1	Elliott H. Stone, Esq. (SBN 264569) Robert S. Throckmorton, Esq. (SBN 178182)		
2	9 Executive Circle • Suite 125		
3	Irvine California 92614 Telephone: 949-477-9100		
4	Attorneys for Plaintiff KAREN A. SUNDAY &		
5	ASSOCIATES, INC.		
6			
7			
8			
9	SUPERIOR COURT OF T	HE STATE OF CALIFORNIA	
10	COUNTY OF ORANGE - CENTRAL JUDICIAL DISTRICT		
11	UNLIMITED CIVIL		
12	KAREN A. SUNDAY & ASSOCIATES, INC., a California corporation,	Case No.: 30-2023-01309116-CU-BC-CJC	
13	Plaintiff,	FIRST AMENDED VERIFIED COMPLAINT FOR:	
14	V.	1. ACTUAL FRAUD;	
15	JOSEPH S. CERNI, an individual; NADIR	<ul><li>2. FRAUD IN THE INDUCEMENT;</li><li>3. BREACH OF CONTRACT;</li></ul>	
16	QAZI, an individual; JOSEPH S. ĆERNI, D.O. PROFESSIONAL CORPORATION, a	4. BREACH OF THE IMPLIED COVENANT OF GOOD FAITH	
17	California corporation; JSC HOLDINGS LLC, a California limited liability company;	AND FAIR DEALING; 5. BREACH OF IMPLIED IN FACT	
18	ROCKITGRAM LLC, a California limited liability company; BELLE VIE WELLNESS	CONTRACT; 6. WORK, LABOR AND SERVICES	
19	AND MEDICAL AESTHETICS INC., an entity of unknown type; BEAUTIFUL	RENDERED; 7. CIVIL RECOVERY OF STOLEN	
20	REFLECTIONS INC., a California corporation; FOREVER AGELESS, INC., a	PROPERTY RECEIVED CA PENAL CODE § 496;	
21	California corporation; NUBELLA MED SPA, INC., a California corporation; PURE	8. INTENTIONAL INTERFERENCE WITH CONTRACTUAL	
22	FIX MEDICAL INSTITUTE, INC. a California corporation; QAZCORP, a	RELATIONS; 9. INTENTIONAL INTERFERENCE	
23	California corporation; QAZI COSMETIC CLINIC, a California corporation;	WITH PROSPECTIVE ECONOMIC RELATIONS; AND	
24	MONUMENTAL INVESTMENTS LLC, a California limited liability company; and	10. NEGLIGENT INTERFERENCE WITH PROSPECTIVE ECONOMIC	
25	DOES to 1 to 50, inclusive,	RELATIONS.	
26	Defendants.	Assigned to the Hon. Martha K. Gooding Dept. C31	
27			
$_{28}$		JURY TRIAL DEMANDED	

Plaintiff KAREN A. SUNDAY & ASSOCIATES, INC., a California corporation (hereinafter "Sunday" or "Plaintiff"), complains as follows:

## **SUMMARY OF THE CASE**

- 1. Sunday brings this action to recover an unpaid real estate commission earned when Sunday was the procuring cause of a \$4,750,000, real estate purchase and sale transaction that closed on or about December 9, 2022, between Cerni and his alter ego entities as sellers, and Qazi and his alter ego entities as purchasers, respecting certain commercial real property located at 20271 South West Birch Street, Suite 100, Newport Beach California (hereinafter the "Subject Property"), earning Sunday a commission due in the amount of \$285,000.
- 2. Pursuant to the agreement formed between and amongst Sunday, Cerni and Qazi, the commission was to be paid by both the Cerni defendants (defined below) and the Qazi defendants (defined below)—both have refused, and continue to refuse, to pay Sunday the agreed upon commission.

# **PARTIES**

- 3. Plaintiff KAREN A. SUNDAY & ASSOCIATES, INC., is a California corporation and was at all times mentioned herein, doing business in Orange County, California.
- 4. Defendant JOSEPH S. CERNI, is an individual and was at all times mentioned herein, residing in Orange County, California (hereinafter "Cerni").
- 5. Defendant NADIR QAZI, is an individual and was at all times mentioned herein, residing in Orange County, California (hereinafter "Qazi").

#### **The Cerni Sham Alter Ego Entities**

- 6. Defendant JOSEPH S. CERNI, D.O. PROFESSIONAL CORPORATION, is a California corporation and was at all times mentioned herein, doing business in Orange County, California as a sham alter ego of Cerni (hereinafter "Cerni P.C.").
- 7. Defendant JSC HOLDINGS LLC, is a California limited liability company and at all times mentioned herein, doing business in Orange County, California as a sham alter ego of Cerni (hereinafter "JSC").

- 8. Defendant BELLE VIE WELLNESS AND MEDICAL AESTHETICS is an entity of unknown type and was at all times mentioned herein doing business in Orange County, California as a sham alter ego of Cerni (hereinafter "Belle Vie").
- 9. Defendant BEAUTIFUL REFLECTIONS INC., is a California corporation and was at all times mentioned herein doing business in Orange County, California as a sham alter ego of Defendant Cerni (hereinafter "Beautiful Reflections").
- 10. Defendant FOREVER AGELESS, INC., is a California corporation and was at all times mentioned herein doing business in Orange County, California as a sham alter ego of Defendant Cerni (hereinafter "Forever Ageless").
- 11. Defendant NUBELLA MED SPA, INC., is a California corporation and was at all times mentioned herein doing business in Orange County, California as a sham alter ego of Defendant Cerni (hereinafter "Nubella").
- 12. Defendant PURE FIX MEDICAL INSTITUTE, INC., is a California corporation and was at all times mentioned herein doing business in Orange County, California as a sham alter ego of Defendant Cerni (hereinafter "Pure Fix").
- 13. The Defendants identified in paragraphs 6 through 12, shall collectively be referred to herein as the "Cerni Entities."

# The Qazi Sham Alter Ego Entities

- 14. Defendant ROCKITGRAM LLC, is a California limited liability company and was at all times mentioned herein, doing business in Orange County, California as a sham alter ego of Qazi (hereinafter "Rockitgram").
- 15. Defendant QAZCORP, is a California corporation and was at all times mentioned herein doing business in Orange County, California as a sham alter ego of Defendant Qazi (hereinafter "Qazcorp").
- 16. Defendant QAZI COSMETIC CLINIC, is a California corporation and was at all times mentioned herein doing business in Orange County, California as a sham alter ego of Defendant Qazi (hereinafter "Qazi Cosmetic").

- 17. Defendant MONUMENTAL INVESTMENTS LLC, is a California limited liability company and was at all times mentioned herein doing business in Orange County, California as a sham alter ego of Defendant Qazi (hereinafter "Monumental").
- 18. The Defendants identified in paragraphs 13 through 17, shall collectively be referred to herein as the "Qazi Entities."
- 19. Plaintiff is unaware of the true names and capacities of the Defendants sued herein under fictitious names DOES 1 through 50, inclusive. They are sued herein pursuant to Code of Civil Procedure section 474. When Plaintiff becomes aware of the true names and capacities of DOES 1 through 50, inclusive, Plaintiff will amend this Complaint to state their true names and capacities.

#### **ALTER EGO ALLEGATIONS**

- 20. Plaintiff is informed and believes, and based thereon alleges, that there exists, and at all times herein mentioned there existed, a unity of interest and ownership between and amongst Cerni and the Cerni Entities as well as between and amongst Qazi and the Qazi Entities such that any individuality and separateness between them has ceased, and such defendants are the alter egos of each other in that:
  - a. The Cerni Entities and Qazi Entities, are, and at all times herein mentioned were, mere shells or shams without capital, assets, stock, or stockholders; and/or
  - b. The Cerni Entities and Qazi Entities were conceived, intended, and used by Defendants Cerni and Qazi and one or more of the unnamed DOE defendants, to avoid liability and/or for the purpose of substituting a financially insolvent entity in their place; and/or
  - c. At no time after the Cerni Entities and Qazi Entities, were formed and/or incorporated was any stock authorized to be issued or issued, nor has any permit for issuance of stock been applied for with the Department/Secretary of State or the Commissioner of Corporations; and/or
  - d. The Cerni Entities and Qazi Entities, are, and at all times herein mentioned were, so inadequately capitalized that, compared with the business to be done by the Cerni

- Entities and the Qazi Entities and the risks of loss attendant thereon, their respective capitalization was illusory or trifling; and/or
- e. Defendants Cerni and Qazi and/or one or more of the unnamed DOE defendants have used the assets of the Cerni Entities and Qazi Entities, for their own uses, caused assets of such entities to be transferred to them without adequate consideration, and/or withdrew funds from the Cerni Entities and/or Qazi Entities' bank accounts, for their own personal use; and/or
- f. Defendants Cerni and Qazi and/or one or more of the unnamed DOE defendants completely controlled, dominated, managed, and/or operated the Cerni Entities and Qazi Entities, and/or intermingled the assets of the Cerni Entities and Qazi Entities, to suit the convenience of Defendants Cerni and Qazi and/or one or more of the unnamed DOE defendants; and/or
- g. The Cerni Entities and Qazi Entities, are, and at all times herein mentioned were mere shells, instrumentalities, and conduits through which Defendants Cerni and Qazi and/or one or more of the unnamed DOE defendants carried on their business in the name of said entities, exactly as they had conducted it previous to formation and/or incorporation, exercising complete dominion and control of such entities to such an extent that any individuality or separateness of the Cerni Entities and Qazi Entities does not, and at all times herein mentioned did not, exist; and/or
- h. The Cerni Entities and Qazi Entities, are, and at all times herein mentioned were, controlled, dominated, and operated by Defendants Cerni and Qazi and/or one or more of the unnamed DOE defendants, as their own business and alter ego, in that the activities and business of the Cerni Entities and Qazi Entities were carried out without the holding of directors' or shareholders' meetings, no records or minutes of any corporate proceedings were maintained, and/or Defendants Cerni and Qazi and/or one or more of the unnamed DOE defendants entered into personal transactions with the Cerni Entities and Qazi Entities and their family members, without the approval of

other directors or shareholders.

21. Plaintiff is informed and believes and based thereon alleges that adherence to the fiction of the separate existence of the Cerni Entities and Qazi Entities, as entities distinct from Defendants Cerni and Qazi and/or one or more of the unnamed DOE defendants would permit an abuse of the corporate privilege and/or would sanction fraud, and/or would promote injustice.

