:13,17,21,24 55:9 61:18 67:15 companies 61:13,19 company 18:10,12 23:11 32:15 34:9 53:17 59:13 59:18 complete 7:25,25 36:10 completed 10:11 completing 35:19,20 completion 36:8,21,22 37:1 concerning 22:16 26:1 26:11,23 27:4 44:7,11 44:15 49:24 50:13 51:14 54:13,17 64:11 64:13 concluded 69:17 conclusion 47:7 Congratulations 6:21 constantly 7:12 construction 5:15,17,21 6:1,14,15 10:23 51:17 51:21 53:15,16 57:5,10 57:21 65:19 contact 15:23 16:1 32:14 32:17 37:25 39:6 51:10 51:11,18 contained 70:9 content 19:23 34:14 contents 30:11 39:20 43:15 50:7 context 37:14 39:20,24 continue 22:7 27:22 contract 51:20,20 controller 6:1,15</p>	<p>conversation 7:16 27:7 32:13,22 34:14 44:7,10 44:14,20 45:17 46:6 47:14 48:1,23 62:15 66:3 conversations 16:8 29:7 29:9,10,11,13 31:3,6 38:4 46:12 51:2 56:3 62:10,13,21 copied 14:3,5 18:17 38:15 copies 67:17 copy 14:20 31:19,20 41:10,11,15 69:9,12 correct 15:19 17:1,10 18:11 20:8 24:5,6,19 26:19 30:12 31:15 33:3 36:23,24 39:9 41:5,19 42:3,7 43:11 45:8 53:9 57:1,11,12 58:2,5 59:19 60:2,6,11,17 62:25 63:1,3,21 64:1,2 64:15,18 66:23 67:4,5 67:18,19 70:8 71:13 correcting 68:19 69:8 correspondence 39:5 58:16 counsel 3:1 7:6 68:17,17 69:10 71:17 count 33:16 COUNTY 1:2 2:2 70:2 71:2 courses 10:20,21 court 1:1,18 2:1 7:7,10 7:20 8:15 10:7 68:4,13 69:11 COURTHOUSE 1:2 2:2 covered 51:7 CPA 10:14 cross 9:14 CSR 1:23 2:19 71:24 currently 5:12 59:21</p> <p align="center"><b>D</b></p> <p>D 4:1 damage 34:24 date 22:23,25 23:2,3 44:25 day 65:10 70:10 71:21 days 15:1,2 68:20,21,24 69:6 deal 34:22 49:5 50:4 dealing 31:7 34:24 35:4 52:13 dealings 37:17,20 52:6 decide 16:24 36:12 declare 70:7 deed 34:18 defendant 2:16 Defendants 1:10 2:10 3:7 Defendants' 25:8 degree 10:10,13 17:16 17:17 21:4,5 delivered 60:9 66:17 68:6,16 delivers 18:11 Della 8:3,4</p>
---	--	--	--	---

<p>demo 51:24 demolition 55:1,6 department 11:12 Depending 63:15 deponent 68:17,18 deposition 1:13 2:15 4:9 6:18 7:1,3,3 8:24 9:1,3 9:4 25:22 34:5 56:1,5 56:15,16 68:6,11,16,19 69:8,13 70:7 71:7,10 71:13 describe 12:16 DESCRIPTION 4:8 desire 17:13 desk 66:21 destroy 8:6 details 35:15 died 8:3 different 8:21 67:17 diligence 18:23 19:6 35:18,20 36:5,9,21 direct 9:19 directed 14:4 59:12 direction 52:20,24 63:15 71:12 directions 35:6 directly 37:18 52:20 disclose 51:3 discovery 7:4 discuss 16:25 56:7 discussed 6:23 27:14 31:4 46:24 discussing 26:1 47:3 discussion 27:10 56:5 64:24 discussions 15:9,12 20:4 22:15,18 23:22 24:1 27:3 30:21,24 31:22 35:3 45:14 49:23 50:3,12 51:8 56:14 64:10 65:1 disk 25:21 dismantling 71:15 doctor 32:2 doctor's 43:6 documents 8:10 25:11 25:25 26:3,5 39:21 55:25 doing 18:22 19:5 35:19 DONALD 3:9 door 41:3,7,8 43:1,3,6 63:2 double 20:10,18 62:20 downstairs 65:3 Dr 28:14,17,21,24 29:5 29:23 37:9,25 38:5,8 38:11,16 39:12 40:16 42:21 46:13 47:2,4,9 47:19,22 48:5,11,16,16 50:4 51:25 52:14 54:17 54:21 55:3,9,17,22 57:7,15 59:23 60:1,5 60:11,16 62:13,15,22 63:20 64:1,21 65:18,20 66:11,15 67:16,23 drive 56:8,12 driver's 6:4,5,6 drove 56:11,13 due 18:23 19:6 35:17,20</p>	<p>36:4,8,21 37:1 duly 5:5 duties 6:13  E E 3:4,9 4:1,7 e-mail 12:18,20 13:3,6,8 13:14,16,22,23,25 14:3 14:20,22 15:5 18:18 19:23 25:4 26:10 38:15 39:10,11 42:11,21 45:18,25 59:5,12 61:11 61:17 e-mails 17:22 19:14 25:15 26:1,11,17,22 42:10 52:9 60:10 E-R-I-C-K-A 5:11 Eagle 38:24 early 12:8 ears 20:25 Ed 62:6,8 education 10:11 either 60:10,15 67:16 eliminate 29:9 emphasis 8:21 employed 5:12,14,16 employees 10:22 11:4,5 employers 11:3 empty 63:8 Encino 1:15 2:17 3:10 5:1 endeavored 60:14 engaged 48:5 entail 6:16 entities 67:18,20 entitled 12:1 equitable 48:17 Ericka 1:14 2:15 4:3 5:4 5:11 70:15 71:7 escrow 16:4,6 17:2,3,4,5 17:19,23,23 18:6,8,10 18:12,15,16 19:2,4,9 21:2,5,8,13,20 23:4,8 23:10,21,25 24:23 25:2 26:2,12 27:11,11,23 28:3,11,16,20 29:3,20 31:14 33:7,10 34:4,22 37:11,15 38:1 45:2 51:16 52:5,10 53:25 58:11 59:4,8,12,13,18 59:25 60:4,8,10,13 61:13 62:2,12,22 64:22 ESQ 3:4,9 estate 6:9 estimate 11:2 12:2 13:12 estoppel 21:22,25 22:4,8 57:6,14,18,23 58:4,7,8 58:14,18,21,23 59:2,8 59:13,16,18 60:23 61:5 61:8,14,21 62:1 evidence 8:5 47:7 exact 11:23 15:25 19:23 23:2 33:16 34:13,13 44:25 47:14 65:1 exactly 13:4,11 21:18 23:9 27:12 43:7 65:8 EXAMINATION- 5:7 67:12</p>	<p>exceptionally 56:19 exchange 16:12,19 exclude 55:20 EXECUTED 70:10 Exhibit 25:7,8 existed 38:8 existence 25:1 26:2 45:7 45:14 expect 56:16 expedite 69:2,15 explain 9:8,10 47:21 expressed 16:12 extent 30:23 eyes 51:23  F faces 63:10,12 facing 41:9 fact 8:7 20:19 27:4 33:5 facts 9:17 47:6 48:3 factual 47:22,24,25 familiar 11:16,19 far 8:13 faster 15:22 February 71:21 felt 29:23 Figueroa 38:22 41:16 42:7 45:21,21 FILE 1:24 finance 6:17 11:12 financial 17:15 48:9 find 8:7 finding 8:7 29:15 fine 69:6 finish 7:24 firm 50:8 first 5:5 6:21 13:17 15:18 17:17 20:13 29:22 40:24 44:8 45:10 63:14 66:10 five 11:15 68:20,24 69:5 following 51:14 52:5 follows 5:6 68:12 foregoing 70:7,8 71:6,13 forth 52:9 71:8 forwarded 31:19,20 found 29:7 free 30:14 51:3 front 41:3 66:21 full 71:13 fully 7:24 further 67:9 68:3 71:17  G Gary 32:20,22 39:6 42:9 47:11 48:2 65:2,21 67:6,16 gathered 50:22 Gelfand 62:6,8 general 10:20 generally 16:2 17:17 18:5 19:6 41:4 gestures 8:12,16 getting 16:4 57:23 give 6:22 12:7 27:17 33:16 56:22 given 10:6 23:1 35:6 39:3 54:9 64:7,7</p>	<p>giving 27:18 glass 63:5 go 6:22,24 9:13 42:24 44:22 52:25 going 6:11,12,22,24 8:2 8:5,6,25 11:21 12:5,6 12:14 13:10,20 25:6 27:21 32:18 40:3 49:5 50:13,21 55:22 69:3,3 good 7:21 12:1 20:25 24:15 42:1 46:5 green 9:11,13,15 ground 6:23 guess 12:2,6 23:12,13 23:15 guys 45:5  H H 4:7 Hakverdian 1:23 2:19 71:5,24 handled 17:24 57:1 handwritten 39:2 handwrote 40:7 happen 8:6 Hate 43:22 hay 8:9 head 6:17 8:12,17 hear 7:11 14:1 61:6 heard 13:17 14:17 30:7 55:19 62:9 hearing 9:6 29:20 help 12:7 highest 10:10 Hill 5:24 Hitchcock 11:10 13:9 15:19 17:8 24:13,25 25:21 27:4,15 29:14 30:2 31:6 33:9 35:4,6 35:24 37:2 43:21,23 44:16 46:21 49:7,12,24 50:4,13,16,21 52:3,21 52:22,25 55:19 58:17 58:20,24,25 60:19,22 61:4,7,12,20 64:11 65:17 68:12 Hitchcock's 30:5 34:5 37:24 38:4 hold 6:2 Holdings 1:8 2:8 3:8 67:21 home 9:13 36:14 Homeowner's 36:14 hopefully 9:1 hours 69:4 hurt 8:13  I identification 25:9 identified 33:2 identify 32:9 imagine 27:12 Immediate 7:7 important 7:9,13 8:11 50:1 incident 53:13 included 25:16,20 Inclusive 1:9 2:9</p>	<p>Independent 53:2 indicate 24:12 33:1 indicated 17:8,13 34:5 67:15 indicating 43:4 information 14:11,13,16 16:5 19:14 22:11,13 27:4 28:24 45:18 46:1 50:17,22 53:6 54:8,16 55:20 64:13 informed 68:20 69:7 initial 18:16 initially 31:13,16 inquire 22:22 inside 43:1 inspection 37:6 inspections 36:10,13 Institute 1:8 2:7 3:7 68:1 Instruct 30:15 43:17 51:5 53:11 instructed 4:13 17:2 instruction 59:7 instructions 17:6 21:3,6 54:9 insurance 19:25 34:7,9 34:13,17 35:4 intelligence 37:1 intending 26:19 intent 44:7 interest 16:12 30:8 interested 13:7 15:6 16:16 71:19 interpret 8:15 intersection 9:12 introducing 40:2 introduction 42:3,6 involved 17:14 19:5 25:3 30:24 35:19 36:21 51:3 52:6,12 56:23 57:25 involvement 18:15,19,22 51:13,16 involving 50:8 issue 34:15,16,23 35:4,7 35:9 49:10,15 52:13 61:25 issues 34:21 36:25 37:5 52:12 items 36:10  J January 1:16 2:18 5:1 25:22 Jeff 12:25 24:7 Jennifer 37:9 48:5,12 62:13 job 5:25 17:25 July 11:24  K Karpel 3:9,9 4:4 5:8 6:12 11:1,4,6 19:1 20:14,22 24:14 25:5,10,18,24 30:12,16,18 31:1 33:12 35:23 36:1,3 39:23 41:21,23 42:15 43:20 47:8 49:1 50:9 51:1,6 51:12 52:16 53:3,5,12 62:5 67:1,9 68:4,9,13</p>
---	--	--	---	--

