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July 4, 2022

Hon. Richard E. Rico (Ret.)
ADR Services, Inc.

**Re: *Keller v. Kesselman* / ADRS Case No.: 22-3674-RER
Mediation Date: July 11, 2022**

Dear Judge Rico:

This letter and the exhibits constitute the position statement of Plaintiff/Cross-Defendant Thomas Keller (“Thomas”), represented by the undersigned. Thomas resides in Switzerland and is flying to Los Angeles to make a good faith attempt to resolve the dispute through mediation. Defendant/Cross-Complainant Sheridan Kesselman (“Sheridan”) is represented by J. Patrick Fleming, Jr. of Fleming Law Firm.

INTRODUCTION

The present dispute is between a former married couple, with a significant age difference (28 years), who maintained a friendly relationship after their separation for many years until financial matters caused acrimony between them. After their separation, Thomas paid Sheridan significant sums of money in various transactions. The transactions subject to the present litigation are:

1. Real Estate Purchase Agreement and Seller’s Option Repurchase Interest
In 2008, Thomas acquired a ½ interest in Sheridan’s house for \$120k. Sheridan had the option to repurchase the sold interest after 3 years, which she never exercised. Thereafter, Thomas was contractually obligated to pay half of the mortgage payments on the Property.
2. Amendment
When the property lost value to a point where almost all equity in the house was depleted, and after extended discussions, Sheridan and Thomas, in 2012, agreed in an amendment that Thomas would only co-pay the mortgage for 3 years and then be released from having to make further payments.
3. Promissory Note
In 2013, Thomas loaned Sheridan \$155k at 6% interest and with a term of 30 years.
4. Real Estate Purchase Option Agreement
In 2016, Thomas contracted an option to purchase Sheridan’s interest in the house. This was in addition to a right of first refusal that Thomas had under the 2008 purchase agreement.
5. Timeshare in Palm Desert
In 2020, Thomas paid Sheridan \$20k for her ½ interest in a timeshare they jointly owned; Sheridan took the money and never transferred the timeshare interest she had sold to Thomas.

PROCEDURAL HISTORY

In January 2021, Sheridan's attorney emailed Thomas arguing that the parties' agreements were legally defective. Thomas retained counsel and offered to mediate. Sheridan rejected the offer. The parties exchanged letters in May and June of 2021 in an attempt to reach a resolution. None was reached and Sheridan refused to engage in further negotiations, leaving Thomas no other choice but to sue.

Thomas filed suit against Sheridan in August 2021. (Exhibits¹, p. 001 →) Sheridan filed a verified² cross-complaint against Thomas seeking to rescind the agreements and (alternatively) for damages. (Exhibits, p. 076 →) Written discovery has been ongoing since October 2021. No depositions have been taken. The trial date is set for February 27, 2023. There have been recent settlement discussions through an exchange of letters, revealing a substantial gap in the parties' settlement positions.

STATEMENT OF FACTS

I. Real Estate Purchase Agreement with Seller's Option Repurchase Interest

From 2005 to 2008, the parties lived together at 14272 Valley Vista Blvd, Sherman Oaks ("Property"). On July 28, 2008, they signed before a notary a "Real Estate Purchase Agreement with Seller's Option Repurchase Interest" ("Purchase Agreement") and a Grant Deed (Exhibits, pp. 015 → and 053 →) whereby Sheridan sold and transferred a ½ joint tenancy in the Property to Thomas for \$120k, to be paid in three annual installments of \$40k. The \$120k sum corresponds to ½ of the equity based on an appraisal obtained in the summer of 2008. Sheridan retained the sole right to use the Property and was generally responsible for all expenses (taxes, insurance, upkeep, etc.).

Section 3.2 of the Purchase Agreement entitled Sheridan to repurchase the sold interest by August 31, 2011 for \$120k plus 6% interest. (Exhibits, p. 016 →) Sheridan never exercised the option, choosing instead to remain co-owners with Thomas. In 2021 Sheridan suddenly contested Thomas' co-ownership. Therefore, in his complaint, Thomas asks for a judicial determination that he is the rightful owner of a ½ interest in the Property.

II. Amendment

Sheridan, in her Cross-Complaint, demands at least \$150k based on Thomas' alleged obligation to pay ½ of the mortgage payments on the Property—if the Purchase Agreement were to be found valid. This demand ignores an agreement between Sheridan and Thomas that modified Thomas' obligation. In the years following Thomas' investment in the Property, it lost value significantly (in line with the overall market). The Purchase Agreement, nevertheless, required Thomas to pay ½ of the mortgage payments beginning September 1, 2011 and he started paying \$2k/month to Sheridan in line with the agreement. Fearing that he would continue paying thousands of dollars into what was already a catastrophic investment for him and to cut losses, Thomas proposed that the parties consider a sale of the Property. After extended discussions, Sheridan and Thomas reached a compromise. This compromise was formalized by a written amendment to the Purchase Agreement ("Amendment") on June 30, 2012. (Exhibits, p. 055 →) The Amendment states that Thomas was required to pay ½ of the mortgage payments to Sheridan for three years (totaling approx. \$70k) and that he thereafter be released from having to make further payments. Sheridan, on

¹ This pdf has embedded links. **Jump to the referenced page by clicking on →. To return, use command Alt+[left arrow].**

² The verified cross-complaint contains several falsehoods that Thomas can rebut with conclusive evidence, casting serious doubt on Sheridan's credibility and integrity.

the other hand, contracted the right to refinance the Property without consulting Thomas (in the original agreement, Sheridan had to obtain Thomas' consent).

III. Promissory Note

In February 2013, Thomas gave Sheridan a \$155k loan at 6% interest, evidenced by a promissory note ("Promissory Note"). (Exhibits, p. 058 →) The note entitles Sheridan to postpone interest payments, which will then be added to the principal annually. The interest rate is adjustable and increases if the annual CPI exceeds 3%, which currently is the case. Sheridan has not paid any interest and the balance of the loan as of June 2022 is approximately \$287k (see schedule in Exhibits, p. 138 →). The loan, having a term of 30 years, would be due in February of 2043. Sheridan rejects any obligations under the Promissory Note by pointing to a "waiver letter" Thomas sent to Sheridan at her request in March 2013. Thomas deems Sheridan to be in breach of the Promissory Note and has filed suit for damages and/or declaratory relief.