#### **FACTUAL ALLEGATIONS**

- 22. On or about May 1, 2022, Qazi eagerly telephoned Karen A. Sunday, President of Sunday & Associates for assistance in purchasing a building for his medical practice. Sunday is a California licensed real estate broker, License No. 00870655. Sunday contacted one of her longstanding clients, defendant Cerni, and asked him if he was interested in selling his building, the Subject Property.
- 23. On or about July 5, 2022, per the request of both defendants Cerni and Qazi, Sunday drafted and submitted a writing to Cerni for Qazi's purchase of the Subject Property (hereinafter "Contract Writing No. 1"), a copy of which is attached hereto as Exhibit A. Under Contract Writing No. 1, at paragraph 10, Sunday was to receive, *inter alia*, a 4% commission for Sunday's services from Cerni. After receiving Contract Writing No. 1, Cerni accepted the term stated therein and commenced performance by opening escrow for the sale to Qazi.
- 24. On or about September 9, 2022, Qazi had DOE 1, and attorney retained by Qazi, draft a supplemental writing respecting the sale of the Subject Property from Cerni to Qazi (hereinafter "Contract Writing No. 2"), a copy of which is attached hereto as Exhibit B. Under the terms of Contract Writing No. 2, at paragraph 10, Sunday was to be paid an additional commission by Qazi. Based upon information and belief, and on that basis it is alleged, Contract Writing No. 2 contained a scriveners error by DOE 1, which omitted the amount of the commission due Sunday from Qazi. But for the herein described scriveners error, it is believed Paragraph 10, in Contract Writing No. 2, would have stated Qazi was to pay Sunday a commission equal to 2% of the final sales price of the Subject Property. This scrivener's error is further evidenced by an email from Qazi's agent, Joshua H. Abel, Esq., asking escrow to make, "the adjustment to reflect [a reduction from 2% to] a 1%

commission price." That email is attached hereto as <u>Exhibit C</u>. However, Sunday never did agree to lower her Qazi commission from 2% to 1%.

- 25. The escrow for the sale of the Subject Property from Cerni to Qazi, by and through their related entities, closed on December 9, 2022. For reasons unknown to Sunday, neither Cerni nor Qazi paid the agreed upon commission to Sunday.
- 26. Following the close of escrow, Sunday contacted Qazi's attorney, DOE 2, who responded that he could not locate a commission agreement. Qazi's attorney unethically and unlawfully refused to acknowledge the existence of Contract Writing No. 1 and Contract Writing No. 2—as well as the scriveners error in Contract Writing No. 2.

# FIRST CAUSE OF ACTION

#### **ACTUAL FRAUD**

Ca. Civ. Code § 1572

[By Plaintiff against Cerni and Qazi]

- 27. Plaintiff realleges and incorporates herein by reference each and every allegation in the preceding paragraphs above as though fully set forth herein.
- 28. Both Defendants Cerni and Qazi suggested to Plaintiff Sunday, as a fact, they would each pay their respective agreed-upon real estate commissions (4% by Cerni and 2% by Qazi) to Sunday upon close of escrow even though they both knew it not to be true.
- 29. Both Defendants Cerni and Qazi suppressed from Sunday that they had absolutely no intention of paying Sunday for being the procuring cause of the purchase and sale of the Subject Property from Cerni and the Cerni Entities to Qazi and the Qazi Entities, even though they both had the knowledge and belief they would never pay for Sunday's services.
- 30. Defendants Cerni and Qazi made the promises described in this cause of action without any intention whatsoever of performing those promises.
- 31. Cerni and Qazi engaged in multiple deceptive acts in an attempt to avoid paying Sunday the agreed-upon real estate commission including, but not limited to, engaging the services of DOES 1 and DOES 2, to draft legal documents in an attempt to block payment of Sunday's real

Entities, Qazi and the Qazi Entities, on the other hand, entered into a written and/or oral contract as memorialized in Contract Writing No. 1 (<u>Exhibit A</u>) and Contract Writing No. 2 (<u>Exhibit B</u>), which, taken together, constitute the parties' contract (hereinafter the "Contract").

- 39. Plaintiff performed all obligations required of it in accordance with the terms and conditions of the Contract, except for those obligations that were prevented, or that Plaintiff was excused, from performing.
- 40. Defendants Cerni and the Cerni Entities breached the Contract by repudiating the obligation to pay a 4% commission to Sunday as they had agreed to do under the Contract.
- 41. Defendants Qazi and the Qazi Entities breached the Contract by repudiating the obligation to pay a 2% commission to Sunday as they had agreed to do under the Contract.
- 42. None of Defendants' obligations under the Contract were excused and Plaintiff did not prevent Defendants from performing their obligations under the Contract.
- 43. Plaintiff is informed and believes, and based thereon alleges, that as a direct and proximate result of the breach of the Contract, Plaintiff has sustained compensatory and consequential damages in an amount to be proven at trial of not less than of \$285,000, plus prejudgment interest at the legal rate.

#### **FOURTH CAUSE OF ACTION**

#### BREACH OF THE IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING

[By Plaintiff against Cerni, the Cerni Entities, Qazi and the Qazi Entities]

- 44. Plaintiff realleges and incorporates herein by reference each and every allegation in the preceding paragraphs above as though fully set forth herein.
- 45. In every contract or agreement there is an implied promise of good faith and fair dealing. This implied promise means that each party will not do anything to unfairly interfere with the right of any other party to receive the benefits of the contract. Good faith means honesty of purpose without any intention to mislead or to take unfair advantage of another. Defendants Cerni, the Cerni Entities, Qazi and the Qazi Entities violated the duty to act fairly and in good faith under the Contract.

- 46. That Defendants Cerni, the Cerni Entities, Qazi and the Qazi Entities prevented Plaintiff Sunday from receiving the benefits under the Contract—namely a real estate commission of 4% from Cerni and 2% from Qazi.
- 47. In doing those acts that prevented Sunday from receiving the real estate commission, Defendants Cerni, the Cerni Entities, Qazi and the Qazi Entities did not act fairly and in good faith.
- 48. As a direct and proximate result of the conduct described in this cause of action, Plaintiff seeks compensatory, consequential and punitive damages in an amount to be proven at trial of not less than \$4,000,000.

### FIFTH CAUSE OF ACTION

#### BREACH OF IMPLIED IN FACT CONTRACT

[By Plaintiff against Cerni, the Cerni Entities, Qazi and the Qazi Entities]

- 49. Plaintiff realleges and incorporates herein by reference each and every allegation in the preceding paragraphs above as though fully set forth herein.
- 50. In the event it is determined at trial there is no written contract, a contract implied by the conduct and relationship of Sunday, Cerni and Qazi, as well as all the circumstances of all of them, created an implied-in-fact contract as a matter of law.
- 51. Since Sunday on the one hand, and Cerni and Qazi on the other hand, acted intentionally with the respect to the sale of the Subject Property and since each of them knew, or should have known the others would reasonably interpret Sunday's conduct as the procuring cause of Qazi purchasing the Subject Property from Cerni as an agreement to enter into a contract.
- 52. As a direct and proximate result of the herein described breach, Plaintiff has sustained compensatory and consequential damages in an amount to be proven at trial of not less than \$285,000.

#### SIXTH CAUSE OF ACTION

#### WORK, LABOR AND SERVICES RENDERED/AGREED PRICE

[By Plaintiff against Cerni, the Cerni Entities, Qazi and the Qazi Entities]

53. Plaintiff realleges and incorporates herein by reference each and every allegation in

the preceding paragraphs above as though fully set forth herein.

- 54. To the extent the Contract may be found to be unenforceable at trial, Defendants Cerni, the Cerni Entities, Qazi and the Qazi Entities were unjustly enriched through the work, labor and services of Sunday which conferred upon them the benefits of Sunday's work, labor and services resulting in Sunday being the procuring cause of the sale of the Subject Property by Cerni and the Cerni Entities to Qazi and the Qazi Entities.
- 55. The reasonable value of the unjustly conferred upon Defendants Cerni, the Cerni Entities, Qazi and the Qazi Entities by Sunday has a reasonable value of 6% of the \$4,750,000 sale price of the Subject Property, representing the quantum meruit value unjustly conferred upon Defendants Cerni, the Cerni Entities, Qazi and the Qazi Entities by Plaintiff.
- 56. Neither the whole nor any part of the above sum has been paid, although demand has been made, and by this complaint demand is made again.
- 57. There is now due, owing, and unpaid from all Defendants Cerni, the Cerni Entities, Qazi and the Qazi Entities, to Plaintiff the sum \$285,000, plus prejudgment interest at the legal rate according to proof at the time of trial.

#### **SEVENTH CAUSE OF ACTION**

# CIVIL RECOVERY OF STOLEN PROPERTY RECEIVED PENAL CODE § 496

[By Plaintiff against Cerni, the Cerni Entities, Qazi, the Qazi Entities and DOES 1 to 10]

- 58. Plaintiff realleges and incorporates herein by reference each and every allegation in the preceding paragraphs above as though fully set forth herein.
  - 59. California Penal Code section 496(a) provides:

[e]very person who buys or receives any property that has been stolen or that has been obtained in any manner constituting theft or extortion, knowing the property to be so stolen or obtained, or who conceals, sells, withholds, or aids in concealing, selling, or withholding any property from the owner, knowing the property to be so stolen or obtained, shall be punished by imprisonment in a county jail for not more than one year, or imprisonment pursuant to subdivision (h) of Section I 170 [...]

A violation under Section 496(a) exists if the potential violator engaged in any of the conduct described in the statute (e.g., aiding in another's withholding of property) and it relates to any

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property obtained in any manner constituting theft. C.P.C. § 496(a). Penal Code section 496(c) creates a civil cause of action by providing, "[a]ny person who has been injured by a violation of subdivision (a) ... may bring an action for three times the amount of actual damages, if any, sustained by the plaintiff, costs of suit, and reasonable attorney's fees.

- 60. Plaintiff is informed and believes that Defendants Cerni and the Cerni Entities received money and property totaling \$190,000, and Qazi and the Qazi Entities received monies and/or property totaling \$95,000, from Sunday, which was obtained in a manner constituting theft, and/or was concealed, sold, withheld, or they each aided the other, with the assistance of attorney DOE 1 and non-attorney DOES 2 through 10, in concealing, selling, withholding said money and/or property lawfully belonging to Plaintiff Sunday with full knowledge the monies to be so stolen or unlawfully obtained.
- 61. Defendants Cerni, the Cerni Entities, Qazi, the Qazi Entities and DOES 1 to 10's conduct as described herein was a substantial factor in causing injury to Plaintiff. Moreover, their conduct as described in this cause of action has forced Plaintiff to retain legal counsel and incur legal fees and costs to prosecute this action to remedy Defendants' unlawful conduct.
- 62. Pursuant to Penal Code section 496(c), Plaintiff seeks to treble its \$285,000 in damages in an amount to be proven at trial of not less than \$855,000, its costs, and all of its reasonable attorneys' fees.