<p>68:23 69:1,5,15 Karpel's 67:14 keep 6:11 7:14 keeping 59:21 kept 48:17 66:20 KHALED 1:7 2:7 3:7 Khalid 62:15 kind 6:2 33:18 42:20 43:3,4 46:8 57:19 knew 8:7 41:18 45:7 47:1 59:24 know 6:25 9:22 10:23 21:7,18,22 22:8,10,23 23:18 26:16 28:14 31:5 32:15,17 33:19,21,22 33:22,23 34:1,13,15 36:4,16 37:9,11,14 39:5,14 40:2 41:25 42:8 45:22 49:19 52:18 56:10,11 59:2 60:19 62:6,11 66:7,23 68:23 knowledge 27:24 31:9 36:4 57:2 60:1 61:25 63:23 known 19:6 KRIEGER 3:3,3</p> <p>L</p> <p>L.A 38:21,21,24 labeled 25:22 lack 46:2 large 14:9 Larry 56:20 late 12:8 law 10:7 50:8 LAWRENCE 3:4 lawyer 43:21 51:7 52:19 53:9 56:4 learn 15:3 16:21,23 21:13 28:9,16,21 29:5 30:1 40:15 47:4,9 50:16,20 learned 14:23 16:15 17:3 17:4 24:4,18 29:22 30:3 45:13 50:24 learning 19:24 lease 22:7,20,21 26:24 27:9,9,15,22,25 28:5,6 28:25 29:6 31:9,17,21 31:23,24 32:2 38:7,10 38:11,17 40:7,12,12 44:15 54:3,5,6 59:21 59:22 60:5,9,15 63:24 64:3,8,11,14,20 Leave 12:5 leaving 66:20 Lee 12:23,24 13:8,14,16 24:21 52:6 Lefkowitz 32:23 34:3 38:13 39:9 40:5 44:7 44:11,15,23 45:15 46:9 46:13,17,19 47:11,21 48:4,11 49:12,13,24 50:18,23 51:14 54:13 54:24 55:6,11 60:15 65:6,14,17 66:4 67:16 Lefkowitz's 32:20 40:4 45:13</p>	<p>left 49:24 65:5,10 legal 22:3 36:7 47:7 let's 13:15 20:20 24:25 26:9 44:22,22 46:16 letter 40:1 42:2,6,9 liaison 17:18,20 18:5 35:14 license 6:4,5,6,8,9 33:18 licenses 6:3 licensing 10:14 licensure 33:24 light 9:11,13 Likewise 9:18 Line 4:14 lines 7:17,18 34:8 48:19 48:20 lining 8:10 little 6:22 35:15 LLC 1:4,9 2:4,8 3:8 loan 60:20,21 loans 48:17 location 5:21 locked 43:1 lodge 69:10 lodging 69:12 long 1:2 2:2 3:5 5:16 11:17 12:11,14 13:18 14:17,20 15:16 16:13 16:16 18:3 21:25 33:6 35:24 37:3 38:18 40:3 41:9,14 45:24 46:4,22 51:7,15,21 55:2,16 59:7,11 63:10 look 63:4,5 66:8 looked 43:1 63:2 looking 31:2 36:15 49:10 63:8 LOS 1:2 2:2 70:2 71:2 lost 69:11 lot 50:1 56:21</p> <p>M</p> <p>M.D 1:7 2:7 3:7 mail 41:13,15 42:1 67:17 mailed 41:12 making 16:18 management 10:21,21 manager 32:15 33:2,5,8 33:19,25 marble 9:21,22 Mariana 1:23 2:18 71:5 71:24 marked 25:8 married 48:6 Mason 8:4 material 9:9,16 matter 9:5,7 26:21 39:1 McCullough 12:25 24:12 mean 17:20 meant 19:21 20:18 meet 65:3 meeting 45:4,8 46:16,18 46:22,24 48:7 49:25 50:17,23 51:14 65:11 65:13,16 67:7 mellow 56:20 mention 48:7,13 mentioned 47:11</p>	<p>middle 63:19 midst 16:11,18 million 21:12 mine 7:19 minutes 46:23 49:9 mission 8:7 moment 9:8 24:16 56:22 Monday 2:18 5:1 month 28:8 month-to-month 27:9,18 27:22 28:6 31:9,17,21 38:10 44:15 60:5,9,14 63:25 64:14 66:12,15 months 15:1 mouth 9:21,22 move 15:21 Mr.-- 59:14</p> <p>N</p> <p>N 4:1 name 5:9 15:18 23:11 28:9,13 32:5,7 37:9,12 37:14 43:6 71:20 NC060962 1:6 2:6 necessary 69:11 need 8:23 17:24 21:9 57:18 60:23 61:4,8,14 61:21 69:2 needed 19:18,22,25 32:21 34:6,18 negative 20:10,18 62:20 negotiations 18:20 56:23 neither 71:17 never 23:14,17 53:16 58:8 62:9,18 67:7 new 27:9 32:15 34:8 59:22 normally 59:18 northernmost 63:17 notes 71:14 notice 23:1,6 40:25 41:2 41:11 42:11,13,16,17 42:20 43:10,13,24 44:1 44:2,6,8,12 52:21,25 53:8,14,20 54:10,12,14 54:18,20,23 55:8,17,23 62:25 67:17 notices 45:23 number 4:8 32:1,6,20 40:5 64:5,6,7 Numbers 39:1</p> <p>O</p> <p>oath 10:6,7 71:9 Objection 10:24 18:25 33:11 35:22,25 39:22 41:20 42:13 47:6 48:24 52:15 53:10 62:4 66:24 objections 7:6 obligation 68:5 obligations 68:14 obtain 58:10,14,17 59:8 59:13 60:21 obtained 60:20 obtaining 57:25 occasions 53:19 occupancy 27:6 64:1</p>	<p>occupied 14:14 occupying 60:1 63:20 occurred 9:17 48:15 50:7 51:24 Ocean 3:4 October 45:1 46:16 offered 13:21 office 7:10 30:14 38:21 44:21,24 45:15 46:10 46:14 63:8 Oh 11:5 38:14 okay 7:2,17 8:14,20 9:20 10:10 11:16,25 12:3,4 12:5,16 13:25 14:19 15:16,21 16:5,21,23 17:5,8,20 18:8,14 19:9 19:12 20:25 21:2,17 23:6,21 24:17 25:5,24 26:9,21 27:1,14,24 28:2,15 29:16 32:6,9 33:5,8,15,17 35:13,23 36:7,18 39:1,4,19 40:8 40:24 41:2 45:20 46:6 46:20 47:13 48:22 49:4 51:13 53:6,13,19,22 56:3,11,19 59:5 63:17 65:16 69:1,5 once 17:12 29:20 30:7 33:7,10 42:9 51:16 53:21 open 16:4,5 17:2,23 21:8 opened 17:3,4 18:8 opening 18:15,16 19:2,4 19:9 26:2 opinion 36:7 opportunity 19:10 option 40:13 oral 8:12,23 order 36:11 original 68:6 69:11 other's 7:17 outcome 71:19 overhear 61:3 owned 28:17,22 29:21 29:23 30:8 47:2,5,10 47:23,23 48:12 61:19 owner 47:19 49:20 54:5 ownership 48:9,18 50:14 52:13</p> <p>P</p> <p>p.m 2:18 page 4:2,8,14 25:12 36:18 paid 65:18 part 8:14 particular 20:1 61:5,8,14 party 71:18 passed 14:23 pay 35:15 48:16 paying 53:23 64:9,17 payment 65:23 66:1 payments 64:20 pen 9:14 penalty 68:19 70:7 people 11:11 period 8:24 69:8 perjury 68:20 70:8</p>	<p>Perry 8:4 person 7:9,21 30:4 personal 23:22 35:3 personally 58:8 ph 32:20 62:6 phone 32:1,3,6,20 40:4 phrased 20:15 piece 8:5 14:10 36:9 place 21:19 29:19 48:2 71:8 Plaintiff 1:5 2:5 3:2 plan 46:25 plans 59:20 played 8:4 please 5:9 7:18,23 8:21 16:14 49:8 50:11 PM 5:2 69:17 point 15:7,7 16:8 17:5 21:16 28:12 pointing 8:14 portion 34:21 35:12 possession 28:10 53:24 post 41:2,7 44:8 posted 40:25 42:24 55:16 62:25 posting 44:6 54:12,18,20 54:23 55:8,23 premises 41:1 preparation 55:25 prepared 44:4 60:5,9 63:24 present 7:23 31:4 presented 31:10,12,17 49:5 pretty 12:15 67:5 previously 64:9,18 price 14:6 18:20 prior 21:24 22:16 23:21 23:25 26:12 27:10 28:3 28:10,15,20 29:3 34:4 37:11,15,25 40:18 44:6 45:7,15 46:7,9,13 48:12 53:13 54:5,12,18 58:18 59:6,10 62:1 privilege 53:11 probably 11:8 14:18 51:10 52:2 problem 49:6 problems 19:15,17 Procedure 68:6,15 procedures 17:12 proceeding 7:4 69:10 Proceedings 69:17 produce 25:17 produced 25:20 production 25:22 project 51:18 proof 49:21 properties 1:4 2:4 16:18 17:9 21:24 33:9,15 53:18,20 54:1,6 57:6,9 57:17,21 58:1 59:14 61:18,19 65:18 property 11:16 12:10,17 12:19 13:7,21,21,24 14:10 16:25 17:14,15 19:7 20:1 21:7,10,15 22:9,16 23:10,23 24:2 27:6 28:18,22 29:1</p>
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<p>30:9 32:15,16 33:2,5,8 33:19,24 34:18,24 35:1 35:1 36:9,22 37:2 48:12,18 51:14,16,22 52:7 53:25 55:1,16 56:24 57:10,10,13 58:1 58:21,24 59:6,10 60:2 60:20,24 61:19 62:24 proposed 31:21 40:12 44:16,17 64:14 prove 49:20 provide 27:8,21 provided 23:6 25:21 26:22 27:25 40:8 45:20 58:24 provides 22:5 providing 27:15 pull 12:6 purchase 11:21 12:14 14:6,18 15:24 16:9,24 17:13,14 18:20,23 36:9 36:12 56:24 58:18 59:6 59:10 60:20 purchased 17:9 21:8,11 53:25 58:25 purchases 58:1 purchasing 11:20 15:9 15:13 16:13,16 19:7 pure 12:6 purely 8:7 purpose 61:23 purposes 18:4 48:8,9 69:10,13 put 8:12 71:9</p> <p><b>Q</b></p> <p>question 7:23 8:1,1,1 9:1 9:2,11,23,24 12:12 13:13 14:21 16:14 19:3 20:13 28:19 30:10,15 35:16 43:14 49:8 50:11 50:19 52:23 59:9 67:10 questioner 56:20 questions 4:13 7:5,5,6 7:15 10:1 56:18 67:9 67:15 quick 67:10 quit 52:21 53:1 54:10 55:17 quite 34:7 47:15</p> <p><b>R</b></p> <p>R 3:4 raised 36:25 range 12:7 read 9:2 70:6 reading 68:18 69:7 real 6:9 49:3 realize 47:18 really 7:9,22 49:16,18 50:1 66:23 reason 66:19 recall 11:23 13:3,4,11 14:6,8,9,15 15:11 19:17,24 20:2,3 21:10 25:13 26:13,14,15 27:12 28:13 29:13 32:7 34:20 35:2,9,10 40:6</p>	<p>43:7 44:2,3,25 54:7 61:16 65:1,8 66:8 receipt 69:6 receive 17:22 19:14 52:9 52:19,24 64:20 68:25 received 14:19,22 15:8 26:10 27:5 53:7 54:8 66:10,14 receptionist 65:5 record 5:10 6:25 records 25:17,19 red 9:11,15 referring 15:15,15,19 regard 14:17,19 15:13,23 17:12 18:3,5,23 19:6 19:15,16 20:4 26:10 35:7,20 37:6 38:5 47:13 53:7 55:15,22 regarding 26:18 27:15 34:16 55:17,21 registered 41:11 related 71:18 relaying 55:21 relieved 68:5,14 remaining 22:6 remember 8:9 14:25 16:2 19:18,21,23 21:18 22:25 23:2,8 26:16 29:14,19 30:3 32:8 34:10,12 45:16,22 47:14,16 48:21 64:3 65:2 remembering 29:20 Renaissance 1:8 2:8 3:7 67:20 renewing 22:19 rent 32:17 40:3 51:19 53:23 65:2,5,6,12,14 66:18 67:3,4,6 repeat 9:24 rephrase 9:24 12:12 16:14 replied 15:5 reply 15:8 report 11:9 19:10,12,16 19:17,22 20:5,7,11,19 20:23,24 36:13 REPORTED 1:23 reporter 7:7,11,20 8:15 68:4,13 71:6,16 REPORTERS 1:18 reports 19:20 represent 25:18 representative 31:23 64:21 representatives 55:13 representing 24:1 31:23 57:14 request 14:7 57:6 58:14 59:15 60:15 requested 22:9,12,14 58:7,8,10,13 59:2 requesting 39:20 require 43:17 51:4 requires 33:18,24 resolution 49:10,11 resolve 47:3 49:15 respond 29:18 51:5 responding 42:10</p>	<p>response 26:4 27:20 30:5 67:14 responses 7:12 responsive 25:19 result 48:22 49:3 Retina 1:8 2:7 3:7 67:25 return 32:25 reveal 43:17 50:7 51:4 revealing 30:11 43:15 review 9:3,19 19:10,12 20:7,11,12,19,23,24 21:2,5 55:25 ridiculous 30:6 right 6:6 7:8 9:2 14:16 15:18 17:1 18:3 21:2 24:14 26:9 31:2 32:25 34:2 35:16 39:24 40:11 47:4 53:3 59:17</p> <p>Rock 38:24 rule 30:24 rules 6:23 running 8:2 65:4</p> <p><b>S</b></p> <p>S 4:7 S-H-A-U-N 13:2 S-H-A-W-N 13:1 sale 13:24 18:11 34:11 35:21 saw 42:23 saying 8:18 20:15 21:19 says 18:11 Sean 11:10,20 13:6,20 14:2,18,24 15:3,8,9,18 15:19 16:9,11,15,17 17:13,18,24 18:24 24:13,25 27:3 29:14,14 30:21 31:4,6 33:9 35:4 46:19,21 52:2,3 56:6,7 56:9,15 65:17 68:11 second 34:17 43:22 60:16 66:14,17,22 see 15:21 17:5 27:19,24 28:2 38:7 40:18,21,24 51:23 61:11,17,22,24 63:5,7 seeing 25:13 61:16 seen 21:25 58:4,23 59:5 59:12,15 seller 23:20,22 37:16 38:8 sellers 24:1 send 32:17 38:11,13 39:4,8,20 40:1,2,14 41:10 42:11,20 43:10 43:13,23 45:18,23,25 51:18 sending 40:11 44:11 60:16 sent 23:9 38:10,17 42:2 42:4,6,8 60:10 separately 56:12,12 series 7:4 8:8 25:11,25 26:11,14 serve 18:4 52:21,25 54:10 served 25:5 53:14,20 serving 53:7</p>	<p>set 45:4 71:8 shake 8:17 Shakes 8:12 Shaun 12:25 24:7,12 shorthand 71:5,11,14,16 shortly 16:24 17:7 show 12:19 showed 13:24 shows 13:6 sign 9:3 43:4 Signal 5:23 signed 27:19 66:11,15 significant 9:16 signing 68:18 69:8 signs 22:5 situation 57:19 59:20 61:5,15,21 69:3 six 11:15 Sohol 37:9,25 38:5 48:5 48:12,16 57:15 62:13 somebody 18:10 42:5 61:12 someplace 12:9 39:7 Somewhat 63:12 sorry 5:19 20:17 32:16 59:14 62:7,19 sounds 17:9 source 28:21 50:25 sources 29:11 south 38:22 41:8,15 42:7 45:21 space 22:6 51:25 63:8 speak 7:14,22 32:21 67:7 speaking 7:21 24:12 specifically 31:7 spell 5:9 spelled 8:20 spoke 32:2 42:9 spoken 8:9 spring 12:8 SS 70:1 71:1 stage 7:18 start 17:22 started 26:16 51:20,21 state 1:1 2:1 5:9 6:3 33:17,23 70:1 71:1 stated 69:8 statement 21:22 22:1,4,9 57:6,14,18,23 58:9,14 58:18,21,23 59:3,8,13 59:16,19 60:23 61:5,8 61:9,14,21 62:1 statements 58:4,7 status 60:14 stay 26:19 27:22 32:18 40:3 staying 46:25 59:20 step 7:17,18,19 stip 68:7 Stipulate 68:13 stipulated 68:8 69:14 Stipulation 68:11 Street 8:3,4 strike 22:24 25:16 34:4 38:14 46:7 48:9 57:4 59:24 stuck 42:10 subject 26:21 subpoena 4:9 10:3 25:6</p>	<p>25:11,19 26:4 56:2 subscribed 71:20 subsequent 31:17 subsequently 16:21 substance 13:5 26:17 32:12 substantive 9:5,9 suggestion 49:11,14,17 49:18 Suite 2:17 3:4,10 sum 32:12 summer 12:8 significant 9:16 SUPERIOR 1:1 2:1 supervised 11:12 supervision 71:12 supposed 21:8 supposedly 29:21 sure 12:13,21,21 13:14 14:11,12 16:15 17:7,24 19:4 21:7 27:20 34:7 35:17 42:5 49:9 50:12 52:24 59:10 67:5 Surgical 1:8 2:8 3:8 67:21 surprised 47:15 sworn 5:5</p> <p><b>T</b></p> <p>T 4:7 take 6:22 7:20 9:14 10:16 30:7 50:2 51:19 55:22 taken 2:16 6:18 7:6,9 55:15 71:7,10,14 talk 65:10 talking 24:16 29:14 42:14 Tawansy 1:7 2:7 3:7 28:14,17,21,24 29:5,23 38:8,11,16 39:13 40:16 42:21 46:13 47:2,4,9 47:19,22 48:5,11,16 49:20 51:17 52:14 54:17,21 55:3,9,17,22 57:7 59:23 60:1,5,11 60:16 62:16,22 63:20 64:1,21 65:18,20 66:11 66:15 67:16,23 Tawansy's 50:4 tax 48:8 technical 10:17 telephone 45:16 tell 11:21,25 12:10,13 13:20 15:25 24:9,25 26:16 34:23 38:25 39:4 42:8 43:21,23 45:23 48:4,8,11,14 51:18 56:17,20 57:17,22 60:22,25 61:7 65:6 telling 19:22 61:13,20 65:2 Ten 68:21 tenancy 50:5,14 tenant 14:14 21:14,19 22:5,16,19 23:1 24:4,9 24:18 25:1 26:2,11,18 26:23 27:5,16,25 28:10 29:18 30:8,22 31:7,10</p>
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<p>31:12,18,22,23 38:5 40:3 53:14,20,23,24 54:3 59:20 terminate 42:16,17 43:24 44:1 terminated 26:24 termination 22:20,24,25 23:3,6 terms 28:4 testified 5:6 testifying 10:7 testimony 36:20 70:9 Thank 6:5 20:25 thereof 71:19 things 8:10,19 11:25 18:1 21:1,9 36:11 48:17 50:2 think 7:2 9:14 23:12 24:11,14 28:12 29:13 35:16 38:9,20,21 40:13 42:9 46:23 47:2 65:11 67:11 third 34:17 thought 29:21 34:8 65:9 three 41:4 63:14 67:17 time 6:22 7:21 8:25 9:6 10:21 11:23 13:17 14:23 15:8 16:12,15,20 19:24 21:13 28:15 29:5 29:22 31:17,20 32:23 32:24 38:17 40:15 44:19,21 45:1 59:23,25 60:4,8,13 62:24 65:13 65:15,16,22 66:2,4,10 66:14 69:9 71:7,8 timeframe 36:11 timeframes 8:9 times 32:24 65:25 timing 68:9 title 5:25 19:10,12,15,17 19:20,22,25 20:5,11,12 20:19,23,24 34:7,9,12 34:16 35:1,4,7 36:13 48:16 titling 35:7 today 9:12,18 33:19,25 today's 56:1,5,15 told 6:25 11:20 13:9 22:19 38:3 46:4 51:6 51:24 52:1 61:4 64:19 66:18 67:4 top 17:25 trained 21:1 transaction 48:15 transactions 8:8 transcribed 71:11 transcript 8:25 9:14 70:9 71:14,15 transferred 48:16 trial 9:6 tried 63:5 true 70:8 71:13 trust 34:18 try 39:18 turned 26:4,5 two 9:11 16:18 19:20 type 12:16,19 33:24 Typically 36:13 typing 7:12</p>	<p align="center"><b>U</b></p> <p>uh-huh 8:19 uh-uh 8:20 unavailable 69:12 undersigned 70:6 understand 9:23,23 10:4 10:8 27:20 47:25 understanding 22:4 36:8 unit 43:8 63:9,17,17,19 63:21 64:1 units 41:4 63:14 unsigned 69:9,12 use 8:22 9:21 63:25 usually 12:18 13:6 14:12</p> <p align="center"><b>V</b></p> <p>vacate 40:25 43:11,13 44:2,12 vague 10:24 18:25 33:11 35:22,25 39:22 42:13 48 2,24 52:15 62:4 Vaguely 39:2 Ventura 2:16 3:10 versus 24:13 voice 7:14 void 71:15 vs 1:6 2:6</p> <p align="center"><b>W</b></p> <p>wait 14:1 Walnut 5:23 want 9:4 12:2 22:6 23:13 23:15 34:2,3 36:12 wanted 14:18 15:3 27:8 27:22 42:5 wants 14:24 59:21 wasn't 22:11 34:7 53:23 way 6:25 8:3 9:10 13:15 20:15 40:11 56:19 we're 36:18 weeks 15:1 welcome 43:16 went 65:3,4 WHEREOF 71:20 witness 2:15 4:2 5:5 11:5 20:12,21 30:17,25 36:2 43:19 51:9 53:4,11 71:8,20 woman 8:4 32:3 wondering 49:11 word 9:15,15,21 46:2 words 8:19,22 work 57:22 worked 49:19 worry 57:22 worse 56:21 write 9:15 written 28:25 29:6 66:6 68:16 www.depo.com 1:19</p> <p align="center"><b>X</b></p> <p>X 4:1,7</p> <p align="center"><b>Y</b></p> <p>Yeah 11:7 30:16 42:18 year 10:12</p>	<p>years 5:18,20 7:9 17:10</p> <p align="center"><b>Z</b></p> <p>ZELNER 3:9</p> <p align="center"><b>0</b></p> <p>00012298 25:23</p> <p align="center"><b>1</b></p> <p>1 1:9 2:8 4:9 25:7,8 43:8 63:9 64:1 10 1:9 2:8 1031 16:12,19 13 4:16 13438 1:23 2:19 71:6,24 15 5:18,20 17:9 15,000 28:8 64:4,13 65:14,18 66:11 16 5:18,20 17:9 16633 2:16 3:10</p> <p align="center"><b>2</b></p> <p>2 25:12 2.65 21:12 20 46:23 70:11 2000 12:8 2014 48:15 2016 12:8 2017 1:16 2:18 5:1 25:23 71:21 21 4:15 2300 59:7 24 69:3 249 3:4 25 4:9 2653 5:23 288-3376 1:19 2H 1:4 2:4 5:15,16,21 6:1 6:13,15 10:22 25:22 53:14,16,18,20,25 54:6 57:5,5,9,9,10,13,17,21 57:25 59:14 61:18,19 65:18,18 2nd 71:21</p> <p align="center"><b>3</b></p> <p>3 25:12 63:17 3:10 2:17 5:2 30 1:16 2:18 4:15,15 5:1 46:23 30-day 42:16,20 43:10 43:13,24 44:1,2,11 52:21,25 53:8,14,20 54:10,12,14,17,20,23 55:8,23 67:17 3060 1:4 2:4 30th 25:23 310.273.8444 3:11 3200 11:17 12:11,14 13:17 14:17 15:10,13 15:15,16,24 16:9,13,16 18:3,8 19:16 20:5 21:25 22:9 33:6 34:11 35:24 36:22 37:3 38:18 40:3,14,16,18,21 41:14 42:4 45:23 46:4 51:15 51:21 52:7 55:2,16</p>	<p>59:11 61:23</p> <p align="center"><b>4</b></p> <p>4:30 69:17 43 4:16 48 69:4</p> <p align="center"><b>5</b></p> <p>5 4:4 53 4:16 562.901.2500 3:5</p> <p align="center"><b>6</b></p> <p>6 4:16 60 11:8 65 11:8 67 4:5</p> <p align="center"><b>7</b></p> <p>7 4:15 39:1 735 2:17 3:10 7447 39:1 750 3:4</p> <p align="center"><b>8</b></p> <p>800 1:19</p> <p align="center"><b>9</b></p> <p>90755 5:24 90802 3:5 91436 3:10</p>
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EXHIBIT "R"

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4 Encino, CA  
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8 Attorney for Defendant Khaled A. Tawansy, An Individual

9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
10  
11 **FOR THE COUNTY OF LOS ANGELES-SOUTH DISTRICT**

12	<b>JK PER ANGUSTA AD FELICITAS, LLC,</b>	)	Case No. NC060799
13	<b>a California Limited Liability Company</b>	)	
14		)	
15	<b>Plaintiff,</b>	)	<b>FIRST AMENDED CROSS</b>
16	<b>vs.</b>	)	<b>COMPLAINT</b>
17		)	
18	<b>MARGARET KUSKA, an Individual;</b>	)	Assigned to Honorable Judge
19	<b>CAROLINE WARNER TUGEL, an</b>	)	Ross M. Klein
20	<b>Individual; RICHARD S. WARNER AND</b>	)	
21	<b>TARA J. WARNDER, Trustees of the</b>	)	Dept.27
22	<b>RICHARD S. WARNER AND TRA J.</b>	)	
23	<b>WARNER FAMILY TRUST 1993;</b>	)	Case Filed September 09, 2016
24	<b>KHALED A. TAWANSY, an Individual</b>	)	
25	<b>AND DOES 1-20 INCLUSIVE,</b>	)	<b>CROSS COMPLAINT FOR:</b>
26		)	
27	<b>Defendants.</b>	)	<b>1) SPECIFIC PERFORMANCE AND TO</b>
28		)	<b>QUIET TITLE</b>
29	<b>KHALED A. TAWANSY, an</b>	)	<b>2) RECISION AND CANCELLATION</b>
30	<b>Individual,</b>	)	<b>OF DEED</b>
31		)	<b>3) FRAUD</b>
32	<b>Cross Complainant,</b>	)	<b>4) FRAUD</b>
33		)	<b>5) BREACH OF CONTRACT</b>
34	<b>Vs.</b>	)	<b>6) PROMISSORY ESTOPPEL; and</b>
35		)	<b>7) BREACH OF FIDUCIARY DUTY</b>
36	<b>JENNIFER SOHOL, an Individual; JK PER</b>	)	
37	<b>ANGUSTA AD FELISCITAS</b>	)	
38	<b>LLC, a California Limited</b>	)	
39	<b>Liability Company; 2H</b>	)	
40	<b>PROPERTY 3060 LLC, A California</b>	)	

First Amended Cross-complainant Khaled A. Tawansy v. Cross-Defendant  
Jennifer SOHOL  
Case NC060799

1 Limited Liability Company; )  
 2 2H CONSTRUCTION, INC., A )  
 3 California Corporation; SEAN R. )  
 4 HITCHCOCK; ERICKA BURTON; RYAN )  
 5 ROTHSTEIN-SERLING, an individual, )  
 6 MARCUS & MILLICHAP, an unknown )  
 7 corporation; JEFF COBURN, an individual; )  
 8 LEE & ASSOCIATES COMMERCIAL )  
 9 REAL ESTATE SERVICES, an unknown )  
 10 corporation EDWARD S. GELFAND, a )  
 11 licensed California attorney; LAWRENCE )  
 12 R. CAGNEY, a licensed California attorney, )  
 13 and Rows 1 Through 20, )  
 14 )  
 15 )  
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 24 )  
 25 )  
 26 )  
 27 )  
 28 )  
 Cross Defendants. )

1) This Action concerns the title to the following piece of real estate in the City of Long Beach (the "PROPERTY"), located at 3200 N. Long Beach Blvd and described as:

THE LAND DREFERRED TO HEREIN BELOW IS SITUTATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

LOTS 17, 18 AND 19 IN BLOCK "A" OF TRACT 2901, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36 PAGE(S) 83 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TOGETHER WITH THAT PORTION OF THE WESTERLY HALD OF THAT CERTAIN ALLEY, 20 FEET SIDE, AS SHOWN AND DEDICATED UPON THE MAP OF SAID TRACT NO. 2901, WHICH ADJOINS SAID LOTS ON THE EAST, VACATED BY RESOLUTION NO. C-22311 OF THE CITY COUNCIL OF SAID CITY, A COPY OF WHICH WAS RECORDED AUGUST 1, 1977 AS INSTRUMENT

1 NO. 77-833919, BOUNDED NORTHELY BY THE EASTERNLY PROLOGNATION OF  
2 THE NORTHERLY LINE OF SAID LOT 17, AND BOUNDED SOUTHERLY BY THE  
3 EASTERLY PROLONGATION OF THE SOUTHERNLY LINE OF SAID LOT 19.

4  
5 EXCEPT THEREON ALL OIL MINERALS, AND OTHER HYDROCARBONS  
6 SUSTANCES IN AND UNDER SAID LAND LYING BELOW A DEPTH OF 500 FEET  
7 FROM THE SURFACE, WITHOUT HOWEVER, THE RIGHT TO USE ANY PART OF THE  
8 SURFACE THEREOF, AS EXCEPTED AND RESERVED IN VARIOUS DEEDS  
9 RECORDED ON JUNE 17, 1964.

10  
11 PARCEL 2:

12  
13 LOTS 36, 27 AND 38 IN BLOCK "A" OF TRACT 2901, AS PER MAP RECORDED  
14 IN BLOOK 36, PAGE 63 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF  
15 SAID o SAID COUNTY WITH THAT PORTION OF THE EASTERLY HALF OF THAT  
16 CERTAIN ALLYE, 20 FEET WIDE, AS SHOWN AND DEDICATED UPON THE MAP OF  
17 SAID TRACT 2901, WHICH ADJOINS SAID LOTS ON THE WEST, VACATED BY  
18 RESOLUTION NO. C-2231 OF THE CITY COUNCIL OF SAID CITY, A COPY OF WHICH  
19 RECORDED AUGUST 1, 1977 AS INSTRUMENT NO. 77-833919, BOUNDED NORTHERY  
20 BY THE WESTERLY PROLOGATION OF THE NORTHERLY LINE OF SAID LOT 36,  
21 AND BOUNDED SOUTHERLY BY THE WETERLY PROLOGATION OF THE  
22 SOUTHERLY LINE OF SAID LOT 39.

23  
24  
25 2) Defendant and Cross-complainant Khaled A. Tawansy, referred to herein as Dr.  
26 Tawansy, is a doctor licensed in the State of California with a practice devoted to the Retina,  
27 adult and pediatric Vitreo-Retinal Surgery, Diabetic and Retinal Vascular Surgery Diseases,  
28

1 Retinopathy of Prematurity and Congenital Anomalies, Retinal Detachment and Degenerations,  
2 Trauma and Surgical Complications, and Inflammatory and Infectious Diseases; Dr. Tawansy is  
3 a resident of Los Angeles County.  
4

5 3) Dr. Jennifer Kaur Rodriguez SOHOL, a named Plaintiff and a Cross-Defendant herein,  
6 is a licensed doctor in the State of California, and a resident of Los Angeles County.  
7

8 4) Cross-Defendant JK PER ANGUSTA AD FELICITAS, LLC is a Limited Liability  
9 Company organized and existing in the State of California, formed on February 11, 2014 as  
10 entity number 20140431053.  
11

12 5) Cross-Defendant 2H Property 3060, LLC is a California Limited Liability Company,  
13 doing business in the City of Long Beach California.  
14

15 6) Cross-Defendant 2H Construction Inc. is a California corporation doing business in the  
16 City of Long Beach California.  
17

18 7) Cross-Defendant Sean R. Hitchcock is a resident of the county of Los Angeles and  
19 does business in Long Beach California.  
20

21 8) Cross-Defendant Erika Burton is a resident of the County of Los Angeles and does  
22 business the City of Long Beach, California.  
23

24 9) Cross-Defendant Ryan Rothstein-Serling is a resident of the county of Los Angeles  
25 and does business in Long Beach California as a California licensed real estate salesperson.  
26

27 10) Cross-Defendant Marcus & Millichap is an unknown corporate entity acting as a  
28 licensed California real estate broker and maintaining an office in Los Angeles County, and  
acted as the broker for Cross-Defendant Rothstein-Serling in the sale of the PROPERTY.

1 11) Cross-Defendant Jeff Coburn is a resident of the county of Los Angeles and does  
2 business in Long Beach California as a California licensed real estate salesperson.

3  
4 12) Cross-Defendant Lee & Associates is an unknown corporate entity acting as a  
5 licensed California real estate broker maintaining an office in Los Angeles County, and acted as  
6 the broker for Cross-Defendant Coburn in the sale of the PROPERTY.

7  
8 13) Cross-Defendant Edward S. Gelfand is a California licensed lawyer practicing law in  
9 Los Angeles County.

10 14) Cross-Defendant Lawrence R. Cagney is a California licensed lawyer practicing law  
11 in Los Angeles County.

12  
13 15) Each of the Roe 1-20 Cross-Defendants were somehow involved in this transaction  
14 and acted as co-conspirators or aiders and abettors of the acts complained of herein, or as agents  
15 of the other cross-cross defendants. The names of these entities are not now know. When  
16 ascertained this complaint will be amended to include the names of said Roe 1-20 cross  
17 defendants.

18  
19 16) The two parcels of real property at issue herein (the "PROPERTY") is unique in that  
20 it is located less than two blocks from Long Beach Memorial Hospital and the Millers Children's  
21 Institute at Long Beach Memorial. The PROPERTY is unique in that it is the intention of Dr.  
22 Tawansy to occupy the PROPERTY for his medical practice. There is no other parcel of real  
23 estate that can accomplish what is needed by Dr. Tawansy. As a result, the PROPERTY must be  
24 reconveyed to him as it is unique.

25  
26  
27 17) During 2014, Dr. Tawansy and Dr. SOHOL lived together in Dr. Tawansy's home in  
28 Pasadena, as they had for many years.

1 18) Since June 1, 2012, and until June 17, 2014, Dr. Tawansy owned free and clear title  
2 to the PROPERTY.