IV. Real Estate Purchase Option Agreement and Memorandum of Option

In late October 2016, the parties executed a Real Estate Purchase Option Agreement and a Memorandum of Option (filed with the county recorder) that grants Thomas a 30-year option to buy the Property (in whole) at fair market value ("Option Agreement"). (Exhibits, p. 061 →) This transaction primarily served to protect Thomas' investment after Sheridan had defaulted on another \$40k loan.³

V. Timeshare in Palm Desert

In 2007, the parties purchased a timeshare together in Palm Desert. In 2020, Thomas reluctantly agreed to buy Sheridan's interest in the timeshare for \$20k. At Sheridan's insistence, Thomas paid the funds in advance. Sheridan then pocketed the money and never transferred the timeshare to him. Thomas, in his complaint, demands return of the \$20k he paid to Sheridan for the timeshare interest, plus default interest.

LEGAL ANALYSIS

Sheridan challenges the legal validity of all the agreements claiming that they were obtained through undue influence, or, in the case of the Option Agreement, by duress, and that their terms are unconscionable or lack consideration. These arguments are implausible and so far Sheridan has presented no evidence (other than Sheridan's own biased testimony) to support these allegations.

Thomas' Complaint seeks to enforce the agreements (or requests declaratory relief as to their validity). All of Sheridan's defenses to the Complaint lack merit and her allegations are disproven by the email history that clearly shows the various agreements were negotiated over a period of time, not presented to her during moments of distress.

Sheridan's causes of action in her Cross-Complaint are barred by the statute of limitations. The cross-claims for rescission, quiet title and declaratory relief are all time-barred. (See *C.C.P.* § 337(c) [4-year statute for rescission]; *C.C.P.* 338(d) [3-year statute for relief based on fraud or mistake]; *Walters v. Boosinger* (2016) 2 Cal.App.5th 421, 428 ["time limits for a quiet title action are the five-year limitations period for adverse possession, the four-year limitations period for the cancellation of an instrument, or the three-year limitations period for claims based on fraud and

³ Thomas has forgiven this debt and written it off. It is not subject to the present litigation.

mistake.”]; *Mangini v. Aerojet-General Corp.* (1991) 230 Cal.App.3d 1125, 1155 [“[T]he statute of limitations governing a request for declaratory relief is the one applicable to an ordinary legal or equitable action based on the same claim.”].) Likewise, the cross-claims for breach of contract and breach of the covenant of good faith and fair dealing are barred by *C.C.P.* § 337(a) because the alleged breach accrued 8 years ago when “Keller stopped paying his share of the mortgage payments on or about August 31, 2014.” (Cross-Complaint, ¶ 14.)

I. The Purchase Agreement is Valid and Enforceable

The Purchase Agreement and Grant Deed were executed in accordance with California legal requirements for the transfer of title in real estate—there is no dispute in this regard. The authenticity of the documents is not in dispute. The terms of the transaction were discussed between Sheridan and Thomas over the course of several months. (see Exhibits p. 093 →) Nonetheless, Sheridan now claims the documents should be rescinded due to unconscionability, undue influence, fraud and mistake.

Sheridan claims that the Purchase Agreement’s terms are unconscionable and that Thomas had her sign the documents knowing that she was not in a state of mind to understand them because she was too distracted by her financial difficulties and mother’s ill health. In her Cross-Complaint, she argues that the Purchase Agreement is one-sided and unfair because: (1) Thomas paid \$120k for ½ interest but did not assume liability for the loans, and that this allowed him to obtain a ½ interest in a \$1.14MM property for \$120k instead of \$570k; (2) Thomas was not liable for mortgage payments until three years later and had no obligation to pay property taxes, renovations and other expenses, despite owning ½ interest; (3) Thomas paid the \$120k over three years despite having the financial ability to pay sooner due to receiving a hefty inheritance; and, (4) Thomas did not explain what “joint tenancy” meant and Sheridan did not want Thomas to take sole title in the Property when she dies.

These arguments are not convincing. “Contract terms, other than arbitration clauses, are rarely held to be unconscionable.” (3 Hastings Bus. L.J. 1, 16.) “[A] party cannot avoid a contract merely by complaining that the deal, in retrospect, was unfair or a bad bargain.” (*Baltazar v. Forever 21, Inc.* (2016) 62 Cal.4th 1237, 1245.) To the contrary, the Purchase Agreement’s terms were not one-sided or unfair but rather favorable to Sheridan. She essentially got a loan at 6% interest, comparable to the average fixed rate 30-yr mortgage in 2008, which was 6.03%, and substantially lower than the average rate for a personal loan of 11%. If she truly had regrets about the sale, she could have exercised her option to repurchase Thomas’ interest by simply repaying the \$120k plus interest, as stipulated in the Purchase Agreement. She never expressed any interest in doing so. As to Sheridan’s 4-point attack on the fairness of the contract terms: (1) the \$120k was based on the equity value of the Property per an appraisal obtained by Sheridan; (2) Sheridan had a 3-year option to repurchase Thomas’ interest by simply repaying the funds, so it made sense that Thomas was not required to make mortgage payments during the first 3 years (any mortgage co-payments would by far have exceeded the 6% interest agreed in case of a repurchase); and Thomas had no right to occupy the Property (Purchase Agreement, § 5.3); (3) Thomas’ financial ability to help more is irrelevant; and, (4) the joint tenancy is a red herring as it has no value until one party dies—if the Property is sold, or the tenancy converted prior to death, then the joint tenancy becomes moot. Sheridan has cited no cases—because none exist—declaring a contract unconscionable on facts like these.

The Cross-Complaint does not identify any specific conduct by Thomas that would support a claim of undue influence. That is, even if the facts alleged by Sheridan in her Cross-Complaint were

true (they contain several misrepresentations⁴), they do not come close to making out a claim of undue influence. (See *Welf. & Inst. Code* § 15610.70 [defining undue influence].)

Sheridan further argues that her signing the Grant Deed was a result of fraud and mistake as to its meaning and purpose. She asserts that Thomas, having superior knowledge as a lawyer, knowingly misled her about the meaning of “joint tenancy” in the Grant Deed and that he knew she would not seek independent counsel. However, Thomas did not knowingly mislead Sheridan and he never urged or pressured her to not seek independent advice on the transaction—there is an express acknowledgement to the contrary in the Agreement (see Exhibits, p. 020 →). In any event, “the courts will not set aside contractual obligations, particularly where they are embodied in written contracts, merely because one of the parties claims to have been ignorant of, or to have misunderstood, the provisions of the contract.” (*Hedging Concepts, Inc. v. First Alliance Mortgage Co.* (1996) 41 Cal.App.4th 1410, 1421.)