#### **EIGHTH CAUSE OF ACTION**

# INTENTIONAL INTERFERENCE WITH CONTRACTUAL RELATIONS

[By Plaintiff against Cerni, the Cerni Entities, Qazi, the Qazi Entities and DOES 1 to 10]

- 63. Plaintiff realleges and incorporates herein by reference each and every allegation in the preceding paragraphs above as though fully set forth herein.
- 64. An enforceable agreement existed between Plaintiff Sunday and Defendants Cerni, the Cerni Entities for a 4% real estate commission, and another enforceable agreement existed between Plaintiff Sunday and Qazi and the Qazi Entities, for a 2% real estate commission. All named Defendants in this cause of action, as well as DOES 1 to 10, knew of the respective agreements with

Plaintiff Sunday.

- 65. Defendants Cerni and the Cerni Entities' conduct prevented, frustrated, and/or encouraged Defendant Qazi and the Qazi Entities not to pay Sunday the agreed upon 2% real estate commission due Sunday from Defendant Qazi and the Qazi Entities under the Contract.
- 66. Defendants Qazi and the Qazi Entities' conduct prevented, frustrated, and/or encouraged Defendant Cerni and the Cerni Entities not to pay Sunday the agreed upon 4% real estate commission due Sunday from Defendant Cerni and the Cerni Entities under the Contract.
- 67. Defendant DOES 1 to 10 conduct prevented, frustrated, and/or encouraged Defendants Cerni, the Cerni Entities, Qazi and the Qazi Entities not to pay Sunday their respective real estate commission due Sunday under the Contract.
- 68. All Defendants named in this cause of action intended to disrupt the performance of the Contract and/or knew that their conduct, as described in this cause of action, would result in disruption of Defendants Cerni, the Cerni Entities, Qazi and the Qazi Entities' respective performance under the Contract related to payment of the Sunday real estate commissions, and/or knew that the same was certain, or substantially certain, to occur.
- 69. As a direct and proximate result of the conduct described in this cause of action,
  Plaintiff has been damages in an amount to be proven at trial of not less than \$285,000. The conduct
  of the Defendants named in this cause of action was a substantial factor in causing Sunday's harm.

#### NINTH CAUSE OF ACTION

# INTENTIONAL INTERFERENCE WITH PROSPECTIVE ECONOMIC RELATIONS

[By Plaintiff against Cerni, the Cerni Entities, Qazi, the Qazi Entities and DOES 1 to 10]

- 70. Plaintiff realleges and incorporates herein by reference each and every allegation in the preceding paragraphs above as though fully set forth herein.
- 71. Plaintiff Sunday and Defendants Cerni and the Cerni Entities were in an economic relationship that would have resulted in an economic benefit to Sunday.
- 72. Plaintiff Sunday and Defendants Qazi and the Qazi Entities were in an economic relationship that would have resulted in an economic benefit to Sunday.

- 73. All Defendants named in this cause of action knew of the aforesaid economic relationships.
- 74. All Defendants named in this cause of action engaged in conduct intended to prevent Sunday from being paid the real estate commission at issue in this action.
- 75. By engaging in this conduct, the Defendants named in this cause of action intended to disrupt the economic relationship with Sunday, or knew that disruption of the economic relationship with Sunday was certain, or substantially certain, to occur.
- 76. The economic relationship between Sunday and Defendants Cerni and the Cerni Entities was disrupted, and, the economic relationship between Sunday and Defendants Qazi and the Qazi Entities was disrupted causing economic harm to Plaintiff Sunday.
- 77. As a direct and proximate result of the conduct described in this cause of action, Plaintiff seeks compensatory, consequential and punitive damages in an amount to be proven at trial of not less than \$4,000,000.

# TENTH CAUSE OF ACTION

#### NEGLIGENT INTERFERENCE WITH PROSPECTIVE ECONOMIC RELATIONS

[By Plaintiff against Cerni, the Cerni Entities, Qazi, the Qazi Entities and DOES 1 to 10]

- 78. Plaintiff realleges and incorporates herein by reference each and every allegation in the preceding paragraphs above as though fully set forth herein.
- 79. Plaintiff Sunday and Defendants Cerni and the Cerni Entities were in an economic relationship that would have resulted in an economic benefit to Sunday.
- 80. Plaintiff Sunday and Defendants Qazi and the Qazi Entities were in an economic relationship that would have resulted in an economic benefit to Sunday.
- 81. All Defendants named in this cause of action knew of the aforesaid economic relationships.
- 82. All Defendants named in this cause of action engaged in conduct intended to prevent Sunday from being paid the real estate commissions at issue in this action.
  - 83. All Defendants named in this cause of action knew, or should have known, that this

- 15 -

FIRST AMENDED VERIFIED COMPLAINT

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1	1.	For consequential and punitive damages in an amount to be proven at trial of not less	
2	than \$4,000,000.		
3	AS TO THE FIFTH CAUSE OF ACTION		
4	1.	For compensatory damages in an amount to be proven at trial of not less than	
5	\$285,000.		
6	AS TO THE SIXTH CAUSE OF ACTION		
7	1.	For compensatory damages in an amount to be proven at trial of not less than	
8	\$285,000.		
9	AS TO THE SEVENTH CAUSE OF ACTION		
10	1.	For actual damages in an amount to be proven at trial of not less than \$285,000;	
11	2.	For damages pursuant to Ca. Penal Code § 496(c) in an amount of not less than	
12	\$855,000; and		
13 14	3.	Reasonable attorney's fees and costs pursuant to Ca. Penal Code § 496(c).	
15	AS TO THE EIGHTH CAUSE OF ACTION		
16	1.	For compensatory, consequential and punitive damages in an amount to be proven at	
17		ess than \$4,000,000.	
18		E NINTH CAUSE OF ACTION	
19	1.	As a direct and proximate result of the conduct described in this cause of action,	
20		ks compensatory, consequential and punitive damages in an amount to be proven at trial	
21	of not less than \$4,000,000.		
22	AS TO THE TENTH CAUSE OF ACTION		
23	1.	As a direct and proximate result of the conduct described in this cause of action,	
24		•	
25	Plaintiff seeks compensatory, consequential and punitive damages in an amount to be proven at trial of not less than \$4,000,000.		
26	///	imi φ 1,000,000.	
27	///		
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	4 9 7 9 4 7 7 9 4 7 9 7 9 7 9 7 9 7 9 7		
1	AS TO ALL CAUSES OF ACTIO	N	
2	1. For costs of suit; and		
3	2. For such other or furth	her relief as the Court deems just and proper.	
4			
5	Dated: August 11, 2023	STONE LLP	
6	Dated. Hagast 11, 2025		
7		/s/ Elliott H. Stone By:	
8		Elliott H. Stone, Esq.	
9		Robert S. Throckmorton, Esq. Attorneys for Plaintiff KAREN A. SUNDAY & ASSOCIATES, INC.	
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11			
12		JURY TRIAL DEMAND	
13	Plaintiff requests a trial by jury.		
14	Dated: August 11, 2023	STONE LLP	
15	, , , , ,		
16		/s/ Elliott H. Stone By:	
17		Elliott H. Stone, Esq. Robert S. Throckmorton, Esq.	
18		Attorneys for Plaintiff KAREN A. SUNDAY & ASSOCIATES, INC.	
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28		- 17 -	

1	VERIFICATION	
2 3 4 5 6 7 8	I, Karen Sunday, am the principal of Plaintiff KAREN A. SUNDAY & ASSOCIATES, INC., in this action. I have read the foregoing complaint and I believe the contents to be true to the best of my knowledge except as to those matters which are stated there on information and belief, and as to those matters I believe to be true to the best of my knowledge.  I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.  Executed on this 11 <sup>th</sup> day of August, in Irvine, California.	
9	Executed on this 11 day of Flagast, in It vine, Camornia.	
10	/s/ Karen Sunday	
11   12	Karen Sunday	
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VERIFICATION

ATTORNEY OR PARTY WITHOUT AN ATTORNEY (Name and Address):	For Court Use Only
STONE LLP	
9 Executive Circle • Suite 125	
Irvine California 92614	
Telephone: 949-477-9100	
SUPERIOR COURT OF THE STATE OF CALIFORNIA	
COUNTY OF ORANGE	
PLAINTIFF: KAREN A. SUNDAY & ASSOCIATES, INC.	
DEFENDANT: JOSEPH S. CERNI, et al.	
PROOF OF SERVICE	Case No.
	30-2023-01309116-CU-BC-CJC

I am over the age of 18, and not a party to this action. I am employed in the county of Orange, State of California, within which county the subject mailing occurred. My business address is shown in the header above. On the date stated below, I caused service of true and correct copies of the following document(s):

	` ,			
Interested	parties in	Evan M. Rothman, Esq.	Christina Lee, Esq.	
this action	upon	ABEL LAW OFFICES, PC	BEST BEST & KRIEGER, LLP	
which I se	rved these	2601 Main Street, Suite 1200	3390 University Ave, 5th Floor	
document	is:	Irvine CA 92614	P.O. Box 1028	
		949-537-3490	Riverside CA 92502	
		Evan@abelattorneys.com	951-686-1450	
			Christina.lee@bbklaw.com	
		Attorney for Defendant	Attorney for Defendant	
		NADIR QAZI	JOSEPH S. CERNI	
	US MAIL	I placed true copies of the documents described above in sealed envelopes postage fully prepaid, for each addressee named above for collection and mailing by leaving the envelopes in the area designated for my firm's outgoing mail. I am readily familiar with my firm's practice of collection and processing correspondence for mailing with the United States Postal Service on the same day this declaration was executed in the ordinary course of business.		
	OVERNIGHT DELIVERY	I enclosed the documents in an envelope or package provided by an overnight delivery carrier and addressed to the persons named above. 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.		
	MESSENGER SERVICE	I served the documents by placing them in an envelope or package addressed to the persons at the addresses listed above and providing them to the messenger service.		
	E-MAIL	Based upon a court order or an agreement of the parties, I caused the documents to be sent to the person at the email address listed above. If no such agreement of the parties is in place, service by email is strictly for courtesy purposes. I did not receive, within a reasonable time after sending the email, any error message or other indication that the email transmission was unsuccessful.		
	PERSONAL SERVICE	I personally delivered the documents to the persons named above at the addresses shown above, or the person has an attorney, by leaving the documents at the attorney's office between the hours of nine in the morning and five in the evening.		