3  
4 19) Dr. SOHOL created Cross-Defendant JK PER ANGUSTA AD FELICITAS, LLC  
5 (“JK PER ANGUSTA”) on or about February 11, 2014 at the direction of Dr. Tawansy.

6  
7 20) When JK PER ANGUSTA AD FELICITAS LLC was formed it had as its location,  
8 the offices of Dr. Tawansy at 7447 N. Figueroa St. Suite 200, Los Angeles, CA 90041, indicating  
9 his interest in the JK PER ANGUSTA.

10  
11 21) In setting up JK PER ANGUSTA Ad Felicitas, LLC, that Dr. SOHOL represented  
12 that the J stood for her name, Jennifer and that the K stood for Dr. Tawansy’s name, Khalid.

13  
14 22) In approximately June of 2014 that a \$1,200,000 loan payoff was due to be paid by  
15 Dr. Tawansy. Along with some additional fees the amount for the loan payoff was  
16 \$1,305,521.71.

17  
18 23) Due to the relationship with Dr. Tawansy and Dr. SOHOL, and the then build-out of  
19 a surgery center for Dr. Tawansy at 125 N. Raymond St. Pasadena California, it was agreed that  
20 Dr. Tawansy would deed the property to JK PER ANGUSTA, with the understanding that Dr.  
21 Tawansy would be the beneficial owner of the PROPERTY and Dr. SOHOL would get a loan to  
22 pay off the mortgage balance.

23  
24 24) On June 17, 2014 that Dr. Tawansy signed a grant Deed to JK PER ANGUSTA for  
25 no consideration, but paid a documentary transfer tax of \$1,595.00 to record the deed.

26  
27 25) At the time of the transfer of the title, Dr. Tawansy requested and Dr. SOHOL agreed  
28 to enter into a real estate transaction whereby Dr. SOHOL would accept a deed to the

1 PROPERTY in the name of a entity which she would control; the consideration for this deed was  
2 that Dr. SOHOL would agree that Dr. Tawansy would continue to hold equitable title to the  
3 PROPERTY and to the entity holding title to the PROPERTY, and that Dr. Tawansy would  
4 continue to pay all expenses related to the PROPERTY, including taxes, and that Dr. Tawansy  
5 had the right to continue efforts to improve the PROPERTY.  
6

7           26) At the close of the new mortgage that Dr. SOHOL got for JK PER ANGUSTA, Dr.  
8 Tawansy paid the closing costs of \$99,412,28; Nothing was paid by Dr. SOHOL.  
9

10           27) After the close of the transfer of deed from Dr. Tawansy to JK PER ANGUSTA, Dr.  
11 Tawansy and Dr. SOHOL agreed that both Dr. Tawansy and Dr. SOHOL would share the  
12 building with both having offices here.  
13

14           28) However, after the transfer, Dr. SOHOL asserted that she did not want a practice in  
15 Long Beach, so both Dr. Tawansy and Dr. SOHOL agreed that only Dr. Tawansy would own the  
16 building and that Dr. Tawansy would be responsible for to build out the PROPERTY; that Dr.  
17 Tawansy and JK PER ANGUSTA agreed Dr. Tawansy would complete the build out of the  
18 PROPERTY.  
19

20           29) In fact, Dr. Tawansy was responsible for all benefits and burdens of the  
21 PROPERTY, and Dr. SOHOL would not be responsible for the benefits and burdens of the  
22 PROPERTY other than as a conduit through which Dr. Tawansy paid the mortgage and taxes.  
23 Dr. SOHOL was informed about the reduction of the mortgage, but did nothing to assure it was  
24 taken off title prior the close of escrow. There is no title document requiring Dr. Tawansy to do  
25 anything after the close.  
26  
27  
28

1           30) Nevertheless, Dr. Tawansy as the equity and beneficial owner of the PROPERTY  
2 continued to support the PROPERTY after the Transfer to JK PER ANGUSTA as he owned the  
3 PROPERTY.  
4

5           31) Dr. SOHOL told many other people, including Sandy Tumen, Bill Maher, Debbie  
6 Shampay, Keith Graves, Adraino Flores, Mario Abina, Robert Sepasia, Marty Marcus, and to  
7 Gary Lefkowitz, among many others, that although the PROPERTY was held in the JK PER  
8 ANGUSTA name, that in fact Dr. Tawansy still owned the PROPERTY as the beneficial and  
9 equitable owner of the real estate.  
10

11           32) Dr. Tawansy paid approximately \$250,000 since the closing of the transfer of the  
12 PROPERTY to JK PER ANGUSTA, and thereafter DR. Tawansy made payments of about  
13 \$260,000 on the mortgage and for other costs associated with the PROPERTY.  
14

15           33) After the transfer of the title, 2 of the 3 buildings located on the PROPERTY were  
16 totally rehabilitated inside into medical offices for Dr. Tawansy, for which Dr. Tawansy paid at a  
17 cost of approximately \$300,000.  
18

19           34) Though they were engaged to be married, Dr. Tawansy and Dr. SOHOL stopped  
20 living together approximately in 2015.  
21

22           35) Without Dr. Tawansy's consent, Dr. SOHOL changed the address of record for  
23 Cross-Defendant JK PER ANGUSTA to her own address after she moved out.  
24

25           36) In or about June of 2015, Dr. SOHOL came to Dr. Tawansy and asked him to sign a  
26 one year lease on the PROPERTY as Dr. SOHOL told Dr. Tawansy that the bank that had lend  
27 the money on the loan needed to see that it was leased.  
28

1 37) As Dr. Tawansy was the 100% beneficial owner of the PROPERTY with Dr. SOHOL  
2 merely acting as the legal owner on the paperwork, Dr. Tawansy signed the lease as this was the  
3 approximate amount of the payments on the building and taxes. Each month, given the close  
4 relationship with Dr. Tawansy and Dr. SOHOL, Dr. Tawansy would make the payments directly  
5 into Dr. SOHOL's account at Chase Manhattan bank and Dr. SOHOL was not involved in the  
6 collection of rents though she was the purported manager of JK PER ANGUSTA.  
7

8 38) As agreed with Dr. SOHOL, Dr. Tawansy executed a Master Lease on the  
9 PROPERTY, which was beneficially owned by Dr. Tawansy, and that the lease needed for the  
10 banks was only for one year until the surgery center could be built out at which time Dr.  
11 Tawansy would take Jennifer SOHOL off of the loan and pay off the loan.  
12

13 39) Notwithstanding the agreement that Dr. SOHOL would run JK PER ANGUSTA with  
14 Dr. Tawansy as the entire 100% owner of the PROPERTY, she now claims that Dr. Tawansy  
15 owns no right in the PROPERTY and asserts Dr. Tawansy possesses no ownership interest or  
16 rights in the PROPERTY into which Dr. Tawansy invested nearly \$1,000,000 or as the beneficial  
17 owner of JK PER ANGUSTA.  
18

19 40) Notwithstanding the agreement and the lack of any equity in purchasing or  
20 rehabilitating the property and any lack of any payments made for the purchase, Dr. SOHOL  
21 now demands Dr. Tawansy pay \$2,695,000 to purchase the 3200 N. Long Beach Blvd.  
22 PROPERTY, the PROPERTY owned beneficially by Dr. Tawansy.  
23

24 41) Notwithstanding the agreement for the payment of only the amounts of money  
25 required to pay off the mortgage, Dr. SOHOL is now understood to have taken out more loans.  
26 She executed 1) a Deed of trust for \$580,000 to Pacific Enterprise Bank dated June 17, 2014; 2) a  
27  
28

1 deed of trust in the amount of \$725,000 to Pacific Enterprise Bank dated June 17, 2014; and 3) a  
2 deed of trust dated **May 28, 2014 [IS THIS RIGHT; 1 MONTH BEFORE JK PER**  
3 **ANGUSTA RECEIVED TITLE?]** in the amount of \$598,000 in favor of Pacific Enterprise  
4 Bank.  
5

6 42) Dr. SOHOL likewise executed a Subordination Non Disturbance and Attornment  
7 Agreement and Estoppel Certificate for a lease dated May 2, 2015 between JK PER ANGUSTA  
8 and Jennifer Kaur Rodriguez SOHOL and Pacific Enterprise Bank of an “unrecorded lease” on  
9 the PROPERTY for 20 years ending on **May 2, 2024 [AGAIN, DATES? WAS THIS**  
10 **ENTERED INTO ON MAY 3, 2014?]**.  
11

12 43) The current title report for the PROPERTY shows that the PROPERTY is subject to a  
13 lien in the name of Dr. Tawansy to the United States of America for \$179,999.22.  
14

15 44) The current title report of the PROPERTY shows that the PROPERTY is subject to a  
16 lien in the name of Dr. Tawansy to the United States of America for \$296,444.72.  
17

18 45) The current title report of the PROPERTY shows that the PROPERTY is subject to a  
19 lien in favor of the tax collector of the County of Los Angeles in the amount of \$181.24  
20

21 46) At all times in 2015 and in 2016 Dr. Tawansy personally represented to Cross-  
22 Defendant Gelfand, an attorney representing Dr. SOHOL and JK PER ANGUSTA that Dr.  
23 Tawansy was the owner of the PROPERTY, which was held in the beneficial name of JK PER  
24 ANGUSTA but which was legally owned by Dr. Tawansy, along with Dr. Tawansy’s executed  
25 lease and the facts underlying that lease, as set forth above.  
26

27 47) In or about 2015, Gary Lefkowitz, the CEO of one of Dr. Tawansy’s past businesses,  
28 told Cross-Defendant Gelfand that Dr. Tawansy owns the PROPERTY, along with Dr.

1 Tawansy's executed lease and the facts underlying that lease, as set forth above, and that JK PER  
2 ANGUSTA created by Dr. SOHOL was a mere fiction created so that the loan could be repaid,  
3 and that Dr. Tawansy owns the entire PROPERTY legally, with JK PER ANGUSTA merely  
4 owning a beneficial interest and not a legal interest in the PROPERTY.  
5

6 48) In or about 2015, Dr. Tawansy expressed to Cross-Defendant Marcus and Millichap,  
7 the real estate broker chosen by JK PER ANGUSTA to sell the PROPERTY, that Dr. Tawansy  
8 actually owns the PROPERTY and the title in the name of JK PER ANGUSTA was merely to  
9 protect Dr. Tawansy's investment in the PROPERTY, along with Dr. Tawansy's executed lease  
10 and the facts underlying that lease, as set forth above.  
11

12 49) At the time of doing its due diligence on the Property, that Cross-Defendants 2H  
13 Properties 3060 LLC, 2H Construction, Inc., Sean R. Hanson and Ericka Burton, along with their  
14 salesperson and broker Cross-Defendants Jeff Coburn and Lee & Associates, knew of Dr.  
15 Tawansy's ownership in JK PER ANGUSTA and the PROPERTY, along with Dr. Tawansy's  
16 executed lease and the facts underlying that lease, as set forth above.  
17  
18

19 50) Cross-Defendants 2H Properties, LLC, 2H Construction, Inc., Sean R. Hanson and  
20 Ericka Burton did not ask for a customary estoppel certificate from Dr. Tawansy, who they knew  
21 was the tenant of the PROPERTY, and in which any willing purchaser would have requested.  
22 The lack of asking for the estoppel certificate is evidence that Cross-Defendants 2H Properties,  
23 LLC, 2H Construction, Inc., Sean R. Hanson and Ericka Burton knew of Dr. Tawansy's claims  
24 to the real estate as the actual legal owner of the PROPERTY.  
25

26 51) That the salesperson and brokers in the sales transaction for JK PER ANGUSTA,  
27 Cross-Defendants Ryan Rothstein-Serling and Marcus and Millichap, represented to Cross-  
28

1 Defendants 2H Properties, LLC, 2H Construction Inc., Sean R. Hitchcock and Erica Burton that  
2 Dr. Tawansy was the actual owner of the PROPERTY.

3  
4 52) Cross-Defendant Gelfand as the attorney for JK PER ANGUSTA, and acting in  
5 concert with Cross-Defendants Ryan Rothstein-Serling, Marcus & Millichap, Jeff Coburn, Lee &  
6 Associates, and Cagney, as the attorney for purchasers, did not inform the purchasers that claims  
7 existed as to PROPERTY ownership or the benefits of and need to obtain an Estoppel Certificate  
8 from Dr. Tawansy, as the real owner of the PROPERTY, that the PROPERTY was deeded into  
9 JK PER ANGUSTA only for the purposes of legal ownership, whereas the beneficial ownership  
10 of the PROPERTY remained in Dr. Tawansy's name, and as to a long-term tenant rights.

11  
12 53) A review of the matters affecting title would reveal to Cross-Defendants 2H Property  
13 3060 LLC, 2H Construction Inc., Sean R. Hitchcock and Erica Burton that numerous tax liens  
14 existed in the name of Dr. Tawansy.

15  
16 54) Attorney Cross-Defendants Gelfand and Cagney and Broker Cross-Defendants Ryan  
17 Rothstein-Serling, Marcus & Millichap, Jeff Coburn and Lee & Associates engaged in contact  
18 with the purpose of closing the sale of the PROPERTY without full disclosure to their clients and  
19 with full knowledge that their actions would harm Dr. Tawansy, all to the benefit of Attorney  
20 Cross-Defendants and Broker Cross-Defendants.

21  
22 55) This conduct was done to create an artificial form of a purchase by 2H Property 3060  
23 LLC to avoid any claims made by Dr. Tawansy as to his actual ownership interest in the legal  
24 title to the PROPERTY through the JK PER ANGUSTA entity,

25  
26 56) Dr. Tawansy believes Jennifer SOHOL or her entity of JK PER ANGUSTA or some  
27  
28

1 entity controlled by Jennifer SOHOL or unknown Cross-Defendants is the actual owner or a  
2 partial owner in the new entity now claiming to own the PROPERTY at 3200 Long Beach Blvd.  
3

4 57) In their actions, and the actions by each of them, Cross-Defendants and each of them  
5 have used the United States Mails, the United State wires, bank accounts and the internet to cheat  
6 Dr. Tawansy out of his interest in the PROPERTY.  
7

8 58) Cross-Defendants 2H Properties 3060, 2H Construction Inc, Sean R. Hitchcock, and  
9 Erika Burton learned before escrow closed that there were problems with the close of a sale as  
10 tax liens in the amount of \$296,446.81 and a lien of \$179,9992.22 had been recorded by the  
11 Internal Revenue Service against Dr. Khaled A. Tawansy. This was detailed in a letter dated June  
12 29, 2016 from Commonwealth Land Title Insurance Company.  
13

14 59) Cross-Defendants 2H Property 3060 LLC, 2H Construction Inc, Sean R. Hitchcock  
15 and Ericka Burton knew that a loan in the amount of \$1,475,000 sat on the PROPERTY  
16 notwithstanding that it was supposed to have been removed, and the time that JK PER  
17 ANGUSTA took legal title to the PROPERTY with Khaled A. Tawansy remaining the beneficial  
18 owner of the PROPERTY. This was detailed in a letter dated June 29, 2016 from  
19 Commonwealth Land Title Insurance Company.  
20

21 60) Cross-Defendants 2H Property 3060 LLC, 2H Construction Inc., Sean R. Hitchcock  
22 and Ericka Burton failed to perform normal diligence in the purchase of the PROPERTY and  
23 were not properly informed by their Broker Cross-Defendants.  
24

25 61) The standard sublease agreement had no integration clause. The parties Dr. Tawansy  
26 and Dr. SOHOL both agreed that the property could not be occupied by anyone until substantial  
27 rehabilitation work had been done. As a result, the property was not able to be occupied until  
28

1 June of 2016. As a result of the Agreements between Dr. Tawansy and Dr. SOHOL it was agreed  
2 that the lease would commence on the date the building was available for use, and that the lease  
3 would run from July of 2016 for one year. Dr. Tawansy spend over \$500,000 developing the  
4 PROPERTY which would all be lost if he was forced to turn over the building to its new owners  
5

6 62) After the Deed by Dr. Tawansy to the JK PER ANGUSTA, Doctor Tawansy spent  
7 over \$500,000 in rehabilitating the building which includes the following amounts in total  
8 detrimental reliance and based upon the promises made by Jennifer SOHOL and of JK PER  
9 ANGUSTA.  
10

11 a) A check made payable from Children's Retina Institute to Redesign Group, Inc.  
12 in the amount of \$15,996.01  
13

14 b) A check in the amount of \$8,888.97 from Children's Retina Institute to  
15 Jennifer SOHOL dated 1/07/2014.

16 c) A check in the amount of \$10,000. to Jennifer SOHOL from Children's Retina  
17 dated 7/10/14-this is approximately the date upon which both Dr. SOHOL and Dr. Tawansy  
18 agreed that Dr. SOHOL would not occupy the offices at 3200 Long Beach Blvd and that Dr.  
19 Tawansy would continue to own the property as the sole owner of the property, although legal  
20 title was in the name of the JK PER ANGUSTA.  
21

22 d) A check from Children's Retina Institute to Jennifer SOHOL in the amount of  
23 \$10,000 dated 8/15/14-well after the close of the escrow. If the sale was a total sale to the JK  
24 PER ANGUSTA, then Doctor Tawansy would not be paying Jennifer any money and would  
25 walked from the deal. As each payment gets maid it is clear that Dr. Tawansy continued to own  
26 the property as his own.  
27  
28

1 e) A check made from Khaled A Tawansy to So Cal Gas Edison in the amount of  
2 \$117.26 dated 8-12-14.

3 f) A check in the amount of \$3,274 to Cenovo Cuevas for work on the project at  
4 3200 Long Beach Blvd. dated 8/16/14, drawn on the account of Children's Retina Institute.  
5

6 g) A check in the amount of \$2,100 to Unique Hardware drawn on Children's  
7 Retina Institute dated 9/06/14.

8 h) A check in the amount of \$10,000 to Jennifer SOHOL drawn on Children's  
9 Retina Institute dated 10/28/2014.  
10

11 i) A check in the amount of \$5,000 to Jennifer SOHOL drawn on Children's  
12 Retina Institute and dated 12/13/14.

13 j) A check in the amount of \$5,000 to Jennifer SOHOL drawn on Children's  
14 Retina Institute dated 12/13/14.  
15

16 k) A check in the amount of \$20,000 made payable to Jennifer SOHOL from  
17 Children's Retina Institute dated 1/23/15. Of significant note is the memo on the check sating  
18 "Long Beach Property Loan Repayment." If the deed to the JK PER ANGUSTA meant Dr.  
19 Tawansy had no interest in the property, then why would he have been making loan payments  
20 from the date that the loan was taken out each month until today! It is clear evidence that Dr.  
21 Tawansy continued to own the 3200 Long Beach Property as the equitable and beneficial owner  
22 of the property.  
23

24 l) A check make payable to Keith Graves in the amount of \$2,034.12 for roof  
25 work, and other work at the property paid for by Khaled A. Tawansy dated 1/26/15. It is  
26 important that Dr. SOHOL was there when this work was done but that Dr. Tawansy did pay for  
27 this entire issue.  
28

1 m) A check made payable to Jennifer SOHOL in the amount of \$5,000 noting it  
2 was for the Long Beach Buildout. Now if Dr. Tawansy had nothing to do with the building, why  
3 would he be paying for the build out? This check was made by Children's Retina Institute and is  
4 dated 1/31/15.  
5

6 n) A check made payable to Jennifer SOHOL in the amount of \$5,000 made  
7 payable from Children's Retina Institute dated 2/06/15. Note on the check says Long Beach.  
8

9 o) A check made payable to Cash for objects dealing with the buildout of Long  
10 Beach in the amount of \$1650 dated 2/20/15 and stating 3200 Long Beach Blvd. The check is  
11 drawn on Children's Retina Institute.

12 p) A check made payable to Jennifer SOHOL in the amount of \$10,000 from  
13 Children's Retina Institute dated 2/14/15. The note on the check states "Paid \$40k towards TI  
14 (Tenant Improvements).  
15

16 q) A check made payable to cash in the amount of \$3,200, dated 2/14/15 for work  
17 done on the buildout of the Long Beach project from Children's Retina Institute.

18 r) A check made payable to Cash in the amount of \$1100 for work done on the  
19 build out of the 3200 Long Beach property dated 2/15/14, from the Children's Retina Institute.  
20

21 s) A check in the amount of \$2,742.44 in favor of Jay Sanford, Inc. for work  
22 done at 3200 Long Beach Blvd drawn on Children's Retina Institute and dated 2/18/15.

23 t) A check in the amount of \$7,500 to Dr. SOHOL and from Children's Retina  
24 Institute dated 2/22/15 stating 3200 Long Beach Blvd.

25 u) A check in the amount of \$10,000 to JK PER ANGUSTA from Children's  
26 Retina Institute dated 2/14/15 with a note on it "Paid 40K toward TI" (Tenant Improvements)  
27  
28

1 v) A check in the amount of \$225 to Iris Exudugg for work at 3200 Long Beach  
2 Blvd. drawn on Children's Retina Institute on 2/24/15.

3 w) A check in the amount of \$1650 to cash to pay for work done at 3200 Long  
4 Beach Blvd. and listing the date at 2/20/15. The check was drawn from Children's Retina  
5 Institute.  
6

7 x) A check made payable to Jay Sanford, Inc. In the amount of \$5981.28 for Final  
8 check Long Beach TI (Tenant Improvement) made payable from Children's Retina Institute and  
9 dated 2/24/2015.  
10

11 y) A check for \$5,000 to Jennifer SOHOL/JK PER ANGUSTA AD FELICITAS  
12 LLC, from Children's Retina Institute dated 2/18/15 and noting 3200 Long Beach Blvd.

13 z) A check made payable to Carlos Lopez in the amount of \$804 for work done at  
14 3200 Long Beach Blvd and noting 3200 Long Beach Blvd.  
15

16 aa) A check in the amount of \$1052 for cash for work one at 3200 Long Beach  
17 Blvd for work being done at the property. The check is dated 3/3/15 and is on the account of  
18 Children's Retina Institute.

19 bb) A check made payable to Edwin Menia for \$2,025 for work done at 3200  
20 Long Beach Blvd. and paid on 3/3/15 from Children's Retina Institute,  
21

22 cc) That on March 3, 2015, a check in the amount of \$389 was paid to Lozal  
23 Cabaxes for work done at 3200 Long Beach Blvd. by Children's Retina Institute.

24 dd) Than on March 3, 2015 a check for cash in the amount of \$389 was made to  
25 pay for work at 3200 Long Beach Blvd. from Children's Retina Institute.  
26  
27  
28

1 ee) That on March 15<sup>th</sup>, 2015 a check was made payable to JK PER ANGUSTA  
2 AD FELICITAS LLC, in the amount of \$15,000 for the 3200 Long Beach Blvd. Property from  
3 Children's Retina.

4 ff) That on March 17<sup>th</sup>, 2015 that a check in the amount of \$1350 was paid to  
5 Carolos Lopez for work done on 3200 Long Beach Blvd. paid for by Children's Retina Institute.  
6

7 gg) That on March 17<sup>th</sup> 2015 a check in the amount of \$270 was paid to Carlos  
8 Lopez for work done at 3200 Long Beach Blvd. and paid for by Children's Retina Institute.  
9

10 hh) That on March 18<sup>th</sup>, 2015 there was a check in the amount of \$15,000 made  
11 payable to JK PER ANGUSTA AD FELICITAS LLC, for the 3200 Long Beach Blvd and paid  
12 for by Children's Retina Institute.