Ultimately, all of Sheridan’s claims are barred by the statute of limitations. The law sets a 4-year statute of limitations for “[a]n action based upon the rescission of a contract in writing” and a 3-year statute of limitations for relief based on fraud or mistake. (C.C.P. §§ 337(c), 338(d).) The statute “begins to run from the date upon which the facts that entitle the aggrieved party to rescind occurred.” (C.C.P. § 337(c).) Here, the facts giving rise to the alleged claim of rescission (one-sided terms, failure to explain) existed on the date the documents were executed. Sheridan waited 13 years—long after she had received all the benefits of the Purchase Agreement—before asserting her rescission claim. This is far too late under the statute of limitations. The argument that she was not informed about the law and her rights is irrelevant. “Ignorance of the law is no excuse.” (*Diaz v. Grill Concepts Services, Inc.* (2018) 23 Cal. App. 5th 859, 869 [“This maxim is so long standing and so well established that it is part of the very fabric of our legal system.”])

II. The Amendment is Valid and Enforceable

The email exchanges between the parties reveal that the Amendment was negotiated over the course of over a year. It was signed in 2012 after the parties had discussed the matter extensively. (Exhibits p. 101 →) Thomas, in line with what was agreed in the Amendment, co-paid the mortgage for 3 years. Sheridan never demanded additional payments thereafter. In fact, the first time Sheridan complained about Thomas’ discontinuing mortgage payments was in January 2021—more than 7 years after he stopped making the payments (in line with the Amendment). She now claims she felt coerced and intimidated by Thomas’ threat to sell the Property, making the Amendment unconscionable. For this reason and for the purported lack of consideration, she argues, the Amendment is unenforceable and subject to rescission. Such allegations come nowhere close to satisfying the rigorous criteria for invalidating contracts on unconscionability grounds. (*Baltazar, supra* 62 Cal.4th at 1244 [courts look for terms that are “overly harsh,” “unduly oppressive,” and “so one-sided as to shock the conscience”.].) Moreover, Thomas had a legal right as co-owner to demand a sale of the Property, and his agreement to forego selling so that Sheridan could stay in the house is, in fact, consideration for the Amendment.⁵ If Thomas did indeed “threaten” a sale—which he contests—mere threats to exercise one’s legal rights do not amount to the coercion necessary to rescind an agreement. (*Katz v. Kapper* (1935) 7 Cal.App.2d 1, 5 [“a threat is not unlawful if it is to do a lawful thing”]; *London Homes, Inc. v. Korn* (1965) 234 Cal.App.2d 233, 241 [“It is not duress or

⁴ Sheridan’s mother did not become seriously ill, i.e., being close to dying, until September or October 2008, not in June or July 2008 when the agreement was negotiated and signed. Evidence shows that Sheridan’s financial difficulties were neither as sudden nor as dramatic as she purports them to be. Thomas’s departure was no surprise; it had been discussed between the two for almost a year.

⁵ An additional consideration was that Sheridan received the right to refinance without Thomas’ consent. Notably, the receipt of consideration was expressly acknowledged in the Amendment.

unlawful for a party to threaten to refuse to proceed under a contract...threaten nonperformance of a contract, to institute litigation, or otherwise to do what one has a legal right to do.”].)

It is also not unfair or unreasonable for Thomas to stop making mortgage payments, the bulk of which is interest. Thomas’ calculations show that had he in fact continued to make the co-payments originally agreed (assuming payments of \$2k per month), the return on his investment would have been 0% or negative, even if the property value had appreciated by 50% over a 15-year period (as is the case). A real estate investor will usually have rental income from a property that covers all or most of the costs of any financing. However, Thomas had no way to generate such income since Sheridan was living in the home, enjoying it for her exclusive benefit.

Lastly, although Sheridan, in her verified Cross-Complaint, acknowledges the agreement she made with Thomas, she claims she does not recall ever seeing the Amendment and questions its authenticity. However, since she does not deny the verbal agreement or the authenticity of her signature on the Amendment, her challenge is nebulous.

As to Sheridan’s other claims, any attempt to rescind the Amendment is barred by the 4-year statute of limitations. (C.C.P. § 337(c).) Sheridan may claim she was not aware of the existence of the Amendment until litigation ensued, thus, the discovery rule tolls the statute of limitations. However, the delay in discovery is a non-sequitur. If the Amendment bears her genuine signature, then she was aware of it when she signed the document ten years ago and rescission is time-barred.

III. The Promissory Note is Valid and Enforceable

There is no dispute that Thomas transferred \$155k to Sheridan in February 2013 and that Sheridan signed the Promissory Note agreeing to repay those funds with interest. However, Sheridan now argues that Thomas is barred from asserting any claims under the Promissory Note because he signed a letter in March 2013 stating that the money was a gift and that he did not “expect anything in return” (see Exhibits p. 137 →).

First, emails show that the purpose of that letter was to help facilitate a loan for Sheridan, not to forgive, cancel or discharge a debt. (see Exhibits p. 110 →) Thomas signed the letter at Sheridan’s request, just a few weeks after the parties had signed the Promissory Note, and he made it clear that he did not intend this letter to be a waiver or cancellation. Sheridan repeatedly acknowledged and re-affirmed her commitment to the loan agreement in emails to Thomas after he had sent her the letter. If Sheridan truly felt it was a “gift”, the tax law required her to record debt-forgiveness income for the full \$155k for the 2013 tax year. (26 U.S.C. § 61(a)(12) [“[G]ross income means all income from whatever source derived, including ... [i]ncome from discharge of indebtedness.”] Second, even if one were to assume that there was an actual waiver or cancellation, such agreement to cancel the loan would be void for lack of consideration. After all, Thomas received absolutely nothing in exchange. Third, whereas Sheridan seeks to apply the equitable defense of unclean hands, it must fail because unclean hands “cannot be distorted into a proceeding to try the general morals of the parties... [the misconduct] must prejudicially affect...the rights of the person against whom the relief is sought so that it would be inequitable to grant such relief.” (*Mattco Forge, Inc. v. Arthru Young & Co.* (1997) 52 Cal.App.4th 820, 846.) Sheridan benefitted from Thomas’ purported “dirty-work” in that she used the letter to secure approval for a refinance loan on favorable terms. The fact that Sheridan even raises this sham letter in the present litigation shows her ruthless tactics and bad faith. After all Thomas lent Sheridan the money at her request, and he accommodated her request to issue the letter; she cannot use this bogus letter to play “gotcha” by depriving Thomas of the return of his money.⁶

⁶ Sheridan in her verified cross-complaint incredibly acknowledges potentially criminal conduct of her own. Thomas had no economic benefit from issuing the letter and he certainly had no relevant criminal intent.