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

Executed on August 11, 2023, at Irvine, California via remote.

Document(s) Served: FIRST AMENDED COMPLAINT

/s/ Quinn W. Porter	
Quinn W. Porter	



COMMERCIAL REAL ESTATE

23 CORPORATE PLAZA DR. STE. 150

NEWPORT BEACH. CA 92660

OFFICE 949. 729. 1609

CELL 949. 632. 7727

BROKER ID-01883124

E-mail: karen@karensundav.com

July 5, 2022

Dr. Joe Cerni Forever Ageless 20271 SW Birch Street Newport Beach, CA 92660

Re: Letter of Intent to Purchase -20271 SW Birch Street, Newport Beach, CA and Forever Ageless, Inc and Physicians Center for Renewal Businesses.

#### Dear Joe:

My client is interested in purchasing the premises above under the following terms and conditions:

- 1. Buyer: Dr. Nadir Qazi or it's the Assignee.
- **2. Premises:** 20271 SW Birch Street, Newport Beach CA an approximately 5,000 sq. ft. office/medical condominium bldg. APN: 930-685-08
- 3. Purchase Price: The purchase price for the property shall be two (2) million dollars (\$2,000,000) for the entirety of Forever Ageless and Physicians Center for Renewal and three million two hundred fifty thousand dollars (\$3,250,000) for the medical office condominium building.
- **4. Terms of Purchase:** Within three (3) days from acceptance of this letter of intent, Buyer will have a prepared Offer, Agreement and Escrow Instructions for Purchase of Real Estate (Non-Residential) prepared reflecting the agreed upon terms an d conditions. The rights and obligations of the parties shall be subject to mutually acceptable legal documentation.
- **5. Purchase Deposit:** Within three (3) business days after the execution of a binding purchase and sale agreement ("Purchase and Sale Agreement"), Buyer shall make an initial deposit of Forty-Five Thousand Dollars (\$45,000.00) ("First Deposit") into an escrow account ("Escrow Agent") which will also serve as the Title Insurer. Upon Buyer's completion of the Contingency Period, Buyer shall deposit an additional Forty-Five Thousand Dollars (\$45,000.00) ("Second Deposit") into the escrow account thereby increasing the total deposit amount to Ninety Thousand Dollars (\$90,000.00) ("Total Deposit"). The Total Deposit plus any accrued interest shall be credited to the Purchase Price upon the close of escrow or shall be retained by the Seller as non-refundable liquidated damages if Buyer fails to acquire the Property after Buyer's removal of contingencies due to a default of the Buyer under the Purchase and Sale Agreement. The Total Deposit plus any accrued interest shall be refundable to the Buyer if Seller fails to transfer the Property for any reason.
- **6. Contingencies Period:** Buyer will have 30 days from the ("Date of Agreement") ("Contingency Period") to investigate and approve or disapprove the property for Buyer's intended use. Buyer will have 30 days to satisfy itself with the following contingency items:

a) Soils and Geology Reports

b) All Business tax returns and bank statements and Profit and Loss, Income statements

c) Physical Inspection

d) CC&Rs, if any

e) Preliminary site plan and elevations

f) Buyer's use of the property being acceptable to City of Newport Beach

g) Preliminary Title Report

h) Property Information Sheet and Seller's Mandatory Disclosure Statement

i) Appraisal

j) Loan Contingency

k) Evaluation of all of the assets and liabilities of the business.

Dr. Qaži Offer to Purchase Page two July 5, 2022

The investigation of the Property will be conducted at Buyer's sole expense. Seller will provide Buyer within five (5) days after the ("Date of Agreement"), with one (1) set of copies of all relevant documents in Seller's possession relating to the Property as available to Seller, including, but not limited to property tax bill, soils and engineering reports, building shell plans and specification, surveys, leases and tenancy statements, Declaration of Covenants, Conditions & Restrictions and an AIR Property Information Sheet, Completed by Seller ("Due Diligence Material").

## 7. Close of Escrow:

Escrow shall close within 60 days from completion of Buyer's due diligence and conditioned upon Owner delivering property clean and vacated by current tenants.

#### 8. Title Insurance:

Seller will provide Buyer with the standard CLTA Title Insurance Policy issued by their own provided Title Company.

9. Escrow Fees: Shall be 50/50 split between both parties.

#### 10. Broker:

Buyer and Seller acknowledge that Karen A. Sunday & Associates, Inc. represents the Buyer and the Seller. Upon the date of escrow, Karen A. Sunday & Associates, Inc., shall receive a 4% commission based upon the building and business purchase prices.

11. Non-Binding Agreement:

This offer is a non-binding proposal and no party shall have the right to institute any legal action with respect to the transaction described herein. Seller and Buyer acknowledge that this non-binding proposal is not an offer, and that it is intended only as the basis for the preparation and execution of necessary purchase documents. The parties acknowledge that the terms contained herein do not include all of the material terms and conditions which will be required in a definitive agreement. Only an agreement executed by each party and delivered to escrow will constitute a binding agreement for a purchase of the property.

12. Acceptance:

This letter of Proposal shall remain in effect through 5:00 pm, July 8, 2022 at which time, unless it has been accepted in writing, shall be deemed automatically revoked. Time is of the essence. Please contact me with any questions you may have.

Respectfully Submitted,

KAREN A. SUNDAY & ASSOCIATES, INC., BROKER

CA DRE 01883124

Karen A. Sunday

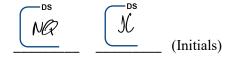
cc: Dr. Qazi

Sincerely,

Karen A. Sunday, Broker

# AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS

- 1. <u>Identification and Parties</u>. This Agreement of Purchase and Sale and Joint Escrow Instructions (this "Agreement"), dated as of September 9th 2022, is made and entered into by and between Joseph Cerni, an individual ("Seller"), and Rockitgram, LLC, a California limited liability company ("Buyer"). Seller and Buyer are sometimes referred to herein together as the "parties," and individually as a "party."
- 2. <u>Recitals; Property</u>. Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, all of the following (collectively, "Property"):
- 2.1 the land commonly known as 20271 South West Birch Street, Newport Beach, California, legally described on <u>Exhibit A</u> attached hereto and incorporated herein by this reference (the "Land"), Parcel No./APN: 930-68-507;
- 2.2 the buildings, parking areas, improvements and fixtures located on the Land; all development rights, air rights, water, water rights and water stock relating to the Land; all other easements, rights-of-ways or appurtenances used in connection with the beneficial use and enjoyment of the Land (collectively, the "Improvements", and together with the Land, the "Real Property");
- 2.3 all of Seller's right, title and interest under the Assigned Service Contracts (as defined below);
- 2.4 all of Seller's right, title and interest, as lessor, under the Assigned Leases, if any (as defined in Section 11.6); and
- 2.5 all of Seller's right, title and interest in any and all fixtures and trade fixtures located on the Real Property that are owned by Seller (collectively, the "Fixtures"). For clarity, Fixtures shall not include any laser equipment or other medical equipment.
- 3. <u>Agreement of Purchase and Sale of Property</u>. Seller hereby agrees to sell the Property to Buyer, and Buyer hereby agrees to purchase the Property from Seller, upon and subject to the terms and conditions set forth below.
- 4. <u>Purchase Price; Manner of Payment; Deposit; Prepayment Premium.</u>
- 4.1 The purchase price (the "Purchase Price") for the Property shall be Four Million seven hundred fifty thousand Dollars (\$4,750,000), which amount shall be payable as provided in Section 4.2 below.
  - 4.2 The Purchase Price shall be payable as follows:
- (a) Buyer shall deliver to Escrow Holder (as defined below), within three (3) Business Days (as defined below) after the Date of Execution (as defined below), the sum of



Forty-Five Thousand Dollars (\$45,000,000) (the "Initial Earnest Money Deposit"). One Hundred Dollars (\$100) of the Initial Earnest Money Deposit (the "Independent Consideration") shall be non-refundable and shall be deemed bargained for and agreed to as consideration for Seller entering into this Agreement with Buyer and shall be paid to Seller in the event that this Agreement is terminated at any time prior to the Close of Escrow, but the Independent Consideration shall be credited to the Purchase Price at the Close of Escrow.

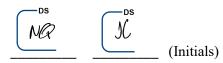
- (b) Buyer shall deliver to Escrow Holder, within three (3) Business Days after the end of the Review Period (as defined below), an additional Forty-Five Thousand Dollars (\$45,000,000) (the "Secondary Earnest Money Deposit"). Each of the Initial Earnest Money Deposit and the Secondary Earnest Money Deposit, when deposited with the Escrow Holder, shall be referred to herein as an "Earnest Money Deposit" and collectively, as the "Earnest Money Deposits").
- (c) By Buyer delivering to Escrow Holder, not later than one (1) Business Day prior to the Closing Date, in immediately available funds, the balance of the Purchase Price, subject to prorations and adjustments as set forth in this Agreement.

## 5. Escrow; Opening Date; Close of Escrow.

- 5.1 An escrow (the "Escrow") to consummate the sale and purchase of the Property shall be opened with Ticor Title Company ("Escrow Holder"), located at 1500 Quail Street, 3<sup>rd</sup> Floor, Newport Beach, CA 92660. Within three (3) Business Days after the Date of Execution, the parties shall deposit with Escrow Holder a copy of this Agreement which, in addition to constituting the agreement of the parties, shall serve as escrow instructions to Escrow Holder. The parties shall execute such additional escrow instructions as Escrow Holder may require to clarify its duties hereunder, provided that such additional instructions do not impose any additional obligations on the parties. Such further instructions shall not modify the provisions of this Agreement unless otherwise expressly set forth therein and any inconsistency between the provisions of such additional instructions and the provisions of this Agreement shall be resolved in favor of this Agreement.
- 5.2 As used herein (i) the term "Date of Execution" means the date upon which Buyer and Seller have executed and delivered this Agreement; (ii) the terms "Close of Escrow" and "Closing" mean the recording of the Deed (as defined below) in the official records of the county in which the Property is located; and (iii) the term "Closing Date" means the date of the Close of Escrow. Subject to satisfaction of the conditions to Closing expressly set forth in this Agreement, the Close of Escrow shall occur on December 8, 2022.