13 ii) That on March 24, 2015 a check in the amount of \$1,716 was made payable to  
14 Edward Mejla for work done at 3200 Long Beach Blvd. and paid for by Children's Retina  
15 Institute.  
16

17 jj) That on March 25, 2015 that a check was paid to Jose Arrann in the amount of  
18 \$6,029 for work done at 3600 Long Beach Blvd and paid for by Children's Retina Institute.  
19

20 kk) That on March 31, 2015 a check in the amount of \$20,000 was made payable  
21 to JK PER ANGUSTA AD FELICITAS LLC and paid for by Children's Retina Institute, noting  
22 it was for 3200 Long Beach Blvd.

23 ll) That on April 4<sup>th</sup> 2015 a check was paid to Jennifer SOHOL and to JK PER  
24 ANGUSTA AD FELICITAS LLC, in the amount of \$10,000 for the 3200 Long Beach Blvd  
25 property.  
26  
27  
28

1 mm) That on March 14<sup>th</sup> 2015 a check in the amount of \$10,000 was paid to JK  
2 PER ANGUSTA AD FELICITAS LLC, for 3200 N. Long Beach Blvd by Children's Retina  
3 Institute.

4 nn) That on March 21, 2015 a check in the amount of \$16,000 was paid to JK  
5 PER ANGUSTA AD FELICITAS LLC for the 3200 Long Beach property by Children's Retina.  
6

7 oo) That on June 29, 2015 a check in the amount of \$15,000 was paid to Jennifer  
8 SOHOL MD Inc. by Khaled A. Tawansy for the 3200 Long Beach property.  
9

10 63) From July of 2015 until September of 2016, Children's Retina Institute and Dr.  
11 Tawansy paid Jennifer SOHOL or JK PER ANGUSTA the rent each month.  
12

13 64) The PROPERTY was not able to be occupied when the lease was entered into and that  
14 Dr. Tawansy or Children's Retina spent in excess of over \$100,000 to prepare the first and  
15 second units in the building, both to be used as doctor's offices.  
16

17 65) The third unit at 3200 Long Beach Blvd contains thousands of dollars of equipment and  
18 tools and machinery necessary for the build out of the units that all belong to Dr. Tawansy and  
19 are not the property of any of the Cross-Defendants.  
20

21 66) Each time an issue arose with the City of Long Beach relating to the PROPERTY from  
22 the time the deed was recorded to JK PER ANGUSTA that the City would contact Dr. Tawansy  
23 and he did the work and Dr. SOHOL allowed this work to be done as if Dr. Tawansy still owned  
24 the building as the beneficial and equitable owner of the PROPERTY.  
25

26 **FIRST CAUSE OF ACTION**

27 Specific Performance and to Quiet Title as to all Cross-Defendants  
28

1 67) Dr. Tawansy realleges the provisions of paragraphs 1-66 as though fully set forth herein.

2  
3 68) The deed given to JK PER ANGUSTA was given in error and due to the fraud of Dr.  
4 SOHOL, and based upon her promises that she would run the JK PER ANGUSTA for the benefit  
5 of Dr. Tawansy.  
6

7 69) As a result of the conduct of Dr. SOHOL and of JK PER ANGUSTA, that the deed was  
8 given as a result of fraud and error due to Jennifer SOHOL and of JK PER ANGUSTA and that  
9 the Deed should be declared to be null and void and title should be replaced with the deed in the  
10 name of Dr. Khaled A. Tawansy.  
11

12 70) Cross-Defendants knew of Dr. Tawansy's actual ownership of the real estate but avoided  
13 asking for an estoppel certificate from him and did not question the issue as to taxes alleged to be  
14 owing and a trust deed that was supposed to be reduced. The Cross-Defendants knew that Dr.  
15 Tawansy paid for the entire build out of the PROPERTY and that he has tools and property  
16 throughout 3200 N. Long Beach Boulevard. Acting as such, these co-defendants knew that Dr.  
17 Tawansy had an ownership interest in the PROPERTY, yet closed the transaction knowing these  
18 issues in order to conspire with Jennifer SOHOL and JK PER ANGUSTA to harm Dr. Tawansy  
19 and to steal the PROPERTY from him.  
20  
21

22 71) Cross-Defendants 2H Property 3060 LLC and 2H Construction Inc. now claim to own  
23 the PROPERTY located at 3200 N. Long Beach Boulevard which was transferred to them via a  
24 deed signed by Jennifer SOHOL on behalf of JK PER ANGUSTA, but Jennifer SOHOL did not  
25 own the PROPERTY and nor did JK PER ANGUSTA as they held the PROPERTY for Dr.  
26 Tawansy. Had 2H Property 3060 LLC AND 2H Construction Inc. done any due diligence they  
27  
28

1 would have discovered and in fact knew that Dr. Tawansy owned the property and it was being  
2 held in the name of JK PER ANGUSTA for Dr. Tawansy. In fact, 2H Property 3060 LLC and  
3 2H Construction Inc. knew at all times that Dr. Tawansy owned the PROPERTY and they  
4 entered into a conspiracy to deprive Dr. Tawansy of the title to the 3200 N. Long Beach Blvd.  
5 PROPERTY.  
6

7  
8 72) In a pleading dated September 9, 2016, Dr. SOHOL and JK PER ANGUSTA claimed to  
9 own the property, notwithstanding their agreement to own the property as legal owners for the  
10 benefit of Dr. Tawansy.

11 **SECOND CAUSE OF ACTION**

12 Rescission of the Deed to the Property As Against all Cross-Defendants

13 73) Dr. Tawansy realleges the provisions of paragraphs 1-72 as though fully set forth herein.  
14

15 74) The title to the PROPERTY should be deemed in the name of Dr. Tawansy as against  
16 anyone who owned the PROPERTY such as JK PER ANGUSTA AD FELICITAS LLC or in the  
17 name of 2H Property 3060 LLC or in the name of 2H Construction Inc. in that they each took  
18 title knowing that Dr. Tawansy was the actual owner of the PROPERTY being held for him by  
19 JK PER ANGUSTA. All Cross-Defendants knew that Dr. Tawansy was the beneficial owner of  
20 the PROPERTY located at 3200 N. Long Beach Blvd., in Long Beach.  
21

22 **THIRD CAUSE OF ACTION**

23  
24 Fraud as Against All Cross-Defendants

25  
26 75) Dr. Tawansy realleges the provisions of paragraphs 1-74 as though fully set forth herein.  
27  
28

1 76) Dr. Tawansy first learned of the fraud of Cross-Defendants Dr. SOHOL, JK PER  
2 ANGUSTA and the rest of the Cross-Defendants within the past several months.

3  
4 77) Dr. Jennifer SOHOL and JK PER ANGUSTA made representations as to holding the title  
5 for Dr. Tawansy in the transfer of title to the PROPERTY to JK PER ANGUSTA without the  
6 intention of performing those representations.

7  
8 78) Cross-Defendants 2H Properties 3060, LLC, 2H Construction, Inc., Sean R. Hitchcock  
9 and Ericka Burton ("Buyer Cross-Defendants") joined in the fraud by engaging in the sales  
10 transaction with full knowledge of Dr. Tawansy's interest in the PROPERTY, yet failing to take  
11 the necessary steps to protect themselves with an estoppel certificate.

12  
13  
14 79) Dr. Tawansy reasonably relied on the representations from Dr. SOHOL and JK PER  
15 ANGUSTA, along with the expectations that Buyer Cross-Defendants would not support the  
16 fraud efforts by Dr. SOHOL and JK PER ANGUSTA.

17  
18 80) As a proximate cause of his reasonable reliance, Dr. Tawansy incurred losses in excess of  
19 the jurisdictional minimum of this Court to be proved at trial.

20  
21 81) The conduct of Dr. SOHOL and of JK PER ANGUSTA was done in a fraudulent manner  
22 to obtain the deed to the PROPERTY making statements that were untrue. As a result, Dr.  
23 SOHOL and **JK PER ANGUSTA AD FELICITAS LLC** should be held liable to Dr. Tawansy  
24 for his losses and those acting in concert with Dr. SOHOL and JK PER ANGUSTA Ad Felicitas,  
25 2H property 3060 LLC, 2H Construction Inc. Sean R. Peterson and Erica Burton should be held  
26 liable for the Fraud of Dr. SOHOL and of JK PER ANGUSTA Ad Felicitas for all damages to  
27 Dr. Tawansy.  
28

1 82) The cross defendants knew of Dr. Tawansy's actual beneficial and equitable ownership  
2 interests in and to the 3200 N. Long Beach PROPERTY but all acted to defeat Dr. Tawansy's  
3 interest all for the benefit of themselves and all the detriment of Dr. Tawansy.  
4

5 83) The acts of Cross-Defendants, and each of them, as set forth above were willful, wanton,  
6 malicious, oppressive and without regard to Dr. Tawansy's rights and justify an award of  
7 exemplary and punitive damages.  
8

9 **FOURTH CAUSE OF ACTION**

10 **Fraud as Against Broker Cross-Defendants and Attorney Cross-Defendants**

11 84) Dr. Tawansy realleges the provisions of paragraphs 1-83 as though fully set forth herein.  
12

13 85) Broker Cross-Defendants and Attorney Cross-Defendants identified a situation between  
14 Dr. Tawansy on one hand and Dr. SOHOL/JK PER ANGUSTA and Buyer Cross-Defendants on  
15 the other hand wherein Broker Cross-Defendants and Attorney Cross-Defendants could work to  
16 structure a sale from Dr. SOHOL/JK PER ANGUSTA to Buyer Cross-Defendants that would  
17 generate legal work, commissions, and extra value in the transaction by reason of Dr. Tawansy's  
18 actual ownership of the PROPERTY.  
19  
20

21 86) Broker Cross-Defendants and Attorney Cross-Defendants made misrepresentations to  
22 Cross-Defendants Dr. SOHOL, JK PER ANGUSTA and Buyer Cross-Defendants, and failed to  
23 provide necessary and critical information to those same Cross-Defendants with knowledge that  
24 such representations and failures to make representations were critical to the decision to transfer  
25 title and to Dr. Tawansy's ownership of the PROPERTY and with the expectation that the  
26 actions would cause a transfer of title to the detriment of Dr. Tawansy.  
27  
28

1 87) Buyer Cross-Defendants, Dr. SOHOL/JK PER ANGUSTA and Dr. Tawansy all  
2 reasonably relied on Broker Cross-Defendants and Attorney Cross-Defendants to properly  
3 perform their duties as licensed by the State of California as to legal and real estate matters.  
4

5 88) As a proximate cause of his reasonable reliance, Dr. Tawansy incurred losses in excess of  
6 the jurisdictional minimum of this Court to be proved at trial.  
7

8 89) The Broker Cross-Defendants and Attorney Cross-Defendants knew of Dr. Tawansy's  
9 actual beneficial and equitable ownership interests in and to the 3200 N. Long Beach  
10 PROPERTY but all acted to defeat Dr. Tawansy's interest all for the benefit of themselves and  
11 all to the detriment of Dr. Tawansy.  
12

13 90) The acts of Cross-Defendants, and each of them, as set forth above were willful, wanton,  
14 malicious, oppressive and without regard to Dr. Tawansy's rights and justify an award of  
15 exemplary and punitive damages.  
16

17  
18 **FIFTH CAUSE OF ACTION**

19 **Breach of Contract as Against All Cross-Defendants**  
20

21 91) Dr. Tawansy realleges the provisions of paragraphs 1-90 as though fully set forth herein.  
22

23 92) The conduct alleged herein sets forth the terms of a contract entered into between Jennifer  
24 SOHOL and JK PER ANGUSTA on the one hand, and Dr. Tawansy on the other hand. The  
25 terms of the contract are set forth in detail above.  
26  
27  
28

1 93) The terms of the contract have been evidenced by writings when taken in context  
2 demonstrate that a contract exists, that reasonably identify the subject matter of the contract, and  
3 sets forth with certainty the essential terms of that contract.  
4

5 94) The Contract was fully performed by Dr. Tawansy and, at times, partially performed by  
6 Dr. Tawansy. Specific terms of the contract, such as transferring title and paying for specific  
7 expenses, were fully performed; other terms of the contract, to complete the lease and then alter  
8 title were partially performed, with the complete performance now barred by Cross-Defendants  
9 Dr. SOHOL and JK PER ANGUSTA's breach of contract.  
10

11  
12 95) Dr. Tawansy performed and/or completed all the duties and obligations the contract  
13 required of him, other than those duties and obligations which were barred or otherwise forgiven  
14 by Cross-Defendants and Cross-Defendants' conduct.  
15

16 96) Cross-Defendants Dr. SOHOL and JK PER ANGUSTA breached the contract set forth  
17 above by its actions of misleading Dr. Tawansy as to Cross-Defendants' intentions with the  
18 PROPERTY and Cross-Defendants' sale of the PROPERTY and failure to properly resolve the  
19 related financial issues.  
20

21 97) As a direct and proximate result of Cross-Defendants' breach of contract, Dr. Tawansy  
22 suffered specific and consequential damages in an amount greater than the minimum jurisdiction  
23 of this Court.  
24

25 **SIXTH CAUSE OF ACTION**

26 Promissory Estoppel as Against Cross-Defendants Dr. SOHOL and JK PER ANGUSTA  
27

28 98) Dr. Tawansy realleges the provisions of paragraphs 1-97 as though fully set forth herein.

1 99) Cross-Defendants Dr. SOHOL and JK PER ANGUSTA made promises to Dr. Tawansy  
2 as set forth above concerning the ownership and management of the PROPERTY.  
3

4 100) As a result of these promises by Cross-Defendants, Dr. Tawansy changed his legal  
5 positions in multiple fashions, from the transfer of title to the PROPERTY, to the commitment to  
6 reconstruct the interior of the buildings on the PROPERTY, to the commitment to a lease to the  
7 benefit of a third party, as well as the expenditure of a large sum of money.  
8

9 101) Cross-Defendants' actions were the direct and proximate cause of Dr. Tawansy's loss,  
10 requiring that title to the PROPERTY be transferred back to him and that he recover  
11 consequential damages resulting from Cross-Defendants false promises.  
12

13 102) The acts of Cross-Defendants, and each of them, as set forth above were willful, wanton,  
14 malicious, oppressive and without regard to Dr. Tawansy's rights and justify an award of  
15 exemplary and punitive damages.  
16

17 **SEVENTH CAUSE OF ACTION**

18 Breach of Fiduciary Duty as Against All Cross-Defendants  
19

20 103) Dr. Tawansy realleges the provisions of paragraphs 1-102 as though fully set forth  
21 herein.  
22

23 104) A declaration of rescission must be granted cancelling the deed from Dr. Tawansy to JK  
24 PER ANGUSTA AD FELICITAS LLC for fraud and misrepresentation in gaining the deed.  
25

26 105) JK PER ANGUSTA AD FELICITAS LLC was set up at the sole request of and by an  
27 agent for Dr. Tawansy, with the intent that JK PER ANGUSTA hold the title to the PROPERTY  
28 in its name for the benefit of Dr. Tawansy.

1 106) As a result thereof, there was a fiduciary duty between Dr. SOHOL, the managing  
2 member, and JK PER ANGUSTA on the one hand, and Dr. Tawansy.

3  
4 107) Dr. SOHOL and JK PER ANGUSTA with the assistance of the other cross defendants  
5 breached that duty.

6  
7 108) As a result of these breaches by Cross-Defendants, Dr. Tawansy suffered damages in an  
8 amount in excess of the jurisdictional minimum of this Court.

9  
10 109) The acts of Cross-Defendants, and each of them, as set forth above were willful, wanton,  
11 malicious, oppressive and without regard to Dr. Tawansy's rights and justify an award of  
12 exemplary and punitive damages.

13  
14 ///

15  
16 **DEMAND FOR RELIEF.**

17  
18 1) That the deed be cancelled from Dr. Tawansy to JK PER ANGUSTA AD FELICITAS  
19 LLC.

20  
21 2) That title the property be quieted and it be declared that Dr. Tawansy is the owner of  
22 the property.

23  
24 3) That Dr. Tawansy is entitled to damages in excess of \$4,000,000.

25  
26 4) That Dr. Tawansy be awarded punitive damages according to proof at trial.

27  
28 5) That Dr. Tawansy be awarded costs of suit.



# EXHIBIT "S"

From: gershonne@gmail.com  
Subject: Fwd: 3200 Long Beach Blvd - new ownership and building management notification  
Date: Oct 11, 2016, 2:12:03 PM  
To: Gershonne gershonne@gmail.com

---

Begin forwarded message:

**From:** "Ericka Burton" <[ericka@2hconstruction.com](mailto:ericka@2hconstruction.com)>  
**Date:** October 6, 2016 at 3:37:12 PM PDT  
**To:** "[jfong@childrensretina.com](mailto:jfong@childrensretina.com)" <[jfong@childrensretina.com](mailto:jfong@childrensretina.com)>, "[lowell.baisden@lowellbiasden.com](mailto:lowell.baisden@lowellbiasden.com)" <[lowell.baisden@lowellbiasden.com](mailto:lowell.baisden@lowellbiasden.com)>, "[ktawansy@childrensretina.com](mailto:ktawansy@childrensretina.com)" <[ktawansy@childrensretina.com](mailto:ktawansy@childrensretina.com)>, "[gershonne@gmail.com](mailto:gershonne@gmail.com)" <[gershonne@gmail.com](mailto:gershonne@gmail.com)>  
**Cc:** Sean Hitchcock <[sean@2hconstruction.com](mailto:sean@2hconstruction.com)>, "Ericka Burton" <[ericka@2hconstruction.com](mailto:ericka@2hconstruction.com)>  
**Subject:** 3200 Long Beach Blvd - new ownership and building management notification

Good afternoon all,

My name is Ericka Burton and I am the new Property Manager for 3200 Long Beach Blvd., Long Beach, CA. 2H Property 3060, LLC purchased the building and escrow closed on Friday, September 30, 2016.

Attached please find a month to month lease agreement that was sent to you last month that needs to be signed and returned. I have also attached a letter introducing myself and providing information of new ownership and building management. These items are also being mailed to you via Certified Mail. Your rent was due October 1, 2016 and becomes late as of October 5, 2016.

Please review, return signed leases along with October's rent and feel free to contact me should you have any questions.

Thank you,

*We've Moved! Our new address is:  
2653 Walnut Ave., Signal Hill, CA 90755*

Ericka Burton  
Controller



2653 Walnut Ave,  
Signal Hill, CA 90755  
e: (310)528-1961  
o: (562)424-5567  
[www.2hconstruction.com](http://www.2hconstruction.com)

pdf

Lease Agreement.pdf

522 KB

pdf

SKMBT\_4...3540.pdf

369 KB

From: Ericka Burton [ericka@2hconstruction.com](mailto:ericka@2hconstruction.com)  
Subject: Re: 3200 Long Beach Blvd - new ownership and building management notification  
Date: Oct 12, 2016, 3:07:50 PM  
To: [jfong@childrensretina.com](mailto:jfong@childrensretina.com),  
[ktawansy@childrensretina.com](mailto:ktawansy@childrensretina.com), [gershonne@gmail.com](mailto:gershonne@gmail.com)  
Cc: Sean Hitchcock [sean@2hconstruction.com](mailto:sean@2hconstruction.com)

Good afternoon all,

2H Properties will be conducting demolition in the vacant portion of the building on Monday, October 17, 2016. I wanted to make you aware of the work if you see anyone enter the building.

Please feel free to contact me if you have any questions.

Thank you,  
Ericka Burton  
Property Manager

Sent from my iPhone

On Oct 6, 2016, at 3:37 PM, Ericka Burton  
<[ericka@2hconstruction.com](mailto:ericka@2hconstruction.com)> wrote:

Good afternoon all,

My name is Ericka Burton and I am the new Property Manager for 3200 Long Beach Blvd., Long Beach, CA. 2H Property 3060, LLC purchased the building and escrow closed on Friday, September 30, 2016.

Attached please find a month to month lease agreement that was

sent to you last month that needs to be signed and returned. I have also attached a letter introducing myself and providing information of new ownership and building management. These items are also being mailed to you via Certified Mail. Your rent was due October 1, 2016 and becomes late as of October 5, 2016.

Please review, return signed leases along with October's rent and feel free to contact me should you have any questions.

Thank you,

We've Moved! Our new address is:  
2653 Walnut Ave., Signal Hill, CA 90755

Ericka Burton

Controller

[2H LOGO NO BORDER copy]

[cid:image004.jpg@01CD9008.75AF1900]

2653 Walnut Ave.

Signal Hill, CA 90755

c: (310)528-1961

o: (562)424-5567

www.2hconstruction.com <<http://www.2hconstruction.com/>>

<Lease Agreement.pdf>

<SKMBT\_42316100613540.pdf>

<image003.jpg>

<image004.jpg>

# EXHIBIT "T"

**SUMMONS  
(CITACION JUDICIAL)**

**UNLAWFUL DETAINER—EVICTION  
(RETENCIÓN ILÍCITA DE UN INMUEBLE—DESALOJO)**

**NOTICE TO DEFENDANT:** Khaled A. Tawansy, M.D., Children's Retina  
**(AVISO AL DEMANDADO):** Institute, Renaissance Surgical Holdings, LLC

**YOU ARE BEING SUED BY PLAINTIFF:** 2H Property 3060, LLC  
**(LO ESTÁ DEMANDANDO EL DEMANDANTE):**

FOR COURT USE ONLY  
(SOLO PARA USO DE LA CORTE)

CONFORMED COPY  
ORIGINAL FILED  
Superior Court Of California  
County Of Los Angeles

DEC 22 2016

Sherri R. Carter, Executive Clerk  
By [Signature] Deputy  
S. James

You have 5 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. (To calculate the five days, count Saturday and Sunday, but do not count other court holidays. If the last day falls on a Saturday, Sunday, or a court holiday then you have the next court day to file a written response.) A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center ([www.courtinfo.ca.gov/selfhelp](http://www.courtinfo.ca.gov/selfhelp)), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site ([www.lawhelpcalifornia.org](http://www.lawhelpcalifornia.org)), the California Courts Online Self-Help Center ([www.courtinfo.ca.gov/selfhelp](http://www.courtinfo.ca.gov/selfhelp)), or by contacting your local court or county bar association. NOTE: The court has a statutory lien for waived fees and costs on any settlement or arbitration award of \$10,000 or more in a civil case. The court's lien must be paid before the court will dismiss the case.

Tiene 5 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. (Para calcular los cinco días, cuente los sábados y los domingos pero no los otros días feriados de la corte. Si el último día cae en sábado o domingo, o en un día en que la corte esté cerrada, tiene hasta el próximo día de corte para presentar una respuesta por escrito). Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California ([www.sucorte.ca.gov](http://www.sucorte.ca.gov)), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services ([www.lawhelpcalifornia.org](http://www.lawhelpcalifornia.org)), en el Centro de Ayuda de las Cortes de California ([www.sucorte.ca.gov](http://www.sucorte.ca.gov)) o poniéndose en contacto con la corte o el colegio de abogados locales. AVISO: Por ley, la corte tiene derecho a reclamar las cuotas y los costos exentos por imponer un gravamen sobre cualquier recuperación de \$10,000 ó más de valor recibida mediante un acuerdo o una concesión de arbitraje en un caso de derecho civil. Tiene que pagar el gravamen de la corte antes de que la corte pueda desecher el caso.