IV. The Option Agreement is Valid and Enforceable

Sheridan seeks to rescind the Option Agreement, broadly alleging duress, undue influence, lack of consideration and unconscionability. She claims that Thomas came to her house, screamed angrily, shook her violently and insisted she sign the Option Agreement, and that frightened and intimidated, she went to the notary with Thomas and signed the documents. The duress allegations are completely fabricated and belied by evidence. Emails prove that (i) the matter had been discussed long before Thomas visited Sheridan in late October 2016, (ii) she welcomed his visit to Los Angeles, and that (iii) she knew the purpose of his visit was to sign a document concerning the Property and that Thomas intended to record it. (see emails at Exhibits p. 123 →) Moreover, the claim of duress is simply implausible. The supposed threats were made at the Property, yet the agreement was signed at a notary office; thus, there was enough time and distance between the events to disqualify a case of duress. (*CrossTalk Productions, Inc. v. Jacobson* (1998) 65 Cal.App.4th 631, 644 [“When a party pleads economic duress, that party must have had no ‘reasonable alternative’ to the action it now seeks to avoid (generally, agreeing to a contract). If a reasonable alternative was available, and there hence was no compelling necessity to submit to the coercive demands, economic duress cannot be established.”].) Also, the parties went to the movies and a Halloween dinner that same day following execution of the Option Agreement. They even went to see Sheridan’s son and daughter-in-law the next day at their restaurant. Thomas has photos to prove these facts. Sheridan never once raised the purportedly dramatic “duress” event with anybody, including Thomas. Lastly, Sheridan signed similar agreements, a Right of First Refusal Agreement and a Memorandum of Right of First Refusal, at the same notary’s office two days earlier. This is not mentioned with a single word in her pleadings.

Furthermore, the right of first refusal to purchase Sheridan’s interest in the Property, in the event she chose to sell, is a right already granted in section 5.1 of the Purchase Agreement and, thus, it required no additional consideration. The Option Agreement simply gave Thomas a document he could record⁷ in consideration of him continuing to hold off on recording the Grant Deed, as recording an ownership deed could impair Sheridan’s ability to make tax deductions and trigger a due on sale clause on the mortgage.

Lastly, Sheridan’s request to rescind is well past the 4-year statute of limitations. She claims she “was not aware until 2021 that the circumstances surrounding her signing of the Option give her a right to rescind.” But, the 4-year statute of limitations runs when Sheridan became aware of the facts, not when she became aware of the law. (C.C.P. § 337(c); *Diaz v. Grill Concepts Services, Inc.* (2018) 23 Cal. App. 5th 859, 869 [“Ignorance of the law is no excuse.”].) Sheridan became aware of the facts on October 31, 2016, the day she allegedly felt frightened and intimidated into signing the document. Meanwhile, Thomas’s complaint was filed on August 3, 2021 and Sheridan’s cross-complaint on September 15, 2021—past the 4-year statute for rescission actions.

V. Sheridan Must Refund the \$20k Unjustly Received for the Timeshare

Sheridan claims she “never had any interest in the time share” and “has taken every reasonable effort to deliver and deed the timeshare... to Thomas, but has so far been frustrated by third parties in her effort to do so.” (Cross-Complaint, ¶53e.) There is no written agreement on the sale of the timeshare. Based on Sheridan’s failure to deed her interest, Thomas, through his counsel, demanded repayment of the \$20k in April 2021. Only after Thomas had filed his lawsuit seeking repayment did Sheridan engage a service provider to assist with the transfer of title—more than a

⁷ Thomas learned at the county recorder’s office that the previously signed right of first refusal was not recordable.

year after her promise, and much longer than Thomas should reasonably wait. Based on the foregoing, Sheridan must return the \$20k, plus interest.

SETTLEMENT

The outcome of the settlement should be based on the likely outcome of litigation. Any offers made in the past, e.g., a May 2021 offer to settle for \$600,000, are no longer relevant. The May 2021 offer had conditions attached and it assumed that the matter would be settled quickly, without the substantial expenses that Thomas has since incurred. Moreover, the fair market value of the Property has increased significantly since May 2021, and interest on the Promissory Note continues to accrue.

The value of Thomas' contract claims will continue to increase considerably as interest on the Promissory Note accrues and recoverable fees keep adding up. At present, the estimated value of Thomas' claims is as follows:

<u>Purchase Agreement</u> : Thomas' ½ equity in the Property (½ of \$1 million)	\$500,000
<u>Promissory Note</u> : approx. principal and interest due as of June 30, 2022	\$287,000
<u>Attorney's fees</u> : see p. 2 of Promissory Note, Art. 8 of Option Agreement	\$79,550
<u>Option Agreement</u> : no monetary value assigned	\$0
<u>Timeshare</u> : repayment of the \$20k, plus 2 years interest at the legal rate	\$24,000
TOTAL VALUE:	\$890,550

Thus far, in settlement discussions, the parties have focused on a sale of the Property and distribution of proceeds. This would be the best way to close the matter. A problem may, however, be that the sale and the allocation of proceeds does not provide Sheridan with enough money to buy another home. If this is the case, Thomas is willing to explore and discuss other solutions, e.g., postponing a sale, allowing Sheridan to stay in the house for a few more years. In case of such an alternative solution, Sheridan would have to acknowledge all of Thomas' rights, provide sufficient security against default under the Promissory Note and compensate him for the legal expenses she has caused him to incur.

Sincerely,



Jerry R. Dagrella
of DAGRELLA LAW FIRM, PLC

Encls.

Keller v. Kesselman / ADRS Case No.: 22-3674-RER
Mediation Date: July 11, 2022

Exhibits

Assigned for all purposes to: Stanley Mosk Courthouse, Judicial Officer: Mark Mooney

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7 Attorney for Plaintiff THOMAS KELLER

8 **IN THE SUPERIOR COURT OF CALIFORNIA**

9 **COUNTY OF LOS ANGELES**

10 THOMAS KELLER,
11 Plaintiff,

12 vs.