## 6. <u>Representations and Warranties</u>.

- 6.1 <u>Buyer's Representations and Warranties</u>. Buyer hereby makes the following representations and warranties to Seller:
- (a) <u>Buyer's Authority</u>. Buyer has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transaction contemplated hereby. All requisite action has been taken by Buyer in connection with the



entering into this Agreement and the instruments referenced herein, and the consummation of the transaction contemplated hereby, and no consent of any partner, shareholder, creditor, investor, judicial or administrative body, or other party is required. The individual(s) executing this Agreement and the instruments referenced herein have the legal power, right and authority to bind Buyer to the terms and conditions hereof and thereof. This Agreement and all documents required hereby to be executed by Buyer are and shall be valid, legally binding obligations of and enforceable against Buyer in accordance with their terms, subject only to applicable bankruptcy, insolvency, reorganization, moratorium laws or similar laws or equitable principals affecting or limiting the rights of contracting parties generally.

- (b) <u>Experience</u>. Buyer is an experienced purchaser and/or owner of properties such as the Property, or Buyer has consulted or will consult with one or more individuals who are experienced and sophisticated in evaluating properties such as the Property.
- 6.2 <u>Seller's Representations and Warranties</u>. Seller hereby makes the following representations and warranties to Buyer, which will survive the Closing:
- (a) <u>Seller's Authority</u>. Seller is the owner of the Property and has the full right, power and authority to sell, convey and transfer the Property to Buyer as provided herein. Seller has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transaction contemplated hereby. All requisite action has been taken by Seller in connection with the entering into this Agreement and the instruments referenced herein, and the consummation of the transaction contemplated hereby, and no consent of any partner, member, officer, shareholder, creditor, investor, judicial or administrative body, or other party is required. The individuals executing this Agreement and the instruments referenced herein on behalf of Seller and the partners, members, officers or trustees of Seller, if any, have the legal power, right and authority to bind Seller to the terms and conditions hereof and thereof. This Agreement and all documents required hereby to be executed by Seller are and shall be valid, legally binding obligations of and enforceable against Seller in accordance with their terms, subject only to applicable bankruptcy, insolvency, reorganization, moratorium laws or similar laws or equitable principals affecting or limiting the rights of contracting parties generally.
- (b) Service Contracts; Leases. Seller is not a party to any service, supply, maintenance, leasing brokerage, management agreements or other agreements affecting the Property or any part thereof that will survive the Close of Escrow and be binding on Buyer or the Property, except the Assigned Service Contracts (as defined below). All Assigned Service Contracts are listed in Schedule I attached hereto. All of the leases and other occupancy agreements of any kind of nature (whether sublease, license, rental or otherwise) affecting the Real Property are set forth in Schedule II attached hereto (the "Leases"). True, correct and complete copies of all Assigned Service Contracts and Leases, including all amendments thereto, have been delivered to Buyer by Seller. The Leases are the only real property leases affecting the Property. There are no oral or verbal agreements, leases, services contracts or licenses of any kind affecting or related to the Property. No portion of any security deposit received by Seller under any Lease has been used or applied, and the Leases are in full force and effect, with no event of default thereunder as of the date hereof. Each of the Assigned Service Contracts and Leases is a valid and binding obligation of Seller and in full force and

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effect with respect to Seller and, to the knowledge of Seller, with respect to all other parties thereto. There are no existing defaults by Seller or, to the Knowledge of Seller, by any other party thereto, and no event of default has occurred, and no event, condition or occurrence exists, that would constitute a default by Seller thereunder.

- (c) <u>Compliance with Laws</u>. Seller has owned, operated and maintained the Real Property in compliance with all applicable laws, rules and regulations, applicable zoning and other laws, ordinances, regulations and building codes. Seller has not received any written notice from any governmental agency that has jurisdiction over the Real Property that the Real Property is in violation of any laws applicable to the Real Property.
- Hazardous Materials. (i) Seller has not generated, manufactured, stored (d) or disposed of Hazardous Materials (as defined below) on the Real Property; (ii) to Seller's Knowledge, there are no Hazardous Materials in, on or under the Real Property; and (iii) to Seller's Knowledge, there are no above ground or below ground storage tanks on the Property. As used herein, the term "Hazardous Materials" means any substance, chemical, waste or other material which is now or hereafter listed, defined or otherwise identified as "hazardous" or "toxic" under any federal, state, local or administrative agency, ordinance or law, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601 et seq. and the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq., or any regulation, order, rule or requirement adopted thereunder, as well as any formaldehyde, urea, polychlorinated biphenyls, petroleum, petroleum product or by product, crude oil, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel or mixture thereof, radon, asbestos, and "source," "special nuclear" and "by product" material as defined in the Atomic Energy Act of 1954, 42 U.S.C. §§ 2011 et seq., as amended. The terms "knowledge of Seller," "Seller's knowledge" or similar phrase as used in this Agreement shall be limited to the current actual (as opposed to constructive, imputed or implied) knowledge of Joe Cerni.
- (e) <u>Foreign Person</u>. Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code, as amended.
- (f) <u>No Litigation</u>. There is no litigation or other legal proceeding (including, without limitation, any condemnation action or assessment district proceedings) pending and served relating to the ownership or operation of the Property, including, without limitation pursuant to the Assigned Service Contracts and Leases.
- (g) <u>Possessory Rights</u>. At the Closing, no other person or entity shall have any right to possession of the Property, except for tenants pursuant to the Assigned Leases.
- (h) <u>Mechanics' Liens</u>. There are no unsatisfied mechanics' or materialmens' lien rights concerning the Property.
- (i) <u>Notice of Changes</u>. Seller will promptly notify Buyer in writing of any Material Change affecting the Property that becomes known to Seller prior to the Closing. "Material Change" means shall mean a substantial adverse change in the use, occupancy, tenants, title, Leases or condition of the Property that occurs after the Date of this Agreement

and prior to the Closing, including, without limitation, any material casualty or damage to any buildings or improvements due to fire, flooding or earthquake.

#### 7. Disclaimer; As-Is Conveyance; Discharge; Indemnification; Limitation on Claims.

- 7.1 <u>Disclaimer</u>. Except for the express representations of Seller set forth in this Agreement or in any document delivered by Seller at Closing, Seller hereby disclaims and shall not be liable for any and all verbal and/or written statements, conversations, representations and information, if any, made or given by Seller or any of Seller's affiliates, or any of their respective members, managers, agents, employees, attorneys, consultants, contractors or representatives, or the successors and assigns of each of the preceding (collectively, "Seller Parties"), or any other person to Buyer, to any agent or employee of Buyer or to any other person with respect to any aspect or feature of the Property (including, without limitation, any information related to the Property's value, condition, or compliance with laws, the status of permits, approvals use or occupancy, the existence of any Hazardous Materials on the Property, or the location of the Property within or outside areas designated as subject to flooding, fire, seismic or earthquake risks by any federal, state, local or other entity). All such statements, conversations, representations and information, if any, are merged into and superseded by this Agreement, and Buyer hereby agrees that Buyer shall not be entitled to rely upon any such statements, conversations, representations or information.
- 7.2 AS-IS CONVEYANCE. BUYER HEREBY AGREES THAT, UPON THE CLOSE OF ESCROW, EXCEPT AS OTHERWISE SET FORTH IN THIS AGREEMENT OR IN ANY DOCUMENT OR AGREEMENT DELIVERED BY SELLER AT THE CLOSING. BUYER SHALL CONCLUSIVELY BE DEEMED TO HAVE ACCEPTED THE PROPERTY IN ITS THEN EXISTING CONDITION, "AS IS, WHERE IS AND WITH ALL FAULTS" WITHOUT REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND OR NATURE WHATSOEVER (INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY AS TO (I) THE PROPERTY'S CONDITION, FITNESS FOR ANY PARTICULAR PURPOSE, OR MERCHANTABILITY, (II) THE STRUCTURAL INTEGRITY OF IMPROVEMENTS CONSTITUTING PARTS OF THE PROPERTY, (III) THE PAST OR FUTURE TAXES OR ASSESSMENTS OF THE PROPERTY, (IV) THE COMPLIANCE OF THE PROPERTY WITH ANY APPLICABLE LAWS OR GOVERNMENTAL REQUIREMENTS OR (V) THE LOCATION OF THE PROPERTY WITHIN OR OUTSIDE AREAS DESIGNATED AS SUBJECT TO FLOODING, FIRE, SEISMIC OR EARTHQUAKE RISKS BY ANY FEDERAL, STATE, LOCAL OR OTHER ENTITY, AND WITH ALL FAULTS AND PROBLEMS OF ANY KIND AND/OR NATURE WHATSOEVER THAT MAY THEN EXIST, WHETHER THE SAME ARE OF A LEGAL NATURE, A PHYSICAL NATURE, OR OTHERWISE. BUYER FURTHER ACKNOWLEDGES THAT SUCH EXISTING CONDITIONS, FAULTS, AND PROBLEMS INCLUDE OR MAY INCLUDE (BY WAY OF ILLUSTRATION ONLY, AND WITHOUT IN ANY WAY LIMITING THE GENERALITY OF THE FOREGOING) THE FOLLOWING: (A) THAT THE CONSTRUCTION AND/OR USE OF THE PROPERTY IS NOT IN ACCORDANCE WITH APPLICABLE STATUTES, ORDINANCES. REGULATIONS, BUILDING CODES, ZONING RESTRICTIONS, MASTER PLAN RESTRICTIONS, OR ADMINISTRATIVE OR JUDICIAL ORDERS OR HOLDINGS, WHETHER OR NOT APPEARING IN THE PUBLIC RECORDS OR IN MATERIAL



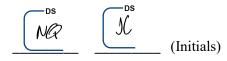
SUPPLIED TO BUYER BY SELLER, IF ANY, OR OTHERWISE; (B) THAT CONSTRUCTION DEFECTS EXIST IN THE PROPERTY; (C) THAT THE PROPERTY (OR ANY PORTION THEREOF) IS LOCATED WITHIN AREAS DESIGNATED AS SUBJECT TO FLOODING, FIRE, SEISMIC OR EARTHQUAKE RISKS BY ANY FEDERAL, STATE, LOCAL OR OTHER ENTITY, AND (D) THAT THE PROPERTY IS CONTAMINATED WITH HAZARDOUS MATERIALS.