1. The name and address of the court is: Los Angeles County Superior Court -  
(El nombre y dirección de la corte es): Governor George Deukmejian Courthouse  
275 Magnolia Ave., Long Beach, CA 90802

CASE NUMBER: **NC060949**  
(Número del caso):

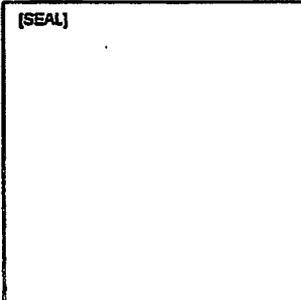
2. The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is: LAWRENCE R. CAGNEY  
(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):  
KRIEGER & KRIEGER, A Law Corporation  
249 E. Ocean Boulevard, Suite 750, LONG BEACH, CA 90802  
562-901-2500

3. (Must be answered in all cases) An unlawful detainer assistant (Bus. & Prof. Code, §§ 6400-6415)  did not  did for compensation give advice or assistance with this form. (If plaintiff has received any help or advice for pay from an unlawful detainer assistant, complete item 6 on the next page.)

Date: **Sherri R. Carter DEC 22 2016**  
(Fecha)

Clerk, by [Signature] Deputy  
(Secretario) (Adjunto)

(For proof of service of this summons, use Proof of Service of Summons (form POS-010).)  
(Para prueba de entrega de esta citación use el formulario Proof of Service of Summons, (POS-010)).



4. NOTICE TO THE PERSON SERVED: You are served

- a.  as an individual defendant.
  - b.  as the person sued under the fictitious name of (specify):
  - c.  as an occupant
  - d.  on behalf of (specify): K.A. Tawansy, M.D., Children's Retina Inst., Renaissance Surg. Holdings, LLC
- Under:  CCP 416.10 (corporation)  CCP 416.60 (minor)  
 CCP 416.20 (defunct corporation)  CCP 416.70 (conservatee)  
 CCP 416.40 (association or partnership)  CCP 416.90 (authorized person)  
 CCP 415.46 (occupant)  other (specify):

5.  by personal delivery on (date):

PLAINTIFF (Name): 2H Property 3060, LLC	CASE NUMBER:
DEFENDANT (Name): Khaled A. Tawansy, M.D., Children's Retina Institute,	

6. Unlawful detainer assistant (complete if plaintiff has received any help or advice for pay from an unlawful detainer assistant):

- a. Assistant's name:
- b. Telephone no.:
- c. Street address, city, and zip:
  
- d. County of registration:
- e. Registration no.:
- f. Registration expires on (date):

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address): <b>LAWRENCE R. CAGNEY</b> <b>KRIEGER &amp; KRIEGER, A Law Corporation</b> 249 E. Ocean Boulevard, Suite 750, LONG BEACH, CA 90802 TELEPHONE NO.: 562-901-2500 FAX NO. (Optional): 562-901-2522 E-MAIL ADDRESS (Optional): <u>lrc@kriegerlaw.com</u> ATTORNEY FOR (Name): <u>Plaintiff 2H Construction, Inc.</u>	FOR COURT USE ONLY <b>CONFORMED COPY</b> <b>ORIGINAL FILED</b> Superior Court of California County Of Los Angeles  DEC 22 2016  Sherri R. Carter, Executive Officer/Clerk By <u>[Signature]</u> Deputy <b>CASE MANAGEMENT REVIEW</b>
SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES STREET ADDRESS: 275 Magnolia Ave., Long Beach, CA 90802 MAILING ADDRESS: 275 Magnolia Ave. CITY AND ZIP CODE: Long Beach 90802 BRANCH NAME: Governor George Deukmejian Courthouse	MAY 22 2017  IN DEPARTMENT <u>21</u>
PLAINTIFF: 2H Property 3060, LLC DEFENDANT: <u>Khaled A. Tawansy, M.D., Children's Retina Institute, Renaissance Surgical Holdings, LLC.</u> <input type="checkbox"/> DOES 1 TO 10	CASE NUMBER: <b>NC060949</b>
<b>COMPLAINT — UNLAWFUL DETAINER*</b> <input checked="" type="checkbox"/> COMPLAINT <input type="checkbox"/> AMENDED COMPLAINT (Amendment Number): _____	CASE NUMBER: <b>NC060949</b>
<b>Jurisdiction (check all that apply):</b> <input type="checkbox"/> ACTION IS A LIMITED CIVIL CASE Amount demanded <input type="checkbox"/> does not exceed \$10,000 <input type="checkbox"/> exceeds \$10,000 but does not exceed \$25,000 <input checked="" type="checkbox"/> ACTION IS AN UNLIMITED CIVIL CASE (amount demanded exceeds \$25,000) <input type="checkbox"/> ACTION IS RECLASSIFIED by this amended complaint or cross-complaint (check all that apply): <input type="checkbox"/> from unlawful detainer to general unlimited civil (possession not in issue) <input type="checkbox"/> from limited to unlimited <input type="checkbox"/> from unlawful detainer to general limited civil (possession not in issue) <input type="checkbox"/> from unlimited to limited	

1. PLAINTIFF (name each): 2H Property 3060, LLC

alleges causes of action against DEFENDANT (name each): Khaled A. Tawansy, M.D., Children's Retina Institute, and Renaissance Surgical Holdings, LLC

2. a. Plaintiff is (1)  an individual over the age of 18 years. (4)  a partnership.  
 (2)  a public agency. (5)  a corporation.  
 (3)  other (specify): California Limited Liability Company

b.  Plaintiff has complied with the fictitious business name laws and is doing business under the fictitious name of (specify):

3. Defendant named above is in possession of the premises located at (street address, apt. no., city, zip code, and county):  
 3200 Long Beach Boulevard, Long Beach, CA 90807

4. Plaintiff's interest in the premises is  as owner  other (specify):

5. The true names and capacities of defendants sued as Does are unknown to plaintiff.

6. a. On or about (date): 6/1/2015 defendant (name each): Khaled A. Tawansy, M.D./Children's Retina Institute

- (1) agreed to rent the premises as a  month-to-month tenancy  other tenancy (specify): Fixed Term of One Year  
 (2) agreed to pay rent of \$15,000 payable  monthly  other (specify frequency):  
 (3) agreed to pay rent on the  first of the month  other day (specify):

b. This  written  oral agreement was made with

- (1)  plaintiff. (3)  plaintiff's predecessor in interest.  
 (2)  plaintiff's agent. (4)  other (specify):

\* NOTE: Do not use this form for evictions after sale (Code Civ. Proc., § 1161a).

Page 1 of 3

PLAINTIFF (Name): 2H Property 3060, LLC	CASE NUMBER:
DEFENDANT (Name): Khaled A. Tawansy, M.D., Children's Retina Institute, Renaissance	NC060949

6. c.  The defendants not named in item 6a are
- (1)  subtenants.
  - (2)  assignees.
  - (3)  other (specify):
- d.  The agreement was later changed as follows (specify):
- e.  A copy of the written agreement, including any addenda or attachments that form the basis of this complaint, is attached and labeled Exhibit 1. (Required for residential property, unless item 6f is checked. See Code Civ. Proc., § 1166.)
- f.  (For residential property) A copy of the written agreement is not attached because (specify reason):
- (1)  the written agreement is not in the possession of the landlord or the landlord's employees or agents.
  - (2)  this action is solely for nonpayment of rent (Code Civ. Proc., § 1161(2)).
7.  a. Defendant (name each): Khaled A. Tawansy, M.D., Children's Retina Institute, and Renaissance Surgical Holdings, LLC

was served the following notice on the same date and in the same manner:

- (1)  3-day notice to pay rent or quit
- (2)  30-day notice to quit
- (3)  60-day notice to quit
- (4)  3-day notice to perform covenants or quit
- (5)  3-day notice to quit
- (6)  Other (specify):

- b. (1) On (date): December 18, 2016 the period stated in the notice expired at the end of the day.
- (2) Defendants failed to comply with the requirements of the notice by that date.

c. All facts stated in the notice are true.

d.  The notice included an election of forfeiture.

e.  A copy of the notice is attached and labeled Exhibit 2. (Required for residential property. See Code Civ. Proc., § 1166.)

f.  One or more defendants were served (1) with a different notice, (2) on a different date, or (3) in a different manner, as stated in Attachment 8c. (Check item 8c and attach a statement providing the information required by items 7a-e and 8 for each defendant.)

8. a.  The notice in item 7a was served on the defendant named in item 7a as follows:

- (1)  by personally handing a copy to defendant on (date):
- (2)  by leaving a copy with (name or description):  
a person of suitable age and discretion, on (date): at defendant's  
 residence  business AND mailing a copy to defendant at defendant's place of residence on  
(date): because defendant cannot be found at defendant's residence or usual  
place of business.
- (3)  by posting a copy on the premises on (date): November 18, 2016  AND giving a copy to a  
person found residing at the premises AND mailing a copy to defendant at the premises on  
(date): November 18, 2016
  - (a)  because defendant's residence and usual place of business cannot be ascertained OR
  - (b)  because no person of suitable age or discretion can be found there.
- (4)  (Not for 3-day notice; see Civil Code, § 1946 before using) by sending a copy by certified or registered  
mail addressed to defendant on (date):
- (5)  (Not for residential tenancies; see Civil Code, § 1953 before using) in the manner specified in a written  
commercial lease between the parties.

b.  (Name):

was served on behalf of all defendants who signed a joint written rental agreement.

c.  Information about service of notice on the defendants alleged in item 7f is stated in Attachment 8c.

d.  Proof of service of the notice in item 7a is attached and labeled Exhibit 3.

PLAINTIFF (Name): 2H Property 3060, LLC	CASE NUMBER: NC060949
DEFENDANT (Name): Khaled A. Tawansy, M.D., Children's Retina Institute, Renaissance	

- 9.  Plaintiff demands possession from each defendant because of expiration of a fixed-term lease.
- 10.  At the time the 3-day notice to pay rent or quit was served, the amount of rent due was \$
- 11.  The fair rental value of the premises is \$ 500 per day.
- 12.  Defendant's continued possession is malicious, and plaintiff is entitled to statutory damages under Code of Civil Procedure section 1174(b). (State specific facts supporting a claim up to \$600 in Attachment 12.)
- 13.  A written agreement between the parties provides for attorney fees.
- 14.  Defendant's tenancy is subject to the local rent control or eviction control ordinance of (city or county, title of ordinance, and date of passage):

Plaintiff has met all applicable requirements of the ordinances.

- 15.  Other allegations are stated in Attachment 15.
- 16. Plaintiff accepts the jurisdictional limit, if any, of the court.

**17. PLAINTIFF REQUESTS**

- a. possession of the premises.
- b. costs incurred in this proceeding:
- c.  past-due rent of \$ 11,000
- d.  reasonable attorney fees.
- e.  forfeiture of the agreement.
- f.  damages at the rate stated in item 11 from (date): 12/22/16 for each day that defendants remain in possession through entry of judgment.
- g.  statutory damages up to \$600 for the conduct alleged in item 12.
- h.  other (specify):

- 18.  Number of pages attached (specify): \_\_\_\_\_

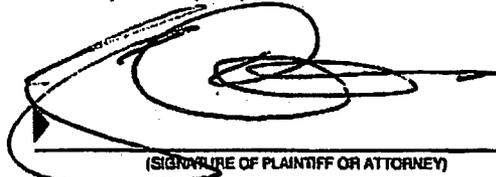
**UNLAWFUL DETAINER ASSISTANT (Bus. & Prof. Code, §§ 6400-6415)**

- 19. (Complete in all cases.) An unlawful detainer assistant  did not  did for compensation give advice or assistance with this form. (If plaintiff has received any help or advice for pay from an unlawful detainer assistant, state:)

- a. Assistant's name:
- b. Street address, city, and zip code:
- c. Telephone No.:
- d. County of registration:
- e. Registration No.:
- f. Expires on (date):

Date: 12/22/16

LAWRENCE R. CAGNEY  
(TYPE OR PRINT NAME)

  
(SIGNATURE OF PLAINTIFF OR ATTORNEY)

**VERIFICATION**

(Use a different verification form if the verification is by an attorney or for a corporation or partnership.)

I am the plaintiff in this proceeding and have read this complaint. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date:

\_\_\_\_\_  
(TYPE OR PRINT NAME)

 \_\_\_\_\_  
(SIGNATURE OF PLAINTIFF)

VERIFICATION

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am a manager of 2H Property 3060, LLC, a California Limited Liability Company and have read the foregoing COMPLAINT - UNLAWFUL DETAINER. The information supplied therein is based on my own personal knowledge and/or has been supplied by my attorneys or other agents and/or compiled from available documents and is therefore provided as required by law.

The information contained in the foregoing document is true, except as to the matters which were provided by my attorneys or other agents or compiled from available documents, including all contentions and opinions, and, as to those matters, I am informed and believe that they are true.

Executed on December 21, 2016, at Signal Hill, California. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

SEAN R. HITCHCOCK

Type or Print Name

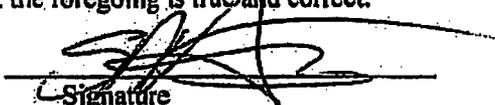
  
Signature

Exhibit "1"

## STANDARD SUBLEASE AGREEMENT

1. Parties. This Sublease, dated, for reference purposes only, 6/1 2015 is made by and between Jenifer K. R. Schat MD Inc. (herein called "Sublessor") and Khaleel Toure MD/Children's Ketona Test Tube (herein called "Sublessee").

2. Premises. Sublessor hereby subleases to Sublessee and Sublessee hereby subleases from Sublessor for the term, at the rental, and upon all of the conditions set forth herein, that certain real property situated in the County of Long Beach, State of California, commonly known as 3201 Long Beach Blvd Long Beach and described as 3201 Long Beach Blvd Long Beach CA and described as 3201 Long Beach Blvd Long Beach CA and described as 3201 Long Beach Blvd Long Beach CA Said real property, including the land and all improvements thereon is hereinafter called the "Premises".

3. Term.

3.1 Term. The term of this Sublease shall be for one year, commencing on 6/1/2015 unless sooner terminated pursuant to any provision hereof.

3.2 Delay In Commencement. Notwithstanding said commencement date, if for any reason Sublessor cannot deliver possession of the Premises to Sublessee on said date, Sublessor shall not be subject to any liability therefore, nor shall such failure affect the validity of this Lease or the obligations of Sublessee hereunder or extend the term hereof, but in such case Sublessee shall not be obligated to pay rent until possession of the Premises is tendered to Sublessee; provided, however, that if Sublessor shall not have delivered possession of the Premises within sixty (60) days from said commencement date, Sublessee may, at Sublessee's option, by notice in writing to Sublessor within ten (10) days thereafter, cancel this Sublease, in which event the parties shall be discharged from all obligations thereunder. If Sublessee occupies the Premises prior to said commencement date, such occupancy shall be subject to all provisions hereof, such occupancy shall not advance the termination date and Sublessee shall pay rent for such period at the initial monthly rates set forth below.

4. Rent. Sublessee shall pay to Sublessor as rent for the Premises equal monthly payments of \$ 15,000 in advance, on the FIRST day of each month of the term hereof. Sublessee shall pay Sublessor upon the execution hereof \$ 15,000 as rent for JUNE 2015. Rent for any period during the term hereof which is for less than one month shall be a prorata portion of the monthly installment. Rent shall be payable in lawful money of the United States to Sublessor at the address stated herein or to such other persons or at such other places as Sublessor may designate in writing.

5. Security Deposit. Sublessee shall deposit with Sublessor upon execution hereof \$ 11,000 as security for Sublessee's faithful performance of Sublessee's obligations hereunder. If Sublessee fails to pay rent or other charges due hereunder, or otherwise defaults with respect to any provision of this Sublease, Sublessor, may use, apply or retain all or any portion of said deposit for the payment of any rent or other charge in default or for the payment of any other sum to which Sublessor may become obligated by reason of Sublessee's default, or to compensate Sublessor for any loss or damage which Sublessor may suffer thereby. If Sublessor so uses or applies all or any portion of said deposit, Sublessee shall within ten (10) days after written demand therefore deposit cash with Sublessor in an amount sufficient to restore said deposit to the full amount hereinabove stated and Sublessee's failure to do so shall be a material breach of this Sublease. Sublessor shall not be required to keep said deposit separate from its general accounts. If Sublessee performs all of Sublessee's obligations hereunder, said deposit, or so much thereof as has not theretofore been applied by Sublessor, shall be returned, without payment of interest or other increment for its use to Sublessee (or at Sublessor's option, to the last assignee, if any, of Sublessee's interest hereunder) at the expiration of the term hereof, and after Sublessee has vacated the Premises. No trust relationship is created herein between Sublessor and Sublessee with respect to said Security Deposit.

### 6. Use.

6.1 Use. The Premises shall be used and occupied only for

medical office

and for no other purpose.

## 6.2 Compliance with Law.

(a) Sublessor warrants to Sublessee that the Premises, in its existing state, but without regard to the use for which Sublessee will use the Premises, does not violate any applicable building code regulation or ordinance at the time that this Sublease is executed. In the event that it is determined that this warranty has been violated, then it shall be the obligation of the Sublessor, after written notice from Sublessee, to promptly, at Sublessor's sole cost and expense, rectify any such violation. In the event that Sublessee does not give to Sublessor written notice of the violation of this warranty within 1 year from the commencement of the term of this Sublease, it shall be conclusively deemed that such violation did not exist and the correction of the same shall be the obligation of the Sublessee.

(b) Except as provided in paragraph 6.2(a), Sublessee shall, at Sublessee's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, Orders, restrictions of record, and requirements in effect during the term or any part of the term hereof regulating the use by Sublessee of the Premises. Sublessee shall not use or permit the use of the Premises in any manner that will tend to create waste or a nuisance or, if there shall be more than one tenant of the building containing the Premises, which shall tend to disturb such other tenants.

6.3 Condition of Premises. Except as provided in paragraph 6.2(a) Sublessee hereby accepts the Premises in their condition existing as of the date of the execution hereof, subject to all applicable zoning, municipal, county and state laws, ordinances, and regulations governing and regulating the use of the Premises, and accepts this Sublease subject thereto and to all matters disclosed thereby and by any exhibits attached hereto. Sublessee acknowledges that neither Sublessor nor Sublessor's agents have made any representation or warranty as to the suitability of the Premises for the conduct of Sublessee's business.

## 7. Master Lease

7.1 Sublessor is the lessee of the premises by virtue of a lease, hereinafter referred to as the "Master Lease", a copy of which is attached hereto marked Exhibit 1. Dated 5/1, 2015 wherein JK Piv Augusta is the lessor, hereinafter referred to as the "Master Lessor".

7.2 This Sublease is and shall be at all times subject and subordinate to the Master Lease.

7.3 The terms, conditions and respective obligations of Sublessor and Sublessee to each other under this Sublease shall be the terms and conditions of the Master Lease except for those provisions of the Master Lease which are directly contradicted by this Sublease in which event the terms of this Sublease document shall control over the Master Lease. Therefore, for the purposes of this Sublease, wherever in the Master Lease the word "Lessor" is used it shall be deemed to mean the Sublessor herein and wherever in the Master Lease the word "Lessee" is used it shall be deemed to mean the Sublessee herein.

7.4 During the term of this Sublease and for all periods subsequent for obligations which have arisen prior to the termination of this Sublease Sublessee does hereby expressly assume and agree to perform and comply with, for the benefit of Sublessor and Master Lessor, each and every obligation of Sublessor under the Master Lease except for the following paragraphs which are excluded therefrom:

7.5 The obligations that Sublessee has assumed under paragraph 7.4 hereof are hereinafter referred to as the "Sublessee's Assumed Obligations". The obligations that Sublessee has not assumed under paragraph 7.4 hereof are hereinafter referred to as the "Sublessor's Remaining Obligations".

7.6 Sublessee shall hold Sublessor free and harmless of and from all liability, judgments, costs, damages, claims or demands, including reasonable attorneys fees, arising out of Sublessee's failure to comply with or perform Sublessee's Assumed Obligations.

7.7 Sublessor agrees to maintain the Master Lease during the entire term of this Sublease, subject, however, to any earlier termination of the Master Lease without the fault of the Sublessor, and to comply with or perform Sublessor's Remaining Obligations and to hold Sublessee free and harmless of and from all liability, judgments, costs, damages, claims or demands arising out of Sublessor's failure to comply with or perform Sublessor's Remaining Obligations.

7.8 Sublessor represents to Sublessee that the Master Lease is in full force and effect and that no default exists on the part of any party to the Master Lease.

## 8. Assignment of Sublease and Default.

8.1 Sublessor hereby assigns and transfers to Master Lessor the Sublessor's interest in this Sublease and all rentals and income arising therefrom, subject however to terms of Paragraph 8.2 hereof.

8.2 Master Lessor, by executing this document, agrees that until a default shall occur in the performance of Sublessor's Obligations under the Master Lease, that Sublessor may receive, collect and enjoy the rents accruing under this Sublease. However, if Sublessor shall default in the performance of its obligations to Master Lessor then Master Lessor may, at its option, receive and collect, directly from Sublessee, all rent owing and to be owed under this Sublease. Master Lessor shall not, by reason of this assignment of the Sublease nor by reason of the collection of the rents from the Sublessee, be deemed liable to Sublessee for any failure of the Sublessor to perform and comply with Sublessor's Remaining Obligations.

8.3 Sublessor hereby irrevocably authorizes and directs Sublessee, upon receipt of any written notice from the Master Lessor stating that a default exists in the performance of Sublessor's obligations under the Master Lease, to pay to Master Lessor the rents due and to become due under the Sublease. Sublessor agrees that Sublessee shall have the right to rely upon any such statement and request from Master Lessor, and that Sublessee shall pay such rents to Master Lessor without any obligation or right to inquire as to whether such default exists and notwithstanding any notice from or claim from Sublessor to the contrary and Sublessor shall have no right or claim against Sublessee for any such rents so paid by Sublessee.

8.4 No changes or modifications shall be made to this Sublease without the consent of Master Lessor.

#### 9. Consent of Master Lessor.

9.1 In the event that the Master Lease requires that Sublessor obtain the consent of Master Lessor to any subletting by Sublessor then, this Sublease shall not be effective unless, within 10 days of the date hereof, Master Lessor signs this Sublease thereby giving its consent to this Subletting.

9.2 In the event that the obligations of the Sublessor under the Master Lease have been guaranteed by third parties then this Sublease, nor the Master Lessor's consent, shall not be effective unless, within 10 days of the date hereof, said guarantors sign this Sublease thereby giving guarantors consent to this Sublease and the terms thereof.

9.3 In the event that Master Lessor does give such consent then:

(a) Such consent will not release Sublessor of its obligations or alter the primary liability of Sublessor to pay the rent and perform and comply with all of the obligations of Sublessor to be performed under the Master Lease.

(b) The acceptance of rent by Master Lessor from Sublessee or any one else liable under the Master Lease shall not be deemed a waiver by Master Lessor of any provisions of the Master Lease.

(c) The consent to this Sublease shall not constitute a consent to any subsequent subletting or assignment.