13 SHERIDAN KESSELMAN, AND DOE 1-10
14 Defendant

Case No.: 21STCV28591

COMPLAINT FOR: (1) BREACH OF
CONTRACT; (2) ANTICIPATORY
BREACH OF CONTRACT; (3) UNJUST
ENRICHMENT; AND (4) DECLARATORY
RELIEF

ACTION FILED:
TRIAL DATE: NOT ASSIGNED

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25 Plaintiff Thomas Keller ("Plaintiff") brings this complaint against Sheridan Kesselman and
26 Does 1 through 10 (collectively, "Defendant"), and alleges as follows:

27
28 COMPLAINT FOR: (1) BREACH OF CONTRACT; (2) ANTICIPATORY BREACH OF CONTRACT; (3)
UNJUST ENRICHMENT; AND (4) DECLARATORY RELIEF - 1

1 **I. INTRODUCTION**

2 1. Thomas Keller and Sheridan Kesselman were married in 2005 but separated in
3 2008, and they eventually divorced in 2014. For personal investment purposes, but also in an
4 effort to help Ms. Kesselman stay in her home, Mr. Keller entered into agreements with Ms.
5 Kesselman pursuant to which he acquired an interest in the real estate owned by Ms. Kesselman,
6 and he extended several interest-bearing loans to her. The terms of the agreements were very
7 well documented.
8

9 2. Earlier this year, Mr. Keller was blindsided when Ms. Kesselman argued that the
10 agreements between them were void based on duress. Mr. Keller’s repeated attempt to
11 informally mediate the issues were unsuccessful, leaving Mr. Keller no choice but to file this
12 lawsuit.
13

14 **II. JURISDICTION AND VENUE**

15 3. This Court has subject matter jurisdiction in this matter. The amount in
16 controversy in this unlimited civil case exceeds \$25,000. In addition, the exercise of personal
17 jurisdiction over the parties in this court is also appropriate.
18

19 4. Venue is appropriate in this Court. Real property that, in part, gives rise to this
20 Complaint is located in Los Angeles County, California. Moreover, the Defendant resides in Los
21 Angeles County, California.
22

23 **III. PARTIES**

24 5. Plaintiff is an adult citizen of Germany, now living in Switzerland. At times
25 relevant to the allegations in this complaint, Plaintiff lived and worked in Los Angeles,
26 California.
27

28 COMPLAINT FOR: (1) BREACH OF CONTRACT; (2) ANTICIPATORY BREACH OF CONTRACT; (3)
UNJUST ENRICHMENT; AND (4) DECLARATORY RELIEF - 2

1 6. Defendant Sheridan Kesselman is an adult resident of Sherman Oaks, California.

2 7. The true names and capacities of the defendants sued herein as Does 1 through 10
3 are presently unknown. Plaintiff alleges that each of the Doe defendants is legally responsible in
4 some manner for the matters alleged herein. Plaintiff will seek leave of court to amend this
5 complaint to state defendants' true names and capacities after they have been ascertained.
6

7 **IV. GENERAL ALLEGATIONS AND BACKGROUND**

8 **a. Joint Tenancy in 14272 Valley Vista Boulevard, Sherman Oaks**

9 8. Between 2005 and 2008 Plaintiff, a citizen of Germany, now living in
10 Switzerland, lived and worked in Los Angeles. Plaintiff and Defendant (together, the "Parties")
11 were married between August 2005 and November 2014 and, in the view of Plaintiff, maintained
12 a close and trustful relationship over the years. Between May 2005 and September 2008, Plaintiff
13 and Defendant lived together in the property located at 14272 Valley Vista Boulevard, Sherman
14 Oaks, California, with the legal description Lot 623 of Tract 5822, as per map recorded in Book
15 82, Pages 34 to 37 Inclusive of Maps, Los Angeles County (APN: 2274-001-017) (the
16 "Property"). Defendant had purchased the Property from a third party in early 2005 after having
17 rented it for a few years.
18
19

20 9. In 2008, Plaintiff decided to move back to Europe to pursue his career as a lawyer
21 in Germany. In order to help Defendant financially, but also for investment purposes, Plaintiff
22 proposed that he acquire a ½ interest in the Property. Defendant agreed, and on July 28, 2008,
23 the Parties entered into a notarized agreement titled "Real Estate Purchase Agreement with
24 Seller's Option Repurchase Interest" (the "Property Purchase Agreement," attached hereto as
25 Exhibit "A") whereby Defendant agreed to sell a 1/2 tenancy in the Property for the agreed price
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27

28 COMPLAINT FOR: (1) BREACH OF CONTRACT; (2) ANTICIPATORY BREACH OF CONTRACT; (3)
UNJUST ENRICHMENT; AND (4) DECLARATORY RELIEF - 3

1 of \$120,000 (the "Purchase Price"). The Purchase Price was to be paid in three installments of
2 \$40,000 each in September 2008, September 2009 and September 2010. The Purchase Price was
3 based on the value of ½ of the equity in the Property, as established jointly by the Parties at the
4 time. The agreed equity value of \$240,000 was based on an appraisal, according to which the
5 fair-market value of the Property was \$1,140,000. At the time, the Property was encumbered
6 with two deeds of trust securing mortgages, the balance of those mortgages being \$900,000.

8 10. On July 28, 2008, as agreed in the Property Purchase Agreement, Defendant
9 transferred ½ of her interest in the Property by Grant Deed to Plaintiff. (Attached hereto as
10 Exhibit "B.") Based on Defendant's request, Plaintiff did not file said Grant Deed with the
11 County Recorder's Office, although he had contractually reserved to do so at a time of his
12 choosing. Between 2008 and 2010, Plaintiff paid the Purchase Price in three installments as
13 agreed in the Property Purchase Agreement.
14

15 11. Under the Property Purchase Agreement, Defendant had a contractual option to
16 repurchase the sold interest by September 15, 2011. Defendant did not exercise this option and
17 never expressed any interest to exercise the option before or thereafter.
18

19 12. The Parties had agreed in the Property Purchase Agreement that Plaintiff would
20 pay ½ of the mortgage payments related to the Property starting September 1, 2011. The
21 Property Purchase Agreement expressly stated that the mortgage payments by Plaintiff would be
22 made in consideration of his investment in the Property and the expected appreciation of the
23 value thereof. In the Property Purchase Agreement, it was expressly agreed that Plaintiff would
24 not be responsible for any other costs related to the Property. At the same time, he did not have
25 any right to occupy the Property.
26
27