#### 7.3 Indemnification.

- (a) <u>Buyer's Indemnification</u>. Buyer hereby agrees to indemnify, defend and hold harmless Seller and the other Seller Parties from and against any and all Claims arising out of (1) any Buyer Party's (as defined below) entry upon, or other activities relating to, the Property prior to Close of Escrow and/or the making of any inspections, tests or studies with respect to the Property, including any and all mechanics lien claims; or (2) the breach of any of Buyer's warranties, representations, covenants, agreements or obligations set forth in this Agreement. Notwithstanding the foregoing, Buyer's indemnity shall not cover the mere discovery of any existing condition at the Property which is not exacerbated by Buyer or Buyer's agents or consultants. As used herein, the term "Buyer Parties" means Buyer and Buyer's agents, employees, attorneys, consultants, contractors and representatives. The provisions of clause (1) of this Section 7.3(a) shall survive any termination of this Agreement for a period of one (1) year.
- (b) <u>Seller's Indemnification</u>. Subject to Section 7.4 below, Seller hereby agrees to indemnify, defend and hold harmless Buyer from and against any and all Claims arising out of any breach of any of Seller's warranties, representations, covenants, agreements or obligations set forth in this Agreement.
- 7.4 <u>Limitation on Claims</u>. Notwithstanding any provision of this Agreement to the contrary, provided the Closing occurs, any action, suit or proceeding by Buyer with respect to the Property, Seller's representations, warranties, covenants and other provisions of this Agreement and the documents delivered by Seller at Closing shall be commenced and served, if at all, on or before the date which is five (5) years after the Closing Date and, if not commenced and served on or before such date, such representations, warranties, covenants and other provisions shall lapse and hereafter be void and of no further force or effect.
  - 7.5 <u>Survival</u>. The provisions of this Section 7 shall survive the Closing.

#### 8. <u>Review Period</u>

8.1 Until 5:00 p.m. California time on November 8, 2022 (the "Review Period"), Buyer shall have the opportunity to review documents, information and materials furnished and to enter upon the Property on the terms and conditions set forth herein, and to perform such other reviews, investigations and inquiries as it deems appropriate in order to determine that the Property is acceptable to Buyer in its sole discretion (collectively, the "Due Diligence"). Buyer shall have the right to terminate this Agreement in Buyer's sole subjective and absolute discretion, for any reason or no reason at all, at any time prior to the conclusion of the Review Period upon written notice thereof to Seller and Escrow Agent, in which event all Earnest Money Deposits shall be promptly returned to Buyer, plus any interest earned thereon, less only Escrow



Holder and Title Company cancellation fees and costs, which shall be paid by Buyer. Neither party shall have any further liability or obligation hereunder (except for any indemnification and other obligations that may expressly survive any termination hereunder).

If Buyer does not give written notice to Seller prior to the expiration of the Review Period of the termination of this Agreement, then all of the following shall apply: (i) Buyer shall no longer have any right to terminate this Agreement based on Buyer's due diligence review and all Earnest Money Deposits shall be non-refundable to Buyer (except as otherwise provided herein, including, without limitation, Sections 9 and 13 below); and (ii) Seller and Buyer shall be bound by all of their obligations under this Agreement. If Buyer timely elects to terminate its obligations hereunder as described above, Buyer shall promptly provide to Seller copies of all third-party reports relating to any testing or other inspection of the Property performed by Buyer or its Licensee Parties, not including valuation studies, without representation or warranty, and at no cost to Seller.

# 9. <u>Buyer Contingencies; Title Report; Closing of APA.</u>

#### 9.1 Omitted.

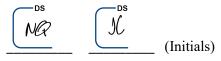
9.2 <u>Title Report</u>. Buyer acknowledges that Ticor Title Company (the "Title Company") shall deliver to Buyer a current preliminary title report with respect to the Real Property (the "PTR") along with copies of all items identified as exceptions in the PTR within five days after the Date of Execution. Buyer shall have until the end of the Review Period to approve or disapprove the PTR. If Buyer shall fail to notify Escrow Holder and Seller, in writing prior to the end of the Review Period that the PTR is not approved, it shall be conclusively presumed that Buyer has approved the PTR.

#### 9.3 Omitted.

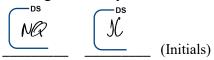
10. <u>Brokers</u>. Karen Sunday & Associates, Inc. (the "Broker") has acted as broker for the sale of the Property. Buyer shall separately pay Broker's commission for such services.

#### 11. Additional Covenants.

- 11.1 <u>Possession</u>. Subject to the terms and conditions of this Agreement, sole and exclusive possession of the Property shall be delivered to Buyer at the Close of Escrow.
- 11.2 <u>Due Diligence Documents</u>. Buyer acknowledges that Seller has made or will make available to Buyer certain documents and information related to the Property (collectively, "Due Diligence Documents"). Within five (5) business days after the Date of Execution (the "Due Diligence Delivery Date"), Seller shall, if not already made available to Purchaser, deliver, cause to be delivered, or make available, copies of the following documents and materials pertaining to the Property to the extent within Seller's possession or control: site plans and specifications, architectural plans, environmental and hazardous material reports, governmental permits and approvals, copy of service contracts, warranties and guaranties, other similar materials relating to the physical and environmental condition of the Property, and any other documents relating to the Property reasonably requested by Purchaser.



- 11.3 <u>Delivery of Documents by Buyer</u>. If this Agreement terminates prior to the Close of Escrow, then, at Seller's request, Buyer shall, immediately after Seller's written request therefor, deliver to Seller, at no charge, all Due Diligence Documents, including all copies, reproductions and abstracts thereof. In addition, promptly after Seller's request therefor, Buyer shall deliver to Seller copies of all third party inspection reports, surveys and engineering studies of the Property (but excluding any privileged or proprietary material) prepared for Buyer, which shall be delivered without any representation or warranty whatsoever, express or implied, and subject to the rights of the preparers thereof.
- 11.4 <u>No Encumbrances by Seller</u>. So long as this Agreement remains in effect, Seller shall not record any encumbrance against title to the Property that will survive the Close of Escrow and be binding on Buyer without first obtaining Buyer's prior written consent, which may be withheld in Buyer's sole discretion. Seller shall also ensure that all mortgages and monetary encumbrances against the Property are paid in full and released at the Closing.
- 11.5 <u>Service Contracts</u>. The service, supply, and maintenance agreements affecting the Property have been delivered to Buyer, and are collectively referred to herein as the "Service Contracts." All Service Contracts shall be terminated by Seller at Seller's sole cost and expense Seller prior to the Closing, except for those contracts listed on <u>Schedule I</u> attached hereto, which Buyer hereby agrees to assume and which Seller shall assign to Buyer at the Closing (the "Assigned Service Contracts"). Seller shall not enter into any amendments of the existing Service Contracts, or enter into any new Service Contracts, affecting the Property that will survive the Closing and cannot be terminated upon thirty (30) days' notice without penalty or other charge (unless Seller agrees in writing to pay for such penalty or other charge) without first obtaining Buyer's prior written consent, which may be withheld in Buyer's reasonable discretion.
- 11.6 <u>Lease Termination</u>. All Leases shall be terminated by Seller effective as of or before the Closing pursuant to written, fully executed lease termination agreements (the "Lease Terminations"). Seller shall not enter into any new leases affecting the Real Property, or amend any existing Leases, without Buyer's written consent. Seller shall not enter into, or permit to exist, any oral or verbal lease, sublease or license agreements affecting the Real. Property
- 11.7 <u>Maintenance of Property</u>. Seller shall operate, manage and maintain the Property in the ordinary course and consistent with Seller's past practices (including, but not limited to, that Seller will maintain in effect all insurance policies now maintained at the Property, or substantially equivalent policies, up to and including the Closing Date). Seller shall not remove any fixtures or trade fixtures from the Property (subject to section 2.5 regarding Fixtures).
- 11.8 <u>Natural Hazards Disclosure Statement</u>. Seller shall deliver or cause to be delivered to Buyer a "Natural Hazard Disclosure Statement" within ten (10) days from the Date of Execution. The information contained in the Natural Hazard Disclosure Statement is a disclosure only for purposes of statutory compliance, and is compiled from and based solely on the information sources identified in the Natural Hazards Disclosure Statement. The delivery of such Natural Hazard Disclosure Statement is not intended to be part of any contract between Seller and Buyer, to limit or restrict in any way the representation, warranties, agreements and releases of Buyer set forth herein, or to give rise to any other rights in Buyer under this

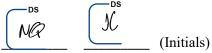


#### Agreement.

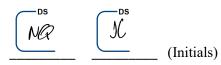
11.9 <u>Cooperation</u>. Seller shall reasonably cooperate with third party vendor inspections as required by Buyer or any lender. Seller shall reasonably cooperate on providing requested third party reports as required by Buyer or any lender.

#### 12. Closing.

- 12.1 <u>Seller Deliveries</u>. On or prior to the date which is one (1) Business Day prior to the Closing Date, Seller shall deliver to Escrow Holder the following documents, executed by Seller and acknowledged where appropriate, and such other items as follows:
- (a) The original grant deed, in the form attached as <u>Exhibit B</u> ("Deed"), conveying Seller's interest in the Real Property to Buyer subject to, among other things, any and all recorded easements and other matters of record.
- (b) Two (2) counterpart originals of the Bill of Sale, in the form attached hereto as <u>Exhibit C</u> ("Bill of Sale"), conveying Seller's interest in the Fixtures to Buyer.
- (c) Two (2) counterpart originals of the Assignment and Assumption of Surviving Contracts, in the form attached hereto as <u>Exhibit D</u> (the "Assignment of Contracts") pursuant to which Seller assigns to Buyer all of Seller's right, title and interest in the Assigned Service Contracts, and Buyer assumes from Seller all of Seller's obligations and liabilities under the Assigned Service Contracts to the extent arising after the Close of Escrow.
- (d) One (1) original of each of the Lease Terminations, in such form and substance as reasonably acceptable to Buyer;
- (e) A non-foreign person affidavit and California Form 593-C (California Real Estate Withholding Exemption Certificate) in the forms prescribed by applicable law.
- (f) Such proof of Seller's authority and authorization to enter into this Agreement and the transactions contemplated hereby, and such proof of the power and authority of the individual(s) executing and/or delivering any instruments, documents or certificates on behalf of Seller to act for and bind Seller, as may be reasonably required by Title Company, an applicable lender or Buyer.
- 12.2 <u>Buyer Deliveries</u>. On or prior to the date which is one (1) Business Day prior to the Closing Date, Buyer shall deliver to Escrow Holder the following funds and documents, executed by Seller and acknowledged where appropriate, and such other items as follows:
- (a) The balance of the Purchase Price, and such additional funds, if any, necessary to comply with Buyer's obligations hereunder regarding prorations, credits, costs and expenses, in immediately available funds.
  - (b) Two (2) counterpart originals of the Assignment of Contracts.
  - (c) A Preliminary Change of Ownership Report.