(d) In the event of any default of Sublessor under the Master Lease, Master Lessor may proceed directly against Sublessor, any guarantors or any one else liable under the Master Lease or this Sublease without first exhausting Master Lessor's remedies against any other person of, entity liable thereon to Master Lessor.

(e) Master Lessor may consent to subsequent sublettings and assignments of the Master Lease or this Sublease or any amendments or modifications thereto without notifying Sublessor nor any one else liable under the Master Lease and without obtaining their consent and such action shall not relieve such persons from liability.

(f) In the event that Sublessor shall default in its obligations under the Master Lease, then Master Lessor, at its option and without being obligated to do so, may require Sublessee to atton to Master Lessor in which event Master Lessor shall undertake the obligations of Sublessor under this Sublease from the time of the exercise of said option to termination of this Sublease but Master Lessor shall not be liable for any prepaid rents nor any security deposit paid by Sublessee, nor shall Master Lessor be liable for any other defaults of the Sublessor under the Sublease.

9.4 The signatures of the Master Lessor and any Guarantors of Sublessor at the end of this document shall constitute their consent to the terms of this Sublease.

9.5 Master Lessor acknowledges that, to the best of Master Lessor's knowledge, no default presently exists under the Master Lease of obligations to be performed by Sublessor and that the Master Lease is in full force and effect.

9.6 In the event that Sublessor defaults under its obligations to be performed under the Master Lease by Sublessor, Master Lessor agrees to deliver to Sublessee a copy of any such notice of default. Sublessee shall have the right to cure any default of Sublessor described in any notice of default within ten days after service of

such notice of default on Sublessee. If such default is cured by Sublessee then Sublessee shall have the right of reimbursement and offset from and against Sublessor.

10. Insurance: Sublessee must maintain insurance to cover any losses sustained to Sublessee's property, vehicle or expenses relating to the necessity to relocate or any other losses. Sublessor does not maintain this insurance to cover property damage or relocation expenses caused by fire, theft, rain, infestation, water overflow/leakage, acts of GOD, and/or any other causes. It is acknowledged that Sublessor is not liable for these occurrences. It is acknowledged that sublessee insurance policy shall solely indemnify sublessee for any losses sustained. Sublessee's failure to maintain said policy shall be a complete waiver of sublessee's right to seek damages against sublessor for the above stated losses. The parties acknowledge that the premises are not to be considered a security building which would hold sublessor to a higher degree of care.

Executed at: Long Beach

On: 6/1/2015

Address: 3200 Long Beach Blvd.

Long Beach, CA 90807

By: Jennifer K. R. Sohal MD

  
\_\_\_\_\_  
(Signature)

Executed at: \_\_\_\_\_

On: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

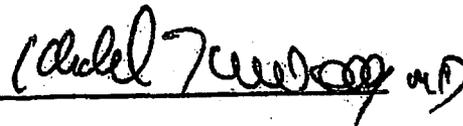
By:   
\_\_\_\_\_  
(Signature)

Exhibit "2"

Date: November 18, 2016

TO: Khaled A. Tawansy, M.D.  
3200 Long Beach Boulevard  
Long Beach, California 90807

Khaled A. Tawansy, M.D.  
dba Children's Retina Institute  
3200 Long Beach Boulevard  
Long Beach, California 90807

Renaissance Surgical Holdings, LLC  
3200 Long Beach Boulevard  
Long Beach, California



2H Property 3060, LLC  
2H Property 4101, LLC  
Spring Property, LLC

You are hereby notified that pursuant to Civ. Code, § 1946 that the tenancy from month-to-month under which you hold the possession of the premises described in this notice is terminated thirty (30) days after service on you of this notice.

By this notice you are required to quit and deliver up the possession of the described premises to the undersigned lessor, who is authorized to receive possession of the premises on or before the expiration of the thirty (30) days' period.

You are further notified that it is the purpose and intent of this notice to terminate the tenancy at the expiration of the thirty (30) days' period, and that if at the expiration of that period you fail to quit the premises and deliver up possession of the premises to 2H Property 3060, LLC will institute legal proceedings for unlawful detainer against you to recover possession of the premises.

The premises that are the subject of this notice are:

**PARCEL 1:**

LOTS 17, 18 AND 19 IN BLOCK "A" OF TRACT 2901, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36 PAGE(S) 63 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TOGETHER WITH THAT PORTION OF THE WESTERLY HALF OF THAT CERTAIN ALLEY, 20 FEET WIDE, AS SHOWN AND DEDICATED UPON THE MAP OF SAID TRACT NO. 2901, WHICH ADJOINS SAID LOTS ON THE EAST, VACATED BY RESOLUTION NO. C-22311 OF THE CITY COUNCIL OF SAID CITY, A COPY OF WHICH WAS RECORDED AUGUST 1, 1977 AS INSTRUMENT NO. 77-853919, BOUNDED NORTHERLY BY THE EASTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID LOT 17, AND BOUNDED SOUTHERLY BY THE EASTERLY PROLONGATION OF THE SOUTHERLY LINE OF SAID LOT 19, EXCEPT THEREFROM ALL OIL, MINERALS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND LYING BELOW A DEPTH OF 500

Exhibit 2

FEET FROM THE SURFACE, WITHOUT HOWEVER, THE RIGHT TO USE ANY PART OF THE SURFACE THEREOF, AS EXCEPTED AND RESERVED IN VARIOUS DEEDS RECORDED JULY 17, 1964.

**PARCEL 2:**

LOTS 36, 37 AND 38 IN BLOCK "A" OF TRACT 2901, AS PER MAP RECORDED IN BOOK 36, PAGE 63 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TOGETHER WITH THAT PORTION OF THE EASTERLY HALF OF THAT CERTAIN ALLEY, 20 FEET WIDE, AS SHOWN AND DEDICATED UPON THE MAP OF SAID TRACT 2901, WHICH ADJOINS SAID LOTS ON THE WEST, VACATED BY RESOLUTION NO. C-2231 OF THE CITY COUNCIL OF SAID CITY, A COPY OF WHICH RECORDED AUGUST 1, 1977 AS INSTRUMENT NO. 77-833919, BOUNDED NORTHERLY BY THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID LOT 36, AND BOUNDED SOUTHERLY BY THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF SAID LOT 38.

Dated: November 18, 2016.

2H PROPERTY 3060, LLC

By:

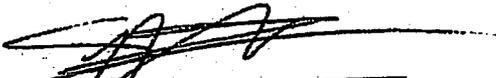
  
Sean R. Hitchcock

Exhibit "3"

ATTORNEY OR PARTY WITHOUT ATTORNEY: STATE BAR NO. 141845 NAME: LAWRENCE R. CAGNEY FIRM NAME: KRIEGER & KRIEGER, A Law Corporation STREET ADDRESS: 249 E. Ocean Boulevard, Suite 750 CITY: LONG BEACH STATE: CA ZIP CODE: 90802 TELEPHONE NO.: 562-901-2500 FAX NO.: 562-901-2522 E-MAIL ADDRESS: lrc@kriegerlaw.com ATTORNEY FOR (Name): 2H Construction, Inc.	FOR COURT USE ONLY
SUPERIOR COURT OF CALIFORNIA, COUNTY OF STREET ADDRESS: 275 Magnolia Ave. MAILING ADDRESS: 275 Magnolia Ave. CITY AND ZIP CODE: Long Beach 90802 BRANCH NAME: Governor George Deukmejian Courthouse	CASE NUMBER
Plaintiff/Petitioner: 2H Property 3060, LLC Defendant/Respondent: Khaled A. Tawansy, M.D., et al.	JUDICIAL OFFICER:
<p style="text-align: center;"><b>PROOF OF SERVICE—CIVIL</b></p> Check method of service (only one): <input checked="" type="checkbox"/> By Personal Service <input checked="" type="checkbox"/> By Mail <input type="checkbox"/> By Overnight Delivery <input type="checkbox"/> By Messenger Service <input type="checkbox"/> By Fax	DEPARTMENT:

*Do not use this form to show service of a summons and complaint or for electronic service.  
See USE OF THIS FORM on page 3.*

1. At the time of service I was over 18 years of age and not a party to this action.
2. My residence or business address is: 2653 Walnut Ave., Signal Hill 90755
3.  The fax number from which I served the documents is (complete if service was by fax):
4. On (date): November 18, 2016 I served the following documents (specify): 30-DAY NOTICE OF TERMINATION OF MONTH-TO-MONTH TENANCY AND NOTICE TO QUIT  
  
 The documents are listed in the Attachment to Proof of Service—Civil (Documents Served) (form POS-040(D)).
5. I served the documents on the person or persons below, as follows:
  - a. Name of person served: Khaled A. Tawansy, M.D.; Children's Retina Institute; and Renaissance Surgical Holdings, LLC.
  - b.  (Complete if service was by personal service, mail, overnight delivery, or messenger service.)  
 Business or residential address where person was served: 3200 Long Beach Boulevard, Long Beach, CA 90807, 1) by mail to each of the persons and entities listed in 5a at the premises, and 2) by posting a copy conspicuously on the premises between 9:00 a.m. and 5:00 p.m.
  - c.  (Complete if service was by fax.)  
 (1) Fax number where person was served:  
  
 (2) Time of service:  
 The names, addresses, and other applicable information about persons served is on the Attachment to Proof of Service—Civil (Persons Served) (form POS-040(P)).
6. The documents were served by the following means (specify):
  - a.  By personal service. I personally delivered the documents to the persons at the addresses listed in item 5. (1) For a party represented by an attorney, delivery was made (a) to the attorney personally; or (b) by leaving the documents at the attorney's office, in an envelope or package clearly labeled to identify the attorney being served, with a receptionist or an individual in charge of the office; or (c) if there was no person in the office with whom the notice or papers could be left, by leaving them in a conspicuous place in the office between the hours of nine in the morning and five in the evening. (2) For a party, delivery was made to the party or by leaving the documents at the party's residence with some person not younger than 18 years of age between the hours of eight in the morning and six in the evening.

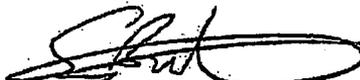
CASE NAME	CASE NUMBER
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6. b.  By United States mail. I enclosed the documents in a sealed envelope or package addressed to the persons at the addresses in item 5 and (specify one):
- (1)  deposited the sealed envelope with the United States Postal Service, with the postage fully prepaid.
  - (2)  placed the envelope for collection and mailing, following our ordinary business practices. I am readily familiar with this business's practice for collecting and processing correspondence for mailing. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, in a sealed envelope with postage fully prepaid.
- I am a resident or employed in the county where the mailing occurred. The envelope or package was placed in the mail at (city and state): Signal Hill, California
- c.  By overnight delivery. I enclosed the documents in an envelope or package provided by an overnight delivery carrier and addressed to the persons at the addresses in item 5. I placed the envelope or package for collection and overnight delivery at an office or a regularly utilized drop box of the overnight delivery carrier.
  - d.  By messenger service. I served the documents by placing them in an envelope or package addressed to the persons at the addresses listed in item 5 and providing them to a professional messenger service for service. (A declaration by the messenger must accompany this Proof of Service or be contained in the Declaration of Messenger below.)
  - e.  By fax transmission. Based on an agreement of the parties to accept service by fax transmission, I faxed the documents to the persons at the fax numbers listed in item 5. No error was reported by the fax machine that I used. A copy of the record of the fax transmission, which I printed out, is attached.

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

Date: December 21, 2016

Ericka Burton  
(TYPE OR PRINT NAME OF DECLARANT)

  
(SIGNATURE OF DECLARANT)

(If item 6d above is checked, the declaration below must be completed or a separate declaration from a messenger must be attached.)

<b>SUPERIOR COURT OF CALIFORNIA COUNTY OF LOS ANGELES</b>		RETURNED TO CLERK OF THE STENOGRAPHIC <b>CONFIRMED COPY</b> <b>ORIGINAL FILED</b> Superior Court Of California County Of Los Angeles  DEC 22 2016 Sherri R. Carter, Executive Officer/Clerk By <u>James B. James</u> , Deputy B. James
COURTHOUSE ADDRESS:	Governor George Deukmejian Courthouse 275 Magnolia	
PLAINTIFF:	Long Beach, CA 90802	
DEFENDANT:		CASE NUMBER: <b>NC060949</b>
<b>NOTICE OF CASE MANAGEMENT CONFERENCE</b>		

TO THE PLAINTIFF(S)/ATTORNEY(S) FOR PLAINTIFF(S) OF RECORD:

You are ordered to serve this notice of hearing on all parties/attorneys of record forthwith, and meet and confer with all parties/attorneys of record about the matters to be discussed no later than 30 days before the Case Management Conference.

Your Case Management Conference has been scheduled at the courthouse address shown above on:

Date: <u>5/22/17</u>	Time: 8:30	Dept: 27
----------------------	------------	----------

NOTICE TO DEFENDANT: THE SETTING OF THE CASE MANAGEMENT CONFERENCE DOES NOT EXEMPT THE DEFENDANT FROM FILING A RESPONSIVE PLEADING AS REQUIRED BY LAW.

Pursuant to California Rules of Court, rules 3.720-3.730, a completed Case Management Statement (Judicial Council form # CM-110) must be filed at least 15 calendar days prior to the Case Management Conference. The Case Management Statement may be filed jointly by all parties/attorneys of record or individually by each party/attorney of record. You must be familiar with the case and be fully prepared to participate effectively in the Case Management Conference.

At the Case Management Conference, the Court may make pretrial orders including the following, but not limited to, an order establishing a discovery schedule; an order referring the case to Alternative Dispute Resolution (ADR); an order reclassifying the case; an order setting subsequent conference and the trial date; or other orders to achieve the goals of the Trial Court Delay Reduction Act (Gov. Code, § 68600 et seq.)

Notice is hereby given that if you do not file the Case Management Statement or appear and effectively participate at the Case Management Conference, the Court may impose sanctions, pursuant to LASC Local Rule 3.37, Code of Civil Procedure sections 177.5, 575.2, 583.150, 583.360 and 583.410, Government Code section 68608, subdivision (b), and California Rules of Court, rule 2.2 et seq.

Dated: 12/22/16

Judge Ross M. Klein  
Judicial Officer

**CERTIFICATE OF SERVICE**

I, the below named Executive Officer/Clerk of the above-entitled court, do hereby certify that I am not a party to the cause herein, and that on this date I served the Notice of Case Management Conference upon each party or counsel named below:

- by depositing in the United States mail at the courthouse in Long Beach, California, one copy of the original filed herein in a separate sealed envelope to each address as shown below with the postage thereon fully prepaid.
- by personally giving the party notice upon filing of the complaint.

SHERRI R. CARTER, Executive/Officer Clerk

Dated: 12/22/16

By James  
Deputy Clerk

**NOTICE OF  
CASE MANAGEMENT CONFERENCE**

# EXHIBIT "U"

1 LAWRENCE R. CAGNEY, BAR NO. 141845  
2 LRC@Kriegerlaw.com  
3 PATRICK A. GANGITANO, BAR NO. 281867  
4 PAG@Kriegerlaw.com  
5 **KRIEGER & KRIEGER**, A Law Corp.  
6 249 E. Ocean Boulevard, Suite 750  
7 Long Beach, California 90802  
8 Tel: (562) 901-2500 Fax: (562) 901-2522

Donald E. Karpel, Esq. BAR NO 61678  
LAW OFFICES OF ZELNER & KARPEL  
16633 Ventura Boulevard, Suite 735  
Encino, California 91436  
Tel: (310) 273-8444  
Fax: (323) 720-8852

Attorneys for Defendants

Attorneys for Plaintiff  
2H PROPERTY 3060, LLC

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
9  
10 FOR THE COUNTY OF LOS ANGELES-SOUTH DISTRICT

11 2H PROPERTY 3060, LLC, a California  
12 Limited Liability Company,

13 Plaintiff,

14 vs.

15 KHALED A. TAWANSY, M.D., an individual,  
16 CHILDREN'S RETINA INSTITUTE, a  
17 business entity, type unknown, and  
18 RENAISSANCE SURGICAL HOLDINGS,  
19 LLC, a California Limited Liability Company,

20 Defendants.

) Case No. NC060962  
) Assigned to the Hon. Michael P. Vicencia -  
) Dept. 26

) **[UNLAWFUL DETAINER ACTION]**

) **STIPULATION:**

- ) 1) **VACATING TRIAL DATE;**  
) 2) **TRANSFERRING CASE NO.**  
) **NC060799 TO DEPT. S-26;**  
) 3) **CONSOLIDATING ACTIONS FOR**  
) **TRIAL; AND**  
) 4) **REQUIRING DEFENDANTS'**  
) **DEPOSITS TO ESCROW IN**  
) **COURT**

21  
22  
23 It is hereby stipulated by and between Plaintiff 2H PROPERTY 3060, LLC ("2H") on the  
24 one hand, and KHALED A. TAWANSY, M.D., CHILDREN'S RETINA INSTITUTE, and  
25 RENAISSANCE SURGICAL HOLDINGS, LLC (collectively "Defendants") on the other hand as  
26 follows:  
27  
28



1           4. Defendants shall be entitled to continue in possession of the office suite comprising  
2 the southernmost approximately one-third of the Property, which they currently occupy ("the  
3 Medical Office") pending the disposition of this action and 2H shall not unreasonably interfere  
4 with Defendants' use of the Medical Office in the furtherance of their medical practice.

5           5. Plaintiff shall be entitled to exclusive control of the currently unoccupied suites  
6 comprising the remainder of the Property and shall be entitled to construct improvements of high  
7 quality, as determined in 2H's sole discretion, therein, so long as such activities do not  
8 unreasonably interfere with Defendants' customary use of the Medical Office. Such improvements  
9 shall be relinquished to Defendants free of liens for labor or materials if, and only if, Defendants  
10 obtain a final judgment against 2H in their favor in the above-entitled action stating that  
11 Defendants are the lawful owners of the Property.

12           6. Plaintiff shall further be entitled to improve the facades and other exteriors of the  
13 buildings on the Property and make general site improvements so long as such activities do not  
14 unreasonably interfere with Defendants' use of the Medical Office in the furtherance of  
15 Defendants' medical practice.

16           7. If Defendants are determined to be the lawful owners of the Property in the above-  
17 entitled action, they shall be entitled to an order releasing the funds deposited pursuant to  
18 Paragraph 1 above upon the entry of a final judgment in their favor.

19           8. Nothing contained herein shall constitute an admission by either party of any  
20 contested issues in the above-entitled case.

21           9. The February 16, 2017 trial date of the above-entitled action shall be vacated.

22           10. The related matter of JK Per Augusta ad Felicitas, LLC v. Kuska, LASC Case No.  
23 NC 060799 shall be transferred from Department S-27 to Department S-26 for trial concurrently  
24 with the above-entitled action.

25           11. A case management conference shall be held herein on February 23, 2017 at which  
26 the Court will set a date for the trial of both JK Per Augusta ad Felicitas, LLC v. Kuska, LASC  
27 Case No. NC 060799, and the above-captioned action.

28

1 Dated: February 16, 2017

  
KHALED A. TAWANSY, M.D.

2  
3 Dated: February 16, 2017

  
CHILDREN'S RETINA INSTITUTE  
By: KHALED A. TAWANSY, M.D.

4  
5  
6  
7 Dated: February 16, 2017

  
RENAISSANCE SURGICAL HOLDINGS,  
LLC  
By: KHALED A. TAWANSY, M.D.

8  
9  
10  
11  
12 Dated: February \_\_, 2017

2H PROPERTY 3060, LLC  
By: SEAN R. HITCHCOCK

13  
14  
15  
16 **APPROVED AS TO FORM AND CONTENT**

17  
18 Dated: February 16, 2017

  
DONALD R. KARPEL,  
Attorneys for KHALED A. TAWANSY,  
M.D., CHILDREN'S RETINA INSTITUTE,  
and RENAISSANCE SURGICAL  
HOLDINGS, LLC

19  
20  
21  
22  
23 Dated: February \_\_, 2017

LAWRENCE R. CAGNEY  
KRIEGER & KRIEGER  
Law Corporation Attorneys for Plaintiff 2H  
PROPERTY 3060, LLC

24  
25  
26  
27  
28

# EXHIBIT "V"

1 DONALD KARPEL (SBN 61678)  
2 ZELNER AND KARPEL  
3 16633 Ventura Blvd. Suite 735  
4 Encino, CA  
5 310-273-8444 (Tel)  
6 323-720-8852  
7 dkarpel@deklawfirm.com  
8 Attorney for Defendant Khaled A. Tawansy, An Individual

9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
10 **FOR THE COUNTY OF LOS ANGELES-SOUTH DISTRICT**

11 **JK PER ANGUSTA AD FELICITAS, LLC, )**  
12 **a California Limited Liability Company )**

13 **Plaintiff, )**

14 **vs. )**

15 **MARGARET KUSKA, an Individual; )**  
16 **CAROLINE WARNER TUGEL, an )**  
17 **Individual; RICHARD S. WARNER AND )**  
18 **TARA J. WARNDER, Trustees of the )**  
19 **RICHARD S. WARNER AND TRA J. )**  
20 **WARNER FAMILY TRUST 1993; )**  
21 **KHALED A. TAWANSY, an Individual )**  
22 **AND DOES 1-20 INCLUSIVE, )**

23 **Defendants. )**

24 **KHALED A. TAWANSY, an )**  
25 **Individual, )**

26 **Cross Complainant, )**

27 **Vs. )**

28 **JENNIFER SOHOL, an Individual; JK PER )**  
**ANGUSTA AD FELISCITAS )**  
**LLC, a California Limited )**  
**Liability Company; 2H )**  
**PROPERTY 3060 LLC, A California )**

Case No. NC060799

**FIRST AMENDED CROSS  
COMPLAINT**

Assigned to Honorable Judge  
Ross M. Klein

Dept.27

Case Filed September 09, 2016

**CROSS COMPLAINT FOR:**

- 1) SPECIFIC PERFORMANCE AND TO QUIET TITLE
- 2) RECISSION AND CANCELLATION OF DEED
- 3) FRAUD
- 4) FRAUD
- 5) BREACH OF CONTRACT
- 6) PROMISSORY ESTOPPEL; and
- 7) BREACH OF FIDUCIARY DUTY

First Amended Cross-complainant Khaled A. Tawansy v. Cross-Defendant  
Jennifer SOHOL  
Case NC060799

1 **Limited Liability Company;** )  
 2 **2H CONSTRUCTION, INC., A** )  
 3 **California Corporation; SEAN R.** )  
 4 **HITCHCOCK; ERICKA BURTON; RYAN** )  
 5 **ROTHSTEIN-SERLING, an individual,** )  
 6 **MARCUS & MILLICHAP, an unknown** )  
 7 **corporation; JEFF COBURN, an individual;** )  
 8 **LEE & ASSOCIATES COMMERCIAL** )  
 9 **REAL ESTATE SERVICES, an unknown** )  
 10 **corporation EDWARD S. GELFAND, a** )  
 11 **licensed California attorney; LAWRENCE** )  
 12 **R. CAGNEY, a licensed California attorney,** )  
 13 **and Rows 1 Through 20,** )  
 14 )  
 15 **Cross Defendants.** )  
 16 )

17 1) This Action concerns the title to the following piece of real estate in the City of Long  
 18 Beach (the "PROPERTY"), located at 3200 N. Long Beach Blvd and described as:

19 THE LAND DREFERRED TO HEREIN BELOW IS SITUTATED IN THE COUNTY  
 20 OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

21 PARCEL 1:

22 LOTS 17, 18 AND 19 IN BLOCK "A" OF TRACT 2901, IN THE CITY OF LONG  
 23 BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP  
 24 RECORDED IN BOOK 36 PAGE(S) 83 OF MAPS IN THE OFFICE OF THE COUNTY  
 25 RECORDER OF SAID COUNTY, TOGETHER WITH THAT PORTION OF THE  
 26 WESTERLY HALD OF THAT CERTAIN ALLEY, 20 FEET SIDE, AS SHOWN AND  
 27 DEDICATED UPON THE MAP OF SAID TRACT NO. 2901, WHICH ADJOINS SAID LOTS  
 28 ON THE EAST, VACATED BY RESOLUTION NO. C-22311 OF THE CITY COUNCIL OF  
 SAID CITY, A COPY OF WHICH WAS RECORDED AUGUST 1, 1977 AS INSTRUMENT

1 NO. 77-833919, BOUNDED NORTHELY BY THE EASTERNLY PROLOGNATION OF  
2 THE NORTHERLY LINE OF SAID LOT 17, AND BOUNDED SOUTHERLY BY THE  
3 EASTERLY PROLONGATION OF THE SOUTHERNLY LINE OF SAID LOT 19.