28 COMPLAINT FOR: (1) BREACH OF CONTRACT; (2) ANTICIPATORY BREACH OF CONTRACT; (3)
UNJUST ENRICHMENT; AND (4) DECLARATORY RELIEF - 4

1 13. In the fall of 2011, Plaintiff started making monthly payments of \$2,000 to
2 Defendant, even though the Property had not increased in value. In fact, the Property had lost
3 value and the equity portion of the Property was almost zero at the time. Plaintiff expressed
4 dissatisfaction about the situation and asked that the Parties sell the Property. After extended
5 discussions, the Parties reached a compromise and entered into an agreement titled "1st
6 Amendment (No. 1) to Real Estate Purchase Agreement with Seller's Option Repurchase
7 Interest" (the "First Amendment," attached hereto as Exhibit "C," and together with the Property
8 Purchase Agreement, the "Agreements") on June 30, 2012. Pursuant to the Parties' compromise
9 and the stipulations in the First Amendment, Plaintiff paid to Defendant ½ of the mortgage
10 payments over three years, in sum approximately \$70,000.
11

12 14. To date, Plaintiff has not filed the Grant Deed with the County Recorder's office.
13 He has refrained from doing so to accommodate Defendant's request not to record the Grant
14 Deed, trusting that Defendant would recognize and honor the rights and obligations under the
15 Parties' agreements.
16

17 15. Plaintiff is informed and believes, and thereon alleges that in 2013 Defendant
18 took on a loan to refinance the Property without disclosing the transfer of the ½ interest to the
19 new lender. She purported herself as the sole owner of the Property.
20

21 16. In the summer of 2020, Plaintiff contacted Defendant with the proposition to sell
22 the Property. Defendant was not interested in discussing a sale of the Property.
23

24 17. In January 2021, Defendant made several untrue factual allegations of duress
25 surrounding Defendant's signing the Property Purchase Agreement and Defendant maintained
26 that the Property Purchase Agreement was void. This was the first time Plaintiff received notice
27

28 COMPLAINT FOR: (1) BREACH OF CONTRACT; (2) ANTICIPATORY BREACH OF CONTRACT; (3)
UNJUST ENRICHMENT; AND (4) DECLARATORY RELIEF - 5

1 of such allegations, 12 ½ years after the Property Purchase Agreement was signed. In addition,
2 Defendant demanded various payments related to the Property, in sum several hundred thousand
3 dollars. These claims all lack merit and served as an attempt to intimidate the Plaintiff.
4

5 18. In March 2020, Plaintiff responded through the undersigned counsel by denying
6 the allegations and offering a mediation to try to reach an amicable solution. Defendant rejected
7 the proposal. Several months of repeated attempts to informally find a solution did not yield any
8 results.

9 19. Through the above correspondence, Plaintiff has been put on notice of
10 Defendant's repudiation of Plaintiff's interest in the Property and his rights under the
11 Agreements.
12

13 **b. Valid and enforceable option to purchase 14272 Valley Vista**
14 **Boulevard, Sherman Oaks**

15 20. In 2016, Defendant was in default on repayment of a \$50,000 loan Plaintiff issued
16 to Defendant. Moreover, Plaintiff had not made any of the scheduled interest payments on a
17 \$155,000 Promissory Note. (Attached hereto as Exhibit "D.") Plaintiff was very concerned as
18 he had paid Defendant a total of approximately \$380,000 over the years, without any security,
19 having trusted Defendant's word that she would honor her part of the agreements.
20

21 21. Defendant did not want Plaintiff to record his ½ interest in the Property and
22 therefore Plaintiff proposed that the Parties instead cause to record the right of first refusal,
23 which was agreed in the Property Purchase Agreement. For this purpose, Plaintiff travelled to
24 California in the fall of 2016. As the right of first refusal was not a recordable instrument, the
25 Parties agreed to execute a purchase option agreement titled "Real Estate Purchase Option
26
27

28 COMPLAINT FOR: (1) BREACH OF CONTRACT; (2) ANTICIPATORY BREACH OF CONTRACT; (3)
UNJUST ENRICHMENT; AND (4) DECLARATORY RELIEF - 6

1 Agreement”, which was substantively comparable to the previously agreed right of first refusal.
2 The Real Estate Purchase Option Agreement (the “Purchase Option Agreement,” attached hereto
3 as Exhibit “E”) was signed by the Parties on October 31, 2016 and a Memorandum of Option
4 was filed with the County Recorder’s Office on that same day (attached hereto as Exhibit “F”).

5
6 22. In January 2021, Defendant alleged that the purchase option agreement was void
7 based on duress and that Plaintiff had threatened and physically assaulted Defendant to make her
8 sign the Purchase Option Agreement. This was the first time Plaintiff ever received notice of
9 such allegations, more than four years after the Purchase Option Agreement was signed.
10 Moreover, the allegations of duress made by Defendant are false in every aspect.

11
12 23. Based on these communications, Plaintiff has been put on notice that Defendant
13 repudiates Plaintiff’s rights under the Purchase Option Agreement.

14 **c. Valid and enforceable \$155,000 Promissory Note**

15
16 24. In February 2013, Plaintiff granted a personal loan of \$155,000 to Defendant,
17 which is evidenced by a written Promissory Note (the “Promissory Note”, attached hereto as
18 Exhibit “D”). The term of the loan is 30 years, i.e., the loan becomes due for repayment in
19 February 2043.

20
21 25. Pursuant to the Promissory Note, the loan carries interest of 6% per year. The
22 Promissory Note states that Defendant may choose to not pay the annual interest due. Plaintiff
23 agreed to this provision to give Defendant some additional financial flexibility. At the same time
24 the Promissory Note states that unpaid interest is capitalized annually and thus any unpaid
25 interest increases the balance of the interest-bearing loan. It was not Plaintiff’s intention that
26 Defendant does not pay any interest at all, but only from time to time, e.g., if and when
27

28 COMPLAINT FOR: (1) BREACH OF CONTRACT; (2) ANTICIPATORY BREACH OF CONTRACT; (3)
UNJUST ENRICHMENT; AND (4) DECLARATORY RELIEF - 7

1 Defendant were to face unforeseen expenses. However, Defendant has to date not paid any
2 interest at all on the loan. Therefore, the balance of the principal and interest owed under the
3 Promissory Note currently (as of July 31, 2021) amounts to \$254,486.84*, comprised as follows:

4	Original Loan:	\$155,000.00
5	Capitalized Interest (11 months in 2013, and	\$90,881.14
6	unpaid capitalized and compounded interest	
7	for the years 2014-2020):	
8	Interest at 6% on Original Loan and	\$8,605.84*
	capitalized interest though July 31, 2021:	
	Total:	\$254,486.98*

9 * Amounts subject to possible upward adjustments depending on CPI development in 2021.