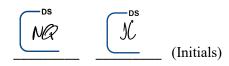


- (d) Such proof of Buyer's authority and authorization to enter into this Agreement and the transactions contemplated hereby, and such proof of the power and authority of the individual(s) executing and/or delivering any instruments, documents or certificates on behalf of Buyer to act for and bind Buyer, as may be reasonably required by Title Company.
- 12.3 <u>Prorations</u>. All revenues, and all items of costs and expenses, with respect to the Property shall be prorated as of the Close of Escrow based on the actual number of days of the month in which the Close of Escrow occurs. The Closing Date shall be counted as an income and expense day of Buyer. Without in any way limiting the generality of the foregoing:
- Real estate taxes and any special assessments in respect of the current fiscal year of the applicable taxing authority in which the Closing Date occurs (the "Current Tax Year") shall be prorated based upon the number of days in the Current Tax Year prior to the date of Close of Escrow (which shall be allocated to Seller), and the number of days in the Current Tax Year on and after the date of the Close of Escrow (which shall be allocated to Buyer), taking into consideration discounts for the earliest permitted payment, based upon the latest previous tax levies. Such items shall be reapportioned between Seller and Buyer following the Close of Escrow if current tax rates differ from the latest previous tax rates as soon as the same are known. If tax refunds become payable for periods relating to the period before the Close of Escrow, then such amounts shall be promptly paid over to Seller. If supplemental assessments with respect to the Property are billed after the Close of Escrow that relate to the period before the Close of Escrow, then Buyer shall notify Seller of the same in writing and deliver to Seller a copy of all supplemental assessments, and Seller shall pay the portion thereof attributable to the Property that relate to the period before the Close of Escrow within thirty (30) days after such notice. If any assessments on the Property are payable in installments, then the installment for the current period shall be prorated (with Buyer assuming the obligation to pay the portion of any installment due on or after the Closing Date). In no event shall Seller be charged with or be responsible for any increase in taxes resulting from the sale of the Property or from any improvements made or leases entered into on or after the Closing Date.
- (b) All telephone, electric, gas, sewer, water and other utility charges levied against Seller or the Property shall be prorated as of the Close of Escrow, and Buyer shall transfer all such utility services to its name and account immediately upon the Close of Escrow. Seller and Buyer shall obtain billings and meter readings as of the Close of Escrow (or shall make reasonable estimates of meter readings if same-day readings are not available) to aid in such prorations.
- (c) Amounts payable under the Assigned Service Contracts shall be prorated as of the Closing Date.
- (d) No insurance policies shall be assigned hereunder, and accordingly there shall be no proration of insurance premiums.
- (e) If any of the aforesaid prorations in this Section 12.3 cannot be definitively calculated by three Business Days prior to the date of Closing, then they shall be reasonably estimated for the Closing.



- 2.4 Closing Costs. Each party shall pay all attorneys' fees, accounting fees, and other expenses incurred by it in connection with the transaction contemplated by this Agreement. Seller shall pay (i) one-half (1/2) of all escrow fees, (ii) all county documentary transfer taxes, (iii) the portion of the premium for the Title Policy attributable to standard CLTA coverage and (iv) one-half (1/2) of all sales, excise, transfer and use taxes imposed in connection with the transfer of the Fixtures. Buyer shall pay (I) one-half (1/2) of all escrow fees, (II) the portion of premium for the Title Policy not required to be paid by Seller pursuant to clause (iii) of this Section 12.4, (III) the cost of recording the Deed, (IV) one-half (1/2) of all sales, excise, transfer and use taxes imposed in connection with the transfer of the Fixtures, and (V) all costs associated with Buyer's due diligence. All other closing costs shall be apportioned in the manner customary in the county in which the Property is located. Notwithstanding anything to the contrary in this Agreement, in the event of a default by Seller or Buyer hereunder, all cancellation fees and other Escrow charges shall be borne by the defaulting party.
- 12.5 <u>Closing Statement</u>. Escrow Holder shall provide an estimated closing statement for the transaction contemplated by this Agreement to Seller and Buyer at least five (5) days before the Closing Date.
- 12.6 <u>Actions by Escrow Holder</u>. On the Close of Escrow, subject to Escrow Holder having received the documents and monies required to be deposited into Escrow pursuant to this Agreement and Escrow having received no written notice by a party that a condition precedent to its obligation to close has not been satisfied, Escrow shall do each of the following:
- (a) Disburse the Purchase Price, as adjusted for prorations and credits under this Agreement, to Seller.
- (b) Duly record the Deed in the official records of the county in which the Property is located, and arrange for the delivery to the parties of conformed copies thereof as soon as available.
- (c) Deliver to Seller (i) promptly following the Close of Escrow, one (1) set of originals of the Bill of Sale, the Assignment of Contracts, the Assignment of Leases, and the General Assignment executed by Seller and Buyer, and (ii) within one (1) Business Day following recordation, a conformed copy of the recorded Deed.
- (d) Deliver to Buyer (i) promptly following the Close of Escrow, one (1) set of originals of the Bill of Sale, the Assignment of Contracts, the Assignment of Leases and the General Assignment executed by Seller and Buyer, (ii) within one (1) Business Day following recordation, a conformed copy of the recorded Deed, and (iii) a CLTA owner's policy of title insurance ("Title Policy"), issued by Title Company insuring fee simple title to the Property vested in Buyer, with a liability limit in the amount of the Purchase Price. Notwithstanding the foregoing, Buyer shall have the right to arrange with the Title Company for the Title Policy to be an ALTA extended coverage owner's title policy, rather than a standard CLTA owner's policy, provided that the issuance of an ALTA extended coverage owner's title policy shall not be a condition to Buyer's obligations under this Agreement.

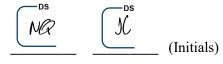
#### 13. Conditions Precedent.



- 13.1 The obligation of Buyer to complete the purchase of the Property and to close under this Agreement is subject to the satisfaction of each of the following conditions:
- (a) Seller shall have materially performed or materially complied with all agreements, covenants and conditions required by this Agreement to be performed or complied with by Seller prior to or at the time of the Close of Escrow;
- (b) All of the representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects as of the scheduled Closing Date;
- (c) There shall not have been filed by or against Seller at any time prior to the Close of Escrow any bankruptcy, reorganization or arrangement petition; and
  - (d) No Material Change shall have occurred.

If any one of the above conditions is not satisfied, Buyer shall provide written notice thereof to Seller within five (5) Business Days after Buyer becomes aware of the same, and if Seller, within five (5) Business Days thereafter, does not agree to cause such condition to be satisfied, then, within five (5) Business Days after the expiration of the five (5) Business Day period described in the preceding clause, Buyer shall (i) waive such condition in writing, in which case this Agreement shall continue in full force and effect, and Buyer shall have no further rights or remedies in connection with such condition or the facts or circumstances which caused such condition to be not satisfied, (ii) terminate this Agreement by written notice thereof to Seller and Escrow Holder, in which case Escrow Holder shall return all Earnest Money Deposits (less the Independent Consideration) and any other sums then held by Escrow Holder to Buyer, and the parties shall have no further rights or obligations to one another under this Agreement, except under provisions which expressly survive the termination of this Agreement, or (iii) in the event the unsatisfied condition is the condition set forth in Section 13.1(a) (b) or (c), which shall be deemed a breach of this Agreement by Seller, notify Escrow Holder of Buyer's intention to exercise Buyer's remedies under Section 15.2.

- 13.2 The obligation of Seller to complete the sale of the Property and to close under this Agreement is subject to the satisfaction of each of the following conditions:
- (a) Buyer shall have delivered into Escrow the Purchase Price in accordance with the provisions of Section 4.2 above, plus or minus prorations and closing costs for which Buyer is responsible under this Agreement.
- (b) Buyer shall have materially performed and materially complied with all agreements, covenants and conditions required by this Agreement to be performed or complied with by Buyer prior to or at the time of the Close of Escrow.
- (c) All of the representation and warranties of Buyer contained in this Agreement shall be true and correct in all material respects as of the scheduled Closing Date.
- (d) There shall not have been filed by or against Buyer at any time prior to the Close of Escrow any bankruptcy, reorganization or arrangement petition.



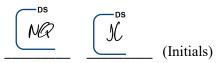
If any one of the above conditions is not satisfied, Seller shall provide written notice thereof to Buyer within five (5) Business Days after Seller becomes aware of the same, and if Buyer is unable to cause such condition to be satisfied within five (5) Business Days thereafter (provided that there shall not be any cure period with respect to Buyer's obligations under Section 4.2), then the same shall constitute a default by Buyer under this Agreement, as a result of which Seller may (i) waive such condition in writing, or (ii) terminate this Agreement by written notice thereof to Buyer, in which case all Earnest Money Deposits shall be paid by Escrow Holder to Seller in accordance with Article 15, and the parties shall have no further rights or obligations to one another under this Agreement, except under provisions which expressly survive the termination of this Agreement.

#### 14. Casualty; Condemnation.

- 14.1 In the event of the occurrence of any of the following after the Date of Execution and prior to the Close of Escrow: (i) the commencement of any eminent domain or condemnation proceedings with respect to any portion of the Property, (ii) any insured casualty which shall cost in excess Twenty-Five Thousand Dollars (\$25,000) to repair or (iii) any uninsured casualty loss in excess of Fifteen Thousand Dollars (\$15,000) (the "Uninsured Cap"), Buyer shall have the right to terminate this Agreement until the earlier of ten (10) days after the date Buyer receives written notice of such damage, taking or condemnation, or the Closing Date. If Buyer elects to terminate this Agreement, all Earnest Money Deposits shall be returned to Buyer, and both parties shall be relieved of any further obligations hereunder, except under those provisions which expressly survive the termination of this Agreement. In such event, the parties shall equally split the payment of all escrow costs and cancellation fees.
- 14.2 In the event of the occurrence of any casualty to the Property after the Date of Execution and prior to the Close of Escrow that shall cost less than Twenty-Five Thousand Dollars (\$25,000) to repair (or less than the Uninsured Cap for an uninsured casualty), or if Buyer does not terminate this Agreement pursuant to Section 13.1, the obligations of the parties hereunder shall be unaffected and the parties shall proceed to closing. In such case, Seller shall deliver to Buyer, at the Close of Escrow, as applicable (1) the amount of the lesser of (i) the reasonable cost to repair the damage or (ii) any insurance deductible under Seller's casualty insurance policy (or provide a credit against the Purchase Price in the amount of the same); (2) (I) the proceeds, if any, of all insurance coverage applicable to such damage previously received by Seller (or an assignment of all insurance proceeds, if any, applicable thereto) or (II) applicable condemnation proceeds previously received by Seller, and (3) the reasonable cost of repairing any uninsured casualty loss up to a maximum amount of Twenty-Five Thousand Dollars (\$25,000) or a credit against the Purchase Price in the amount of the same.