4  
5 EXCEPT THEREON ALL OIL MINERALS, AND OTHER HYDROCARBONS  
6 SUSTANCES IN AND UNDER SAID LAND LYING BELOW A DEPTH OF 500 FEET  
7 FROM THE SURFACE, WITHOUT HOWEVER, THE RIGHT TO USE ANY PART OF THE  
8 SURFACE THEREOF, AS EXCEPTED AND RESERVED IN VARIOUS DEEDS  
9 RECORDED ON JUNE 17, 1964.

10  
11 PARCEL 2:

12  
13 LOTS 36, 27 AND 38 IN BLOCK "A" OF TRACT 2901, AS PER MAP RECORDED  
14 IN BLOOK 36, PAGE 63 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF  
15 SAID o SAID COUNTY WITH THAT PORTION OF THE EASTERLY HALF OF THAT  
16 CERTAIN ALLYE, 20 FEET WIDE, AS SHOWN AND DEDICATED UPON THE MAP OF  
17 SAID TRACT 2901, WHICH ADJOINS SAID LOTS ON THE WEST, VACATED BY  
18 RESOLUTION NO. C-2231 OF THE CITY COUNCIL OF SAID CITY, A COPY OF WHICH  
19 RECORDED AUGUST 1, 1977 AS INSTRUMENT NO. 77-833919, BOUNDED NORTHERY  
20 BY THE WESTERLY PROLOGATION OF THE NORTHERLY LINE OF SAID LOT 36,  
21 AND BOUNDED SOUTHERLY BY THE WETERLY PROLOGATION OF THE  
22 SOUTHERLY LINE OF SAID LOT 39.

23  
24  
25 2) Defendant and Cross-complainant Khaled A. Tawansy, referred to herein as Dr.  
26 Tawansy, is a doctor licensed in the State of California with a practice devoted to the Retina,  
27 adult and pediatric Vitreo-Retinal Surgery, Diabetic and Retinal Vascular Surgery Diseases,  
28

1 Retinopathy of Prematurity and Congenital Anomalies, Retinal Detachment and Degenerations,  
2 Trauma and Surgical Complications, and Inflammatory and Infectious Diseases; Dr. Tawansy is  
3 a resident of Los Angeles County.  
4

5 3) Dr. Jennifer Kaur Rodriguez SOHOL, a named Plaintiff and a Cross-Defendant herein,  
6 is a licensed doctor in the State of California, and a resident of Los Angeles County.  
7

8 4) Cross-Defendant JK PER ANGUSTA AD FELICITAS, LLC is a Limited Liability  
9 Company organized and existing in the State of California, formed on February 11, 2014 as  
10 entity number 20140431053.  
11

12 5) Cross-Defendant 2H Property 3060, LLC is a California Limited Liability Company,  
13 doing business in the City of Long Beach California.

14 6) Cross-Defendant 2H Construction Inc. is a California corporation doing business in the  
15 City of Long Beach California.  
16

17 7) Cross-Defendant Sean R. Hitchcock is a resident of the county of Los Angeles and  
18 does business in Long Beach California.  
19

20 8) Cross-Defendant Erika Burton is a resident of the County of Los Angeles and does  
21 business the City of Long Beach, California.

22 9) Cross-Defendant Ryan Rothstein-Serling is a resident of the county of Los Angeles  
23 and does business in Long Beach California as a California licensed real estate salesperson.  
24

25 10) Cross-Defendant Marcus & Millichap is an unknown corporate entity acting as a  
26 licensed California real estate broker and maintaining an office in Los Angeles County, and  
27 acted as the broker for Cross-Defendant Rothstein-Serling in the sale of the PROPERTY.  
28

1           11) Cross-Defendant Jeff Coburn is a resident of the county of Los Angeles and does  
2 business in Long Beach California as a California licensed real estate salesperson.

3  
4           12) Cross-Defendant Lee & Associates is an unknown corporate entity acting as a  
5 licensed California real estate broker maintaining an office in Los Angeles County, and acted as  
6 the broker for Cross-Defendant Coburn in the sale of the PROPERTY.

7  
8           13) Cross-Defendant Edward S. Gelfand is a California licensed lawyer practicing law in  
9 Los Angeles County.

10           14) Cross-Defendant Lawrence R. Cagney is a California licensed lawyer practicing law  
11 in Los Angeles County.

12  
13           15) Each of the Roe 1-20 Cross-Defendants were somehow involved in this transaction  
14 and acted as co-conspirators or aiders and abettors of the acts complained of herein, or as agents  
15 of the other cross-cross defendants. The names of these entities are not now know. When  
16 ascertained this complaint will be amended to include the names of said Roe 1-20 cross  
17 defendants.

18  
19           16) The two parcels of real property at issue herein (the "PROPERTY") is unique in that  
20 it is located less than two blocks from Long Beach Memorial Hospital and the Millers Children's  
21 Institute at Long Beach Memorial. The PROPERTY is unique in that it is the intention of Dr.  
22 Tawansy to occupy the PROPERTY for his medical practice. There is no other parcel of real  
23 estate that can accomplish what is needed by Dr. Tawansy. As a result, the PROPERTY must be  
24 reconveyed to him as it is unique.

25  
26  
27           17) During 2014, Dr. Tawansy and Dr. SOHOL lived together in Dr. Tawansy's home in  
28 Pasadena, as they had for many years.

1 18) Since June 1, 2012, and until June 17, 2014, Dr. Tawansy owned free and clear title  
2 to the PROPERTY.

3  
4 19) Dr. SOHOL created Cross-Defendant JK PER ANGUSTA AD FELICITAS, LLC  
5 (“JK PER ANGUSTA”) on or about February 11, 2014 at the direction of Dr. Tawansy.

6  
7 20) When JK PER ANGUSTA AD FELICITAS LLC was formed it had as its location,  
8 the offices of Dr. Tawansy at 7447 N. Figueroa St. Suite 200, Los Angeles, CA 90041, indicating  
9 his interest in the JK PER ANGUSTA.

10  
11 21) In setting up JK PER ANGUSTA Ad Felicitas, LLC, that Dr. SOHOL represented  
12 that the J stood for her name, Jennifer and that the K stood for Dr. Tawansy’s name, Khalid.

13  
14 22) In approximately June of 2014 that a \$1,200,000 loan payoff was due to be paid by  
15 Dr. Tawansy. Along with some additional fees the amount for the loan payoff was  
16 \$1,305,521.71.

17  
18 23) Due to the relationship with Dr. Tawansy and Dr. SOHOL, and the then build-out of  
19 a surgery center for Dr. Tawansy at 125 N. Raymond St. Pasadena California, it was agreed that  
20 Dr. Tawansy would deed the property to JK PER ANGUSTA, with the understanding that Dr.  
21 Tawansy would be the beneficial owner of the PROPERTY and Dr. SOHOL would get a loan to  
22 pay off the mortgage balance.

23  
24 24) On June 17, 2014 that Dr. Tawansy signed a grant Deed to JK PER ANGUSTA for  
25 no consideration, but paid a documentary transfer tax of \$1,595.00 to record the deed.

26  
27 25) At the time of the transfer of the title, Dr. Tawansy requested and Dr. SOHOL agreed  
28 to enter into a real estate transaction whereby Dr. SOHOL would accept a deed to the

1 PROPERTY in the name of a entity which she would control; the consideration for this deed was  
2 that Dr. SOHOL would agree that Dr. Tawansy would continue to hold equitable title to the  
3 PROPERTY and to the entity holding title to the PROPERTY, and that Dr. Tawansy would  
4 continue to pay all expenses related to the PROPERTY, including taxes, and that Dr. Tawansy  
5 had the right to continue efforts to improve the PROPERTY.  
6

7 26) At the close of the new mortgage that Dr. SOHOL got for JK PER ANGUSTA, Dr.  
8 Tawansy paid the closing costs of \$99,412,28; Nothing was paid by Dr. SOHOL.  
9

10 27) After the close of the transfer of deed from Dr. Tawansy to JK PER ANGUSTA, Dr.  
11 Tawansy and Dr. SOHOL agreed that both Dr. Tawansy and Dr. SOHOL would share the  
12 building with both having offices here.  
13

14 28) However, after the transfer, Dr. SOHOL asserted that she did not want a practice in  
15 Long Beach, so both Dr. Tawansy and Dr. SOHOL agreed that only Dr. Tawansy would own the  
16 building and that Dr. Tawansy would be responsible for to build out the PROPERTY; that Dr.  
17 Tawansy and JK PER ANGUSTA agreed Dr. Tawansy would complete the build out of the  
18 PROPERTY.  
19

20 29) In fact, Dr. Tawansy was responsible for all benefits and burdens of the  
21 PROPERTY, and Dr. SOHOL would not be responsible for the benefits and burdens of the  
22 PROPERTY other than as a conduit through which Dr. Tawansy paid the mortgage and taxes.  
23 Dr. SOHOL was informed about the reduction of the mortgage, but did nothing to assure it was  
24 taken off title prior the close of escrow. There is no title document requiring Dr. Tawansy to do  
25 anything after the close.  
26  
27  
28

1 30) Nevertheless, Dr. Tawansy as the equity and beneficial owner of the PROPERTY  
2 continued to support the PROPERTY after the Transfer to JK PER ANGUSTA as he owned the  
3 PROPERTY.  
4

5 31) Dr. SOHOL told many other people, including Sandy Tumen, Bill Maher, Debbie  
6 Shampay, Keith Graves, Adraino Flores, Mario Abina, Robert Sepasia, Marty Marcus, and to  
7 Gary Lefkowitz, among many others, that although the PROPERTY was held in the JK PER  
8 ANGUSTA name, that in fact Dr. Tawansy still owned the PROPERTY as the beneficial and  
9 equitable owner of the real estate.  
10

11 32) Dr. Tawansy paid approximately \$250,000 since the closing of the transfer of the  
12 PROPERTY to JK PER ANGUSTA, and thereafter DR. Tawansy made payments of about  
13 \$260,000 on the mortgage and for other costs associated with the PROPERTY.  
14

15 33) After the transfer of the title, 2 of the 3 buildings located on the PROPERTY were  
16 totally rehabilitated inside into medical offices for Dr. Tawansy, for which Dr. Tawansy paid at a  
17 cost of approximately \$300,000.  
18

19 34) Though they were engaged to be married, Dr. Tawansy and Dr. SOHOL stopped  
20 living together approximately in 2015.  
21

22 35) Without Dr. Tawansy's consent, Dr. SOHOL changed the address of record for  
23 Cross-Defendant JK PER ANGUSTA to her own address after she moved out.  
24

25 36) In or about June of 2015, Dr. SOHOL came to Dr. Tawansy and asked him to sign a  
26 one year lease on the PROPERTY as Dr. SOHOL told Dr. Tawansy that the bank that had lend  
27 the money on the loan needed to see that it was leased.  
28

1 37) As Dr. Tawansy was the 100% beneficial owner of the PROPERTY with Dr. SOHOL  
2 merely acting as the legal owner on the paperwork, Dr. Tawansy signed the lease as this was the  
3 approximate amount of the payments on the building and taxes. Each month, given the close  
4 relationship with Dr. Tawansy and Dr. SOHOL, Dr. Tawansy would make the payments directly  
5 into Dr. SOHOL's account at Chase Manhattan bank and Dr. SOHOL was not involved in the  
6 collection of rents though she was the purported manager of JK PER ANGUSTA.  
7

8 38) As agreed with Dr. SOHOL, Dr. Tawansy executed a Master Lease on the  
9 PROPERTY, which was beneficially owned by Dr. Tawansy, and that the lease needed for the  
10 banks was only for one year until the surgery center could be built out at which time Dr.  
11 Tawansy would take Jennifer SOHOL off of the loan and pay off the loan.  
12

13 39) Notwithstanding the agreement that Dr. SOHOL would run JK PER ANGUSTA with  
14 Dr. Tawansy as the entire 100% owner of the PROPERTY, she now claims that Dr. Tawansy  
15 owns no right in the PROPERTY and asserts Dr. Tawansy possesses no ownership interest or  
16 rights in the PROPERTY into which Dr. Tawansy invested nearly \$1,000,000 or as the beneficial  
17 owner of JK PER ANGUSTA.  
18

19 40) Notwithstanding the agreement and the lack of any equity in purchasing or  
20 rehabilitating the property and any lack of any payments made for the purchase, Dr. SOHOL  
21 now demands Dr. Tawansy pay \$2,695,000 to purchase the 3200 N. Long Beach Blvd.  
22 PROPERTY, the PROPERTY owned beneficially by Dr. Tawansy.  
23

24 41) Notwithstanding the agreement for the payment of only the amounts of money  
25 required to pay off the mortgage, Dr. SOHOL is now understood to have taken out more loans.  
26 She executed 1) a Deed of trust for \$580,000 to Pacific Enterprise Bank dated June 17, 2014; 2) a  
27  
28

1 deed of trust in the amount of \$725,000 to Pacific Enterprise Bank dated June 17, 2014; and 3) a  
2 deed of trust dated **May 28, 2014 [IS THIS RIGHT; 1 MONTH BEFORE JK PER**  
3 **ANGUSTA RECEIVED TITLE?]** in the amount of \$598,000 in favor of Pacific Enterprise  
4 Bank.  
5

6 42) Dr. SOHOL likewise executed a Subordination Non Disturbance and Attornment  
7 Agreement and Estoppel Certificate for a lease dated May 2, 2015 between JK PER ANGUSTA  
8 and Jennifer Kaur Rodriguez SOHOL and Pacific Enterprise Bank of an “unrecorded lease” on  
9 the PROPERTY for 20 years ending on **May 2, 2024 [AGAIN, DATES? WAS THIS**  
10 **ENTERED INTO ON MAY 3, 2014?]**.  
11

12 43) The current title report for the PROPERTY shows that the PROPERTY is subject to a  
13 lien in the name of Dr. Tawansy to the United States of America for \$179,999.22.  
14

15 44) The current title report of the PROPERTY shows that the PROPERTY is subject to a  
16 lien in the name of Dr. Tawansy to the United States of America for \$296,444.72.  
17

18 45) The current title report of the PROPERTY shows that the PROPERTY is subject to a  
19 lien in favor of the tax collector of the County of Los Angeles in the amount of \$181.24  
20

21 46) At all times in 2015 and in 2016 Dr. Tawansy personally represented to Cross-  
22 Defendant Gelfand, an attorney representing Dr. SOHOL and JK PER ANGUSTA that Dr.  
23 Tawansy was the owner of the PROPERTY, which was held in the beneficial name of JK PER  
24 ANGUSTA but which was legally owned by Dr. Tawansy, along with Dr. Tawansy’s executed  
25 lease and the facts underlying that lease, as set forth above.  
26

27 47) In or about 2015, Gary Lefkowitz, the CEO of one of Dr. Tawansy’s past businesses,  
28 told Cross-Defendant Gelfand that Dr. Tawansy owns the PROPERTY, along with Dr.

1 Tawansy's executed lease and the facts underlying that lease, as set forth above, and that JK PER  
2 ANGUSTA created by Dr. SOHOL was a mere fiction created so that the loan could be repaid,  
3 and that Dr. Tawansy owns the entire PROPERTY legally, with JK PER ANGUSTA merely  
4 owning a beneficial interest and not a legal interest in the PROPERTY.  
5

6 48) In or about 2015, Dr. Tawansy expressed to Cross-Defendant Marcus and Millichap,  
7 the real estate broker chosen by JK PER ANGUSTA to sell the PROPERTY, that Dr. Tawansy  
8 actually owns the PROPERTY and the title in the name of JK PER ANGUSTA was merely to  
9 protect Dr. Tawansy's investment in the PROPERTY, along with Dr. Tawansy's executed lease  
10 and the facts underlying that lease, as set forth above.  
11

12 49) At the time of doing its due diligence on the Property, that Cross-Defendants 2H  
13 Properties 3060 LLC, 2H Construction, Inc., Sean R. Hanson and Ericka Burton, along with their  
14 salesperson and broker Cross-Defendants Jeff Coburn and Lee & Associates, knew of Dr.  
15 Tawansy's ownership in JK PER ANGUSTA and the PROPERTY, along with Dr. Tawansy's  
16 executed lease and the facts underlying that lease, as set forth above.  
17  
18

19 50) Cross-Defendants 2H Properties, LLC, 2H Construction, Inc., Sean R. Hanson and  
20 Ericka Burton did not ask for a customary estoppel certificate from Dr. Tawansy, who they knew  
21 was the tenant of the PROPERTY, and in which any willing purchaser would have requested.  
22 The lack of asking for the estoppel certificate is evidence that Cross-Defendants 2H Properties,  
23 LLC, 2H Construction, Inc., Sean R. Hanson and Ericka Burton knew of Dr. Tawansy's claims  
24 to the real estate as the actual legal owner of the PROPERTY.  
25

26 51) That the salesperson and brokers in the sales transaction for JK PER ANGUSTA,  
27 Cross-Defendants Ryan Rothstein-Serling and Marcus and Millichap, represented to Cross-  
28

1 Defendants 2H Properties, LLC, 2H Construction Inc., Sean R. Hitchcock and Erica Burton that  
2 Dr. Tawansy was the actual owner of the PROPERTY.

3  
4 52) Cross-Defendant Gelfand as the attorney for JK PER ANGUSTA, and acting in  
5 concert with Cross-Defendants Ryan Rothstein-Serling, Marcus & Millichap, Jeff Coburn, Lee &  
6 Associates, and Cagney, as the attorney for purchasers, did not inform the purchasers that claims  
7 existed as to PROPERTY ownership or the benefits of and need to obtain an Estoppel Certificate  
8 from Dr. Tawansy, as the real owner of the PROPERTY, that the PROPERTY was deeded into  
9 JK PER ANGUSTA only for the purposes of legal ownership, whereas the beneficial ownership  
10 of the PROPERTY remained in Dr. Tawansy's name, and as to a long-term tenant rights.

11  
12 53) A review of the matters affecting title would reveal to Cross-Defendants 2H Property  
13 3060 LLC, 2H Construction Inc., Sean R. Hitchcock and Erica Burton that numerous tax liens  
14 existed in the name of Dr. Tawansy.

15  
16 54) Attorney Cross-Defendants Gelfand and Cagney and Broker Cross-Defendants Ryan  
17 Rothstein-Serling, Marcus & Millichap, Jeff Coburn and Lee & Associates engaged in contact  
18 with the purpose of closing the sale of the PROPERTY without full disclosure to their clients and  
19 with full knowledge that their actions would harm Dr. Tawansy, all to the benefit of Attorney  
20 Cross-Defendants and Broker Cross-Defendants.

21  
22 55) This conduct was done to create an artificial form of a purchase by 2H Property 3060  
23 LLC to avoid any claims made by Dr. Tawansy as to his actual ownership interest in the legal  
24 title to the PROPERTY through the JK PER ANGUSTA entity,

25  
26 56) Dr. Tawansy believes Jennifer SOHOL or her entity of JK PER ANGUSTA or some  
27

1 entity controlled by Jennifer SOHOL or unknown Cross-Defendants is the actual owner or a  
2 partial owner in the new entity now claiming to own the PROPERTY at 3200 Long Beach Blvd.

3  
4 57) In their actions, and the actions by each of them, Cross-Defendants and each of them  
5 have used the United States Mails, the United State wires, bank accounts and the internet to cheat  
6 Dr. Tawansy out of his interest in the PROPERTY.

7  
8 58) Cross-Defendants 2H Properties 3060, 2H Construction Inc, Sean R. Hitchcock, and  
9 Erika Burton learned before escrow closed that there were problems with the close of a sale as  
10 tax liens in the amount of \$296,446.81 and a lien of \$179,9992.22 had been recorded by the  
11 Internal Revenue Service against Dr. Khaled A. Tawansy. This was detailed in a letter dated June  
12 29, 2016 from Commonwealth Land Title Insurance Company.

13  
14 59) Cross-Defendants 2H Property 3060 LLC, 2H Construction Inc, Sean R. Hitchcock  
15 and Ericka Burton knew that a loan in the amount of \$1,475,000 sat on the PROPERTY  
16 notwithstanding that it was supposed to have been removed, and the time that JK PER  
17 ANGUSTA took legal title to the PROPERTY with Khaled A. Tawansy remaining the beneficial  
18 owner of the PROPERTY. This was detailed in a letter dated June 29, 2016 from  
19 Commonwealth Land Title Insurance Company.

20  
21 60) Cross-Defendants 2H Property 3060 LLC, 2H Construction Inc., Sean R. Hitchcock  
22 and Ericka Burton failed to perform normal diligence in the purchase of the PROPERTY and  
23 were not properly informed by their Broker Cross-Defendants.

24  
25 61) The standard sublease agreement had no integration clause. The parties Dr. Tawansy  
26 and Dr. SOHOL both agreed that the property could not be occupied by anyone until substantial  
27 rehabilitation work had been done. As a result, the property was not able to be occupied until  
28

1 June of 2016. As a result of the Agreements between Dr. Tawansy and Dr. SOHOL it was agreed  
2 that the lease would commence on the date the building was available for use, and that the lease  
3 would run from July of 2016 for one year. Dr. Tawansy spend over \$500,000 developing the  
4 PROPERTY which would all be lost if he was forced to turn over the building to its new owners  
5

6 62) After the Deed by Dr. Tawansy to the JK PER ANGUSTA, Doctor Tawansy spent  
7 over \$500,000 in rehabilitating the building which includes the following amounts in total  
8 detrimental reliance and based upon the promises made by Jennifer SOHOL and of JK PER  
9 ANGUSTA.  
10

11 a) A check made payable from Children's Retina Institute to Redesign Group, Inc.  
12 in the amount of \$15,996.01  
13

14 b) A check in the amount of \$8,888.97 from Children's Retina Institute to  
15 Jennifer SOHOL dated 1/07/2014.  
16

17 c) A check in the amount of \$10,000. to Jennifer SOHOL from Children's Retina  
18 dated 7/10/14-this is approximately the date upon which both Dr. SOHOL and Dr. Tawansy  
19 agreed that Dr. SOHOL would not occupy the offices at 3200 Long Beach Blvd and that Dr.  
20 Tawansy would continue to own the property as the sole owner of the property, although legal  
21 title was in the name of the JK PER ANGUSTA.  
22

23 d) A check from Children's Retina Institute to Jennifer SOHOL in the amount of  
24 \$10,000 dated 8/15/14-well after the close of the escrow. If the sale was a total sale to the JK  
25 PER ANGUSTA, then Doctor Tawansy would not be paying Jennifer any money and would  
26 walked from the deal. As each payment gets maid it is clear that Dr. Tawansy continued to own  
27 the property as his own.  
28

1 e) A check made from Khaled A Tawansy to So Cal Gas Edison in the amount of  
2 \$117.26 dated 8-12-14.