10 26. Based on Defendant never having paid the agreed interest and refusing to
11 recognize or affirm to Plaintiff her obligations under the Promissory Note, Plaintiff concludes
12 that Defendant does not recognize and repudiates her contractual obligations under the
13 Promissory Note. This reasonable conclusion is further supported by the fact that Defendant
14 repudiates the other agreements between the Parties, as described above, in one case with
15 allegations raised for the first time more than 12 ½ years after the agreements were signed.

17 **d. Unjust enrichment related to Westin Desert Willow Villas**

18 27. In 2007 Plaintiff and Defendant together purchased a timeshare property titled
19 “The Westin Desert Willow Villas, Palm Desert, Annual Float, Week-04, Villa-012065; Contract
20 Number: 700277, Villa Type: 2 Bedroom Lockoff Villa” (the “Timeshare Property”). Title in the
21 Timeshare Property was in both Parties’ names. The Parties originally used the Timeshare
22 Property’s benefits jointly and shared the costs for the annual assessment dues. Since at least five
23 years, Plaintiff has paid all annual assessment dues. Defendant expressed no further interest in
24
25

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28 COMPLAINT FOR: (1) BREACH OF CONTRACT; (2) ANTICIPATORY BREACH OF CONTRACT; (3)
UNJUST ENRICHMENT; AND (4) DECLARATORY RELIEF - 8

1 using the Timeshare Property. Plaintiff had orally indicated his willingness to buy Defendant's
2 interest in the Timeshare Property if she had no longer any interest in using it.

3 28. In 2018 Plaintiff forgave Defendant a loan with a balance of \$40,000 (originally
4 \$50,000 were overdue) as she was, according to her representation, unable to pay it. Just a few
5 weeks later Defendant demanded that Plaintiff buy her interest in the Timeshare Property.
6 Plaintiff felt betrayed and initially rejected her demands.
7

8 29. In order to "create peace," in early 2020, Plaintiff nevertheless proposed to buy
9 Defendant's interest for \$20,000, although no contract was signed in this respect. Defendant
10 demanded that payment be made immediately. Plaintiff was hesitant and asked that the legal
11 transfer of the interest be affected before he transfers the full \$20,000. Defendant insisted that
12 Plaintiff pay Defendant in advance, which Plaintiff finally did through 5 installments via PayPal-
13 transfers between April 12, 2020 and April 20, 2020. (Receipts attached as Exhibit "G.") Since
14 those payments in April 2020, Plaintiff asked Defendant several times about the transfer of the
15 interest and demanded documentation. To date, Plaintiff has not received any specific
16 information or documents regarding the transfer of the interest. Plaintiff regrets having orally
17 agreed to buy the Defendant's interest in the Timeshare Property. He agreed to this transaction to
18 again help the Defendant financially, but has no other interest related to the Defendant's interest
19 in the Timeshare Property. As the Parties' mere oral understanding on a transfer of an interest in
20 real estate is void for lack of required form and Defendant has not delivered any document to
21 Plaintiff supporting performance, Plaintiff demanded repayment of the \$20,000 by no later than
22 April 30, 2021. Defendant rejected the demand, and the payment has not been made. Plaintiff
23
24
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COMPLAINT FOR: (1) BREACH OF CONTRACT; (2) ANTICIPATORY BREACH OF CONTRACT; (3)
UNJUST ENRICHMENT; AND (4) DECLARATORY RELIEF - 9

1 expects Defendant to start paying half of the annual assessment dues starting in 2022. In return,
2 she will enjoy the benefits that the Timeshare Property provides.

3 **V. CAUSES OF ACTION**

4 **FIRST CAUSE OF ACTION – BREACH OF CONTRACT**

5 ***(Timeshare Property)***

6
7 30. Plaintiff realleges and incorporates by reference as though fully set forth herein
8 the allegations made in paragraphs 1 through 29 above.

9 31. Plaintiff and Defendant entered contracts, which were valid and binding.

10 32. Plaintiff performed all, or substantially all, obligations and duties that the
11 contracts required of Plaintiff to perform.

12
13 33. Defendant, among other things, was required to transfer her interest in the
14 Timeshare Property to Plaintiff.

15 34. Defendant failed to perform her obligations under the contracts.

16 35. As a direct and proximate cause of Defendant's breaches, Plaintiff was harmed.

17 **SECOND CAUSE OF ACTION – ANTICIPATORY BREACH OF CONTRACT**

18 ***(Agreements and Promissory Note)***

19
20 36. Plaintiff realleges and incorporates by reference as though fully set forth herein
21 the allegations made in paragraphs 1 through 35 above.

22 37. Plaintiff and Defendant entered into the Agreements and the Promissory Note,
23 which were all legally binding, validly formed contracts.

24 38. Plaintiff performed, and could have performed, all its legal obligations pursuant to
25 these agreements.
26

27
28 COMPLAINT FOR: (1) BREACH OF CONTRACT; (2) ANTICIPATORY BREACH OF CONTRACT; (3)
UNJUST ENRICHMENT; AND (4) DECLARATORY RELIEF - 10

1 50. Defendant claims that she is not bound by the Agreements and the Promissory
2 Note described above. Furthermore, Defendant claims that Plaintiff owes her several hundred
3 thousand dollars in mortgage payments and other expenses.
4

5 51. Plaintiff contends that the Agreements and the Promissory Note described above
6 are valid and enforceable against Defendant. Plaintiff denies owing Defendant any monies. In the
7 case of the Timeshare Property, Plaintiff contends that there is no valid and enforceable
8 agreement.
9

10 52. A declaration of the Court is necessary and appropriate at this time to settle the
11 matter in controversy among the parties involved and to avoid a multiplicity of actions.
12

13 **VI. PRAYER FOR RELIEF**

14 **THEREFORE**, Plaintiff prays for judgment against Defendant as follows:

15 **1. On the First and Second Causes of Action**

16 a. An award of all damages available in law and according to proof at trial.