#### 15. Remedies.

15.1 <u>LIQUIDATED DAMAGES</u>. SELLER AND BUYER AGREE THAT THE DAMAGES THAT WOULD BE SUFFERED BY SELLER IN THE EVENT OF A DEFAULT BY BUYER HEREUNDER WOULD BE EXTREMELY DIFFICULT AND IMPRACTICABLE TO ASCERTAIN, AND THAT THE EARNEST MONEY DEPOSIT REPRESENTS THE REASONABLE ESTIMATE BY THE PARTIES OF THE AMOUNT OF



THE DAMAGES THAT SELLER WOULD SUFFER BY REASON OF BUYER'S UNCURED DEFAULT. ACCORDINGLY, IN THE EVENT OF A DEFAULT BY BUYER HEREUNDER, SELLER SHALL BE ENTITLED TO RECEIVE AND RETAIN ANY EARNEST MONEY DEPOSIT(S) THAT WERE DEPOSITED WITH THE ESCROW HOLDER AS OF THE DATE OF THE BREACH BY BUYER AS LIQUIDATED DAMAGES. UPON PAYMENT OF SAID SUM TO SELLER, EXCEPT FOR BUYER'S OBLIGATIONS UNDER PROVISIONS OF THIS AGREEMENT THAT EXPRESSLY SURVIVE THE TERMINATION OF THIS AGREEMENT, BUYER SHALL BE RELEASED FROM ANY FURTHER LIABILITY TO SELLER, AND ANY ESCROW CANCELLATION FEES AND TITLE COMPANY CHARGES SHALL BE PAID BY BUYER. IF AND WHEN SELLER BECOMES ENTITLED TO RECEIVE SUCH LIQUIDATED DAMAGES IN ACCORDANCE WITH THE PROVISIONS HEREOF, ESCROW HOLDER IS HEREBY INSTRUCTED TO DELIVER TO SELLER SUCH EARNEST MONEY DEPOSIT(S).

15.2 Default by Seller; Remedies of Buyer. In the event Seller fails to comply with any obligation, covenant or agreement to be performed, honored, or observed by Seller prior to or on the Closing Date pursuant to the terms and provisions of this Agreement, except due to Buyer's default, then Buyer, as its sole and exclusive remedy, may either: (a) terminate this Agreement by giving written notice thereof to Seller, in which case (i) the Earnest Money Deposit then held by Escrow Holder (less the Independent Consideration) shall be returned to Buyer, (ii) Seller shall reimburse Buyer for all reasonable out-of-pocket expenses incurred by Seller in connection with this Agreement, including, without limitation, attorneys' fees, not to exceed an aggregate of Fifty Thousand Dollars (\$50,000), and (iii) neither party shall have any further liability to the other except under provisions of this Agreement that expressly survive the termination of this Agreement; or (b) seek the specific performance by Seller of Seller's obligations under this Agreement (in which case Buyer shall be awarded all attorneys' fees and costs if Buyer prevails in such action in accordance with Section 17.1), provided that Buyer commences an action for specific performance within sixty (60) days after the scheduled Closing Date. Buyer specifically waives all other rights and remedies for Seller's default prior to the Close of Escrow, including, without limitation, the right to damages (except as expressly set forth in clause (ii) above). The limitations set forth in this Section 15.2 shall not apply to any claims regarding any alleged breach of this Agreement by Seller that are brought by Buyer post-Closing.

#### 16. Notices.

Any notice, request, demand or other communication which is required or may be given under or in connection with this Agreement shall be in writing and shall be personally delivered or sent by registered or certified mail, postage prepaid, return receipt requested, delivered or sent by email, and shall be deemed received upon the earlier of (i) if personally delivered, the date of delivery to the address of the person to receive such notice, (ii) if mailed, three (3) Business Days after the date of posting by the United States post office, (iii) if sent via reputable overnight carrier, one (1) Business Day after deposit with such overnight carrier or (iv) if given by email, when sent (unless the sender received an automated reply that the email could not be delivered, in which case the email shall be deemed received upon actual receipt by the recipient), in each case addressed as follows:

(a) If to Buyer: Rockitgram, LLC

113 Waterworks Way,

Suite 105

Irvine, CA 92618

With a copy to Josh Abel, Esq.

2601 Main Street, Suite 1200

Irvine, CA 92614

Email: josh@abelattorneys.com

(b) If to Seller: Joseph Cerni

Business: 20271 SW Birch Street,

Suite 100

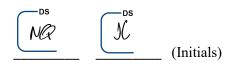
Newport Beach, CA 92660

with a copy to: Joseph Cerni

Home: 34 Belcourt Drive Newport Beach, CA 92660

#### 17. Miscellaneous.

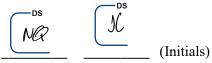
- 17.1 <u>Attorneys' Fees</u>. In the event of any action for breach of or to enforce any provision or right under this Agreement, the unsuccessful party in such action shall pay to the successful party all costs and expenses including, but not limited to, reasonable attorneys' fees incurred by the successful party in connection with such action. The provisions of this Section 17.1 shall survive any termination of this Agreement.
- 17.2 <u>Entire Agreement</u>. This Agreement, including all exhibits and attachments hereto, is the entire agreement between Buyer and Seller with respect to the subject matter of this Agreement and supersedes all prior agreements between Buyer and Seller with respect to the subject matter of this Agreement, including, without limitation, any letter of intent previously executed by Buyer and/or Seller.
- 17.3 <u>Modifications in Writing</u>. This Agreement may not be altered, amended, changed, terminated or modified in any respect or particular, unless the same shall be in writing and signed by the party to be charged.
  - 17.4 <u>Time of the Essence</u>. Time is of the essence of this Agreement.



- 17.5 No Assignment or Delegation by Buyer; Successors and Assigns. Buyer shall not assign its rights or delegate its duties under this Agreement without the prior written consent of Seller, which consent may be given or withheld in Seller's reasonable discretion. Notwithstanding the foregoing, Buyer may, assign this Agreement to a limited liability company managed and owned by Buyer, provided that any such assignment shall not release Buyer from any of Buyer's obligations under this Agreement. Subject to the provisions of the preceding two sentences, this Agreement shall be binding upon and inure to the benefit of the parties hereto and to their respective successors and assigns.
- 17.6 <u>Business Days</u>. The term "Business Day" as used in this Agreement means a day that is not a Saturday, Sunday or legal holiday observed by either or both of the following: (i) the State of California; or (ii) the United States of America.
- 17.7 <u>Counterparts</u>. This Agreement may be executed in duplicate counterparts, each of which shall be deemed an original, but all of which, when taken together, shall constitute one and the same instrument.
- 17.8 <u>Exhibits and Schedules</u>. All exhibits and schedules attached hereto are hereby incorporated herein by this reference.
- 17.9 <u>Applicable Laws; Venue</u>. This Agreement shall be construed and interpreted in accordance with the laws of the State of California. Venue for any action or proceeding arising out of this Agreement shall be in state or federal court in the County of Orange, California.
- 17.10 <u>Partial Invalidity</u>. If any provision of this Agreement is determined by a proper court to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect the other provisions of this Agreement, and this Agreement shall remain in full force and effect without such invalid, illegal or unenforceable provision.
- 17.11 <u>No Third Party Beneficiaries</u>. This Agreement is solely for the benefit of Seller and Buyer, and nothing contained in this Agreement shall be deemed to confer upon anyone other than Seller and Buyer any rights or privileges (including, without limitation, any right to insist upon or to enforce the performance of any of the obligations set forth in this Agreement).

#### 18. Cooperation with Exchange.

- 18.1 Buyer agrees to reasonably cooperate with Seller by executing such documents or taking such action as Seller reasonably requests in connection with any tax deferred exchange pursuant to Section 1031 of the Internal Revenue Code of 1986, as amended, provided that (i) the transaction contemplated by this Agreement shall not be conditioned upon completion of such exchange; (ii) Buyer shall not be required to take title to any real property in connection with any such exchange; (iii) Buyer shall not incur any costs or liability by reason of any such exchange; and (iv) the Closing Date is not delayed as a result of any such exchange.
- 18.2 Seller agrees to reasonably cooperate with Buyer by executing such documents or taking such action as Buyer reasonably requests in connection with any tax deferred exchange pursuant to Section 1031 of the Internal Revenue Code of 1986, as amended, provided that (i)



the transaction contemplated by this Agreement shall not be conditioned upon completion of such exchange; (ii) Seller shall not be required to take title to any real property in connection with any such exchange; (iii) Seller shall not incur any costs or liability by reason of any such exchange; and (iv) the Closing Date is not delayed as a result of any such exchange.

[signature page follows]





IN WITNESS WHEREOF, Seller and Buyer have entered into this Agreement on the dates and at the places set forth opposite their respective signatures below.

SELLER:

JOSEPH CERNI

By

Joseph Cerni

Title: president

**BUYER:** 

Rockitgram, LLC

By Name:

MANAGER

Docusigned by:

Nadir Qayi

94907/42087£1493...

NAME:

MANAGER

rom: Management Qazi Cosmetic Clinic <a dmin@qaziclinic.com>

**Sent:** Monday, November 21, 2022 1:04 PM **To:** Joshua Abel < <u>Josh@abelattorneys.com</u>>

Cc: Niehaus, Dawn < dawn.niehaus@ticortitle.com >; Jeunie Magno

<Jeunie@abelattorneys.com>

Subject: Re: 20271 W. Birch St., Newport Beach - Escrow 914632

IMPORTANT NOTICE - This message sourced from an external mail server outside of the Company. Dawn, we are following up on this. We have not heard from you about this.

Thank you

On Wed, Nov 16, 2022 at 2:30 PM Joshua Abel < <u>Josh@abelattorneys.com</u>> wrote: Hello Dawn,

I'm following up on the request for the adjustment to reflect a 1% commission price. Were you able to do that?

Joshua H. Abel

2601 Main Street, Suite 1200

Irvine, CA 92614

Phone: (949) 537-3490 Fax: (949) 537-3491

Email: josh@abelattorneys.com Web: www.abelattorneys.com

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