3 f) A check in the amount of \$3,274 to Cenovo Cuevas for work on the project at  
4 3200 Long Beach Blvd. dated 8/16/14, drawn on the account of Children's Retina Institute.  
5

6 g) A check in the amount of \$2,100 to Unique Hardware drawn on Children's  
7 Retina Institute dated 9/06/14.

8 h) A check in the amount of \$10,000 to Jennifer SOHOL drawn on Children's  
9 Retina Institute dated 10/28/2014.  
10

11 i) A check in the amount of \$5,000 to Jennifer SOHOL drawn on Children's  
12 Retina Institute and dated 12/13/14.

13 j) A check in the amount of \$5,000 to Jennifer SOHOL drawn on Children's  
14 Retina Institute dated 12/13/14.

15 k) A check in the amount of \$20,000 made payable to Jennifer SOHOL from  
16 Children's Retina Institute dated 1/23/15. Of significant note is the memo on the check sating  
17 "Long Beach Property Loan Repayment." If the deed to the JK PER ANGUSTA meant Dr.  
18 Tawansy had no interest in the property, then why would he have been making loan payments  
19 from the date that the loan was taken out each month until today! It is clear evidence that Dr.  
20 Tawansy continued to own the 3200 Long Beach Property as the equitable and beneficial owner  
21 of the property.  
22

23  
24 l) A check make payable to Keith Graves in the amount of \$2,034.12 for roof  
25 work, and other work at the property paid for by Khaled A. Tawansy dated 1/26/15. It is  
26 important that Dr. SOHOL was there when this work was done but that Dr. Tawansy did pay for  
27 this entire issue.  
28

1 m) A check made payable to Jennifer SOHOL in the amount of \$5,000 noting it  
2 was for the Long Beach Buildout. Now if Dr. Tawansy had nothing to do with the building, why  
3 would he be paying for the build out? This check was made by Children's Retina Institute and is  
4 dated 1/31/15.  
5

6 n) A check made payable to Jennifer SOHOL in the amount of \$5,000 made  
7 payable from Children's Retina Institute dated 2/06/15. Note on the check says Long Beach.  
8

9 o) A check made payable to Cash for objects dealing with the buildout of Long  
10 Beach in the amount of \$1650 dated 2/20/15 and stating 3200 Long Beach Blvd. The check is  
11 drawn on Children's Retina Institute.

12 p) A check made payable to Jennifer SOHOL in the amount of \$10,000 from  
13 Children's Retina Institute dated 2/14/15. The note on the check states "Paid \$40k towards TI  
14 (Tenant Improvements).  
15

16 q) A check made payable to cash in the amount of \$3,200, dated 2/14/15 for work  
17 done on the buildout of the Long Beach project from Children's Retina Institute.

18 r) A check made payable to Cash in the amount of \$1100 for work done on the  
19 build out of the 3200 Long Beach property dated 2/15/14, from the Children's Retina Institute.  
20

21 s) A check in the amount of \$2,742.44 in favor of Jay Sanford, Inc. for work  
22 done at 3200 Long Beach Blvd drawn on Children's Retina Institute and dated 2/18/15.

23 t) A check in the amount of \$7,500 to Dr. SOHOL and from Children's Retina  
24 Institute dated 2/22/15 stating 3200 Long Beach Blvd.

25 u) A check in the amount of \$10,000 to JK PER ANGUSTA from Children's  
26 Retina Institute dated 2/14/15 with a note on it "Paid 40K toward TI" (Tenant Improvements)  
27  
28

1 v) A check in the amount of \$225 to Iris Exudugg for work at 3200 Long Beach  
2 Blvd. drawn on Children's Retina Institute on 2/24/15.

3 w) A check in the amount of \$1650 to cash to pay for work done at 3200 Long  
4 Beach Blvd. and listing the date at 2/20/15. The check was drawn from Children's Retina  
5 Institute.  
6

7 x) A check made payable to Jay Sanford, Inc. In the amount of \$5981.28 for Final  
8 check Long Beach TI (Tenant Improvement) made payable from Children's Retina Institute and  
9 dated 2/24/2015.  
10

11 y) A check for \$5,000 to Jennifer SOHOL/JK PER ANGUSTA AD FELICITAS  
12 LLC, from Children's Retina Institute dated 2/18/15 and noting 3200 Long Beach Blvd.

13 z) A check made payable to Carlos Lopez in the amount of \$804 for work done at  
14 3200 Long Beach Blvd and noting 3200 Long Beach Blvd.

15 aa) A check in the amount of \$1052 for cash for work one at 3200 Long Beach  
16 Blvd for work being done at the property. The check is dated 3/3/15 and is on the account of  
17 Children's Retina Institute.  
18

19 bb) A check made payable to Edwin Menia for \$2,025 for work done at 3200  
20 Long Beach Blvd. and paid on 3/3/15 from Children's Retina Institute,  
21

22 cc) That on March 3, 2015, a check in the amount of \$389 was paid to Lozal  
23 Cabaxes for work done at 3200 Long Beach Blvd. by Children's Retina Institute.

24 dd) Than on March 3, 2015 a check for cash in the amount of \$389 was made to  
25 pay for work at 3200 Long Beach Blvd. from Children's Retina Institute.  
26  
27  
28

1 ee) That on March 15<sup>th</sup>, 2015 a check was made payable to JK PER ANGUSTA  
2 AD FELICITAS LLC, in the amount of \$15,000 for the 3200 Long Beach Blvd. Property from  
3 Children's Retina.

4 ff) That on March 17<sup>th</sup>, 2015 that a check in the amount of \$1350 was paid to  
5 Carolos Lopez for work done on 3200 Long Beach Blvd. paid for by Children's Retina Institute.  
6

7 gg) That on March 17<sup>th</sup> 2015 a check in the amount of \$270 was paid to Carlos  
8 Lopez for work done at 3200 Long Beach Blvd. and paid for by Children's Retina Institute.  
9

10 hh) That on March 18<sup>th</sup>, 2015 there was a check in the amount of \$15,000 made  
11 payable to JK PER ANGUSTA AD FELICITAS LLC, for the 3200 Long Beach Blvd and paid  
12 for by Children's Retina Institute.

13 ii) That on March 24, 2015 a check in the amount of \$1,716 was made payable to  
14 Edward Mejla for work done at 3200 Long Beach Blvd. and paid for by Children's Retina  
15 Institute.  
16

17 jj) That on March 25, 2015 that a check was paid to Jose Arrann in the amount of  
18 \$6,029 for work done at 3600 Long Beach Blvd and paid for by Children's Retina Institute.  
19

20 kk) That on March 31, 2015 a check in the amount of \$20,000 was made payable  
21 to JK PER ANGUSTA AD FELICITAS LLC and paid for by Children's Retina Institute, noting  
22 it was for 3200 Long Beach Blvd.

23 ll) That on April 4<sup>th</sup> 2015 a check was paid to Jennifer SOHOL and to JK PER  
24 ANGUSTA AD FELICITAS LLC, in the amount of \$10,000 for the 3200 Long Beach Blvd  
25 property.  
26  
27  
28

1 mm) That on March 14<sup>th</sup> 2015 a check in the amount of \$10,000 was paid to JK  
2 PER ANGUSTA AD FELICITAS LLC, for 3200 N. Long Beach Blvd by Children's Retina  
3 Institute.

4 nn) That on March 21, 2015 a check in the amount of \$16,000 was paid to JK  
5 PER ANGUSTA AD FELICITAS LLC for the 3200 Long Beach property by Children's Retina.  
6

7 oo) That on June 29, 2015 a check in the amount of \$15,000 was paid to Jennifer  
8 SOHOL MD Inc. by Khaled A. Tawansy for the 3200 Long Beach property.

9  
10 63) From July of 2015 until September of 2016, Children's Retina Institute and Dr.  
11 Tawansy paid Jennifer SOHOL or JK PER ANGUSTA the rent each month.

12  
13 64) The PROPERTY was not able to be occupied when the lease was entered into and that  
14 Dr. Tawansy or Children's Retina spent in excess of over \$100,000 to prepare the first and  
15 second units in the building, both to be used as doctor's offices.

16  
17 65) The third unit at 3200 Long Beach Blvd contains thousands of dollars of equipment and  
18 tools and machinery necessary for the build out of the units that all belong to Dr. Tawansy and  
19 are not the property of any of the Cross-Defendants.

20  
21 66) Each time an issue arose with the City of Long Beach relating to the PROPERTY from  
22 the time the deed was recorded to JK PER ANGUSTA that the City would contact Dr. Tawansy  
23 and he did the work and Dr. SOHOL allowed this work to be done as if Dr. Tawansy still owned  
24 the building as the beneficial and equitable owner of the PROPERTY.  
25

26 **FIRST CAUSE OF ACTION**

27 Specific Performance and to Quiet Title as to all Cross-Defendants

28  
First Amended Cross-complainant Khaled A. Tawansy v. Cross-Defendant  
Jennifer SOHOL  
Case NC060799

1 67) Dr. Tawansy realleges the provisions of paragraphs 1-66 as though fully set forth herein.

2  
3 68) The deed given to JK PER ANGUSTA was given in error and due to the fraud of Dr.  
4 SOHOL, and based upon her promises that she would run the JK PER ANGUSTA for the benefit  
5 of Dr. Tawansy.

6  
7 69) As a result of the conduct of Dr. SOHOL and of JK PER ANGUSTA, that the deed was  
8 given as a result of fraud and error due to Jennifer SOHOL and of JK PER ANGUSTA and that  
9 the Deed should be declared to be null and void and title should be replaced with the deed in the  
10 name of Dr. Khaled A. Tawansy.

11  
12 70) Cross-Defendants knew of Dr. Tawansy's actual ownership of the real estate but avoided  
13 asking for an estoppel certificate from him and did not question the issue as to taxes alleged to be  
14 owing and a trust deed that was supposed to be reduced. The Cross-Defendants knew that Dr.  
15 Tawansy paid for the entire build out of the PROPERTY and that he has tools and property  
16 throughout 3200 N. Long Beach Boulevard. Acting as such, these co-defendants knew that Dr.  
17 Tawansy had an ownership interest in the PROPERTY, yet closed the transaction knowing these  
18 issues in order to conspire with Jennifer SOHOL and JK PER ANGUSTA to harm Dr. Tawansy  
19 and to steal the PROPERTY from him.

20  
21  
22 71) Cross-Defendants 2H Property 3060 LLC and 2H Construction Inc. now claim to own  
23 the PROPERTY located at 3200 N. Long Beach Boulevard which was transferred to them via a  
24 deed signed by Jennifer SOHOL on behalf of JK PER ANGUSTA, but Jennifer SOHOL did not  
25 own the PROPERTY and nor did JK PER ANGUSTA as they held the PROPERTY for Dr.  
26 Tawansy. Had 2H Property 3060 LLC AND 2H Construction Inc. done any due diligence they  
27  
28

1 would have discovered and in fact knew that Dr. Tawansy owned the property and it was being  
2 held in the name of JK PER ANGUSTA for Dr. Tawansy. In fact, 2H Property 3060 LLC and  
3, 2H Construction Inc. knew at all times that Dr. Tawansy owned the PROPERTY and they  
4 entered into a conspiracy to deprive Dr. Tawansy of the title to the 3200 N. Long Beach Blvd.  
5  
6 PROPERTY.

7  
8 72) In a pleading dated September 9, 2016, Dr. SOHOL and JK PER ANGUSTA claimed to  
9 own the property, notwithstanding their agreement to own the property as legal owners for the  
10 benefit of Dr. Tawansy.

11  
12 **SECOND CAUSE OF ACTION**

13 Rescission of the Deed to the Property As Against all Cross-Defendants

14 73) Dr. Tawansy realleges the provisions of paragraphs 1-72 as though fully set forth herein.

15 74) The title to the PROPERTY should be deemed in the name of Dr. Tawansy as against  
16 anyone who owned the PROPERTY such as JK PER ANGUSTA AD FELICITAS LLC or in the  
17 name of 2H Property 3060 LLC or in the name of 2H Construction Inc. in that they each took  
18 title knowing that Dr. Tawansy was the actual owner of the PROPERTY being held for him by  
19 JK PER ANGUSTA. All Cross-Defendants knew that Dr. Tawansy was the beneficial owner of  
20 the PROPERTY located at 3200 N. Long Beach Blvd., in Long Beach.  
21  
22

23 **THIRD CAUSE OF ACTION**

24 Fraud as Against All Cross-Defendants

25  
26 75) Dr. Tawansy realleges the provisions of paragraphs 1-74 as though fully set forth herein.  
27  
28

1 76) Dr. Tawansy first learned of the fraud of Cross-Defendants Dr. SOHOL, JK PER  
2 ANGUSTA and the rest of the Cross-Defendants within the past several months.

3  
4 77) Dr. Jennifer SOHOL and JK PER ANGUSTA made representations as to holding the title  
5 for Dr. Tawansy in the transfer of title to the PROPERTY to JK PER ANGUSTA without the  
6 intention of performing those representations.

7  
8 78) Cross-Defendants 2H Properties 3060, LLC, 2H Construction, Inc., Sean R. Hitchcock  
9 and Ericka Burton ("Buyer Cross-Defendants") joined in the fraud by engaging in the sales  
10 transaction with full knowledge of Dr. Tawansy's interest in the PROPERTY, yet failing to take  
11 the necessary steps to protect themselves with an estoppel certificate.

12  
13 79) Dr. Tawansy reasonably relied on the representations from Dr. SOHOL and JK PER  
14 ANGUSTA, along with the expectations that Buyer Cross-Defendants would not support the  
15 fraud efforts by Dr. SOHOL and JK PER ANGUSTA.

16  
17 80) As a proximate cause of his reasonable reliance, Dr. Tawansy incurred losses in excess of  
18 the jurisdictional minimum of this Court to be proved at trial.

19  
20 81) The conduct of Dr. SOHOL and of JK PER ANGUSTA was done in a fraudulent manner  
21 to obtain the deed to the PROPERTY making statements that were untrue. As a result, Dr.  
22 SOHOL and **JK PER ANGUSTA AD FELICITAS LLC** should be held liable to Dr. Tawansy  
23 for his losses and those acting in concert with Dr. SOHOL and JK PER ANGUSTA Ad Felicitas,  
24 2H property 3060 LLC, 2H Construction Inc. Sean R. Peterson and Erica Burton should be held  
25 liable for the Fraud of Dr. SOHOL and of JK PER ANGUSTA Ad Felicitas for all damages to  
26 Dr. Tawansy.  
27  
28

1 82) The cross defendants knew of Dr. Tawansy's actual beneficial and equitable ownership  
2 interests in and to the 3200 N. Long Beach PROPERTY but all acted to defeat Dr. Tawansy's  
3 interest all for the benefit of themselves and all the detriment of Dr. Tawansy.  
4

5 83) The acts of Cross-Defendants, and each of them, as set forth above were willful, wanton,  
6 malicious, oppressive and without regard to Dr. Tawansy's rights and justify an award of  
7 exemplary and punitive damages.  
8

9 **FOURTH CAUSE OF ACTION**

10 **Fraud as Against Broker Cross-Defendants and Attorney Cross-Defendants**

11 84) Dr. Tawansy realleges the provisions of paragraphs 1-83 as though fully set forth herein.  
12

13 85) Broker Cross-Defendants and Attorney Cross-Defendants identified a situation between  
14 Dr. Tawansy on one hand and Dr. SOHOL/JK PER ANGUSTA and Buyer Cross-Defendants on  
15 the other hand wherein Broker Cross-Defendants and Attorney Cross-Defendants could work to  
16 structure a sale from Dr. SOHOL/JK PER ANGUSTA to Buyer Cross-Defendants that would  
17 generate legal work, commissions, and extra value in the transaction by reason of Dr. Tawansy's  
18 actual ownership of the PROPERTY.  
19

20 86) Broker Cross-Defendants and Attorney Cross-Defendants made misrepresentations to  
21 Cross-Defendants Dr. SOHOL, JK PER ANGUSTA and Buyer Cross-Defendants, and failed to  
22 provide necessary and critical information to those same Cross-Defendants with knowledge that  
23 such representations and failures to make representations were critical to the decision to transfer  
24 title and to Dr. Tawansy's ownership of the PROPERTY and with the expectation that the  
25 actions would cause a transfer of title to the detriment of Dr. Tawansy.  
26  
27  
28

1 87) Buyer Cross-Defendants, Dr. SOHOL/JK PER ANGUSTA and Dr. Tawansy all  
2 reasonably relied on Broker Cross-Defendants and Attorney Cross-Defendants to properly  
3 perform their duties as licensed by the State of California as to legal and real estate matters.  
4

5 88) As a proximate cause of his reasonable reliance, Dr. Tawansy incurred losses in excess of  
6 the jurisdictional minimum of this Court to be proved at trial.  
7

8 89) The Broker Cross-Defendants and Attorney Cross-Defendants knew of Dr. Tawansy's  
9 actual beneficial and equitable ownership interests in and to the 3200 N. Long Beach  
10 PROPERTY but all acted to defeat Dr. Tawansy's interest all for the benefit of themselves and  
11 all to the detriment of Dr. Tawansy.  
12

13 90) The acts of Cross-Defendants, and each of them, as set forth above were willful, wanton,  
14 malicious, oppressive and without regard to Dr. Tawansy's rights and justify an award of  
15 exemplary and punitive damages.  
16

17  
18 **FIFTH CAUSE OF ACTION**

19 **Breach of Contract as Against All Cross-Defendants**

20 91) Dr. Tawansy realleges the provisions of paragraphs 1-90 as though fully set forth herein.  
21

22 92) The conduct alleged herein sets forth the terms of a contract entered into between Jennifer  
23 SOHOL and JK PER ANGUSTA on the one hand, and Dr. Tawansy on the other hand. The  
24 terms of the contract are set forth in detail above.  
25  
26  
27  
28

1 93) The terms of the contract have been evidenced by writings when taken in context  
2 demonstrate that a contract exists, that reasonably identify the subject matter of the contract, and  
3 sets forth with certainty the essential terms of that contract.  
4

5 94) The Contract was fully performed by Dr. Tawansy and, at times, partially performed by  
6 Dr. Tawansy. Specific terms of the contract, such as transferring title and paying for specific  
7 expenses, were fully performed; other terms of the contract, to complete the lease and then alter  
8 title were partially performed, with the complete performance now barred by Cross-Defendants  
9 Dr. SOHOL and JK PER ANGUSTA's breach of contract.  
10

11 95) Dr. Tawansy performed and/or completed all the duties and obligations the contract  
12 required of him, other than those duties and obligations which were barred or otherwise forgiven  
13 by Cross-Defendants and Cross-Defendants' conduct.  
14

15 96) Cross-Defendants Dr. SOHOL and JK PER ANGUSTA breached the contract set forth  
16 above by its actions of misleading Dr. Tawansy as to Cross-Defendants' intentions with the  
17 PROPERTY and Cross-Defendants' sale of the PROPERTY and failure to properly resolve the  
18 related financial issues.  
19

20 97) As a direct and proximate result of Cross-Defendants' breach of contract, Dr. Tawansy  
21 suffered specific and consequential damages in an amount greater than the minimum jurisdiction  
22 of this Court.  
23

### 24 SIXTH CAUSE OF ACTION

25 Promissory Estoppel as Against Cross-Defendants Dr. SOHOL and JK PER ANGUSTA  
26

27 98) Dr. Tawansy realleges the provisions of paragraphs 1-97 as though fully set forth herein.  
28

First Amended Cross-complainant Khaled A. Tawansy v. Cross-Defendant  
Jennifer SOHOL  
Case NC060799

1 99) Cross-Defendants Dr. SOHOL and JK PER ANGUSTA made promises to Dr. Tawansy  
2 as set forth above concerning the ownership and management of the PROPERTY.

3  
4 100) As a result of these promises by Cross-Defendants, Dr. Tawansy changed his legal  
5 positions in multiple fashions, from the transfer of title to the PROPERTY, to the commitment to  
6 reconstruct the interior of the buildings on the PROPERTY, to the commitment to a lease to the  
7 benefit of a third party, as well as the expenditure of a large sum of money.

8  
9 101) Cross-Defendants' actions were the direct and proximate cause of Dr. Tawansy's loss,  
10 requiring that title to the PROPERTY be transferred back to him and that he recover  
11 consequential damages resulting from Cross-Defendants false promises.

12  
13 102) The acts of Cross-Defendants, and each of them, as set forth above were willful, wanton,  
14 malicious, oppressive and without regard to Dr. Tawansy's rights and justify an award of  
15 exemplary and punitive damages.

16  
17 **SEVENTH CAUSE OF ACTION**

18 **Breach of Fiduciary Duty as Against All Cross-Defendants**

19  
20 103) Dr. Tawansy realleges the provisions of paragraphs 1-102 as though fully set forth  
21 herein.

22  
23 104) A declaration of rescission must be granted cancelling the deed from Dr. Tawansy to JK  
24 PER ANGUSTA AD FELICITAS LLC for fraud and misrepresentation in gaining the deed.

25  
26 105) JK PER ANGUSTA AD FELICITAS LLC was set up at the sole request of and by an  
27 agent for Dr. Tawansy, with the intent that JK PER ANGUSTA hold the title to the PROPERTY  
28 in its name for the benefit of Dr. Tawansy.

1 106) As a result thereof, there was a fiduciary duty between Dr. SOHOL, the managing  
2 member, and JK PER ANGUSTA on the one hand, and Dr. Tawansy.

3  
4 107) Dr. SOHOL and JK PER ANGUSTA with the assistance of the other cross defendants  
5 breached that duty.

6  
7 108) As a result of these breaches by Cross-Defendants, Dr. Tawansy suffered damages in an  
8 amount in excess of the jurisdictional minimum of this Court.

9  
10 109) The acts of Cross-Defendants, and each of them, as set forth above were willful, wanton,  
11 malicious, oppressive and without regard to Dr. Tawansy's rights and justify an award of  
12 exemplary and punitive damages.

13  
14 ///

15  
16 **DEMAND FOR RELIEF.**

17  
18 1) That the deed be cancelled from Dr. Tawansy to JK PER ANGUSTA AD FELICITAS  
19 LLC.

20  
21 2) That title the property be quieted and it be declared that Dr. Tawansy is the owner of  
22 the property.

23  
24 3) That Dr. Tawansy is entitled to damages in excess of \$4,000,000.

25  
26 4) That Dr. Tawansy be awarded punitive damages according to proof at trial.

27  
28 5) That Dr. Tawansy be awarded costs of suit.