17 **2. On the Third Cause of Action**

18 a. An order requiring Defendant to return all monies received from Plaintiff.

19 **3. On the Fourth Cause of Action**

20 a. A judicial declaration from the Court of the rights and obligations of the parties
21 and it relates to all agreements referenced above, and a judicial declaration ordering the return of
22 money paid to Defendant for the Timeshare Property.
23

24 **4. On all Causes of Action**

25 a. For interest to the extent allowed by law;
26
27

28 COMPLAINT FOR: (1) BREACH OF CONTRACT; (2) ANTICIPATORY BREACH OF CONTRACT; (3)
UNJUST ENRICHMENT; AND (4) DECLARATORY RELIEF - 12

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- b. For reasonable attorneys fees to the extent allowed by law and/or the agreements;
- c. For cost of the suit; and
- d. For such other and further relief as the Court deems just and proper.

Date: August 3, 2021



JASON M. ACKERMAN
Attorney for Plaintiff THOMAS KELLER

Exhibit A

REAL ESTATE PURCHASE AGREEMENT WITH SELLER'S OPTION REPURCHASE INTEREST

This REAL ESTATE PURCHASE AGREEMENT WITH SELLER'S OPTION REPURCHASE INTEREST ("Agreement") is made by and between SHERIDAN KESSELMAN ("Sheridan" or "Seller") and THOMAS KELLER ("Thomas" or "Buyer").

RECITALS

WHEREAS, Sheridan owns the real property with the legal description Lot 623 of Tract 5822, as per map recorded in Book 82, Pages 34 to 37 Inclusive of Maps, Los Angeles County (APN:2274-001-017), and commonly know as 14272 Valley Vista Boulevard, Sherman Oaks, CA 91423 ("Property");

WHEREAS, Sheridan desires to sell to Thomas a 50% interest in the Property, and Thomas desires to purchase said interest;

WHEREAS, Sheridan desires to retain the option to repurchase said interest within three years at a price fixed in this Agreement, and Thomas agrees to such option;

WHEREAS, Sheridan and Thomas agree to certain rights and limitations with regard to the real property interest sold by Sheridan to Thomas, as set forth specifically herein;

WHEREAS, Thomas and Sheridan desire to establish the rights herein irrespective of their relationship and marital status;

WHEREFORE, in consideration of the mutual promises set forth in this Agreement, Sheridan and Thomas agree as follows:

AGREEMENT

Section 1. Effective Date

This Agreement shall be effective as of August 1, 2008 ("Effective Date").

Section 2. Sale of Interest in Property

2.1 Sheridan will sell a 50% (fifty percent) or ½ (one half) interest in the Property (as defined above) to Thomas for a total of \$120,000.00 (one hundred twenty thousand United States

dollars), which corresponds with 50% of the equity in the Property as determined mutually by the parties hereto and as specified in Addendum A to this Agreement.

2.2 Thomas will make payments of the purchase sum in three (3) installments of \$40,000.00 (forty thousand United States dollars) each, pursuant to the following schedule:

September 1, 2008	\$40,000.00
September 1, 2009	\$40,000.00
September 1, 2010	\$40,000.00

2.3 In return Sheridan will transfer said one-half interest in the Property to Thomas by Grant Deed (a blank copy of which is attached hereto as Addendum B), fully executed, upon receipt of the first installment of \$40,000.00 on September 1, 2008. Thomas may, at a time of his choosing, cause to record said Grant Deed with the Los Angeles County Recorder's Office.

Section 3. Seller's Option to Repurchase Interest

3.1 Sheridan shall have the option to repurchase the one-half interest sold to Thomas. This option must be exercised by Sheridan by means of written notice (see Section 12 herein) between June 1, 2011 and August 31, 2011. If Sheridan exercises such option, Thomas shall reconvey his interest in the Property by Grant Deed to Sheridan; and Sheridan may, at a time of her choosing, cause to record said Grant Deed with the Los Angeles County Recorder's Office. Said reconveyance shall be completed no later than September 15, 2011. Any costs related to this reconveyance shall be borne by Sheridan.

3.2 In exchange for the reconveyance by Thomas, Sheridan shall pay to Thomas \$120,000.00 (one hundred twenty thousand United States dollars), and interest on this amount of 6% per annum pursuant to the following schedule:

September 1, 2008 to August 31, 2009 on \$40,000.00	=\$2,400.00
September 1, 2009 to August 31, 2010 on \$80,000.00	=\$4,800.00
September 1, 2010 to August 31, 2011 on \$120,000.00	=\$7,200.00

Said purchase sum and interest is only payable if and when Sheridan has effectively exercised her option to repurchase the interest in the Property, and only upon Thomas' full reconveyance of the repurchased interest. If requested, either party shall have the right to retain the services of an escrow company, the costs of which shall be borne equally between Thomas and Sheridan.

Section 4. Seller's Rights and Responsibilities

4.1 Sheridan shall have and retain the sole right to occupy and use the Property, despite selling said one-half interest to Thomas. Thomas understands that his ownership in the Property is for investment purposes only, unless Sheridan offers for sale any further interest in the Property, in which case the terms of occupation and use shall be renegotiated between Thomas and Sheridan.

4.2 Sheridan shall have the right to make any reasonable changes to the Property, including remodeling and landscaping, without consulting Thomas. Sheridan shall have the right to host third parties permanently on the Property and to commercially use the Property. Any third-party lease of the Property exceeding 2 years (whether for a fixed period or by renewal), may only be made with the consent of Thomas.

4.3 Sheridan has the responsibility to care for the Property by keeping it safe and keeping adequate insurance against loss, such as fire or natural disaster. Sheridan shall timely pay all property taxes and other dues related to the Property. Sheridan shall ensure that no liens (including judgment liens) be recorded against the Property. In any event, Sheridan shall keep Thomas informed about any important events that will or may affect the value and marketability of title to the Property. Furthermore, Sheridan may only take further loans, or refinance any existing loans, with Thomas' consent (which shall be made in writing). Sheridan agrees to defend, indemnify and hold harmless Thomas of any claims, allegations, demands, liabilities and/or legal and administrative actions in any jurisdiction that may arise out of his one-half ownership of the Property.

4.4 If Thomas deceases and his interest should thereby be transferred to a third party, Sheridan shall have the right to repurchase the interest on the same terms as Thomas may exercise his right of first refusal under Section 5.1. Thomas understands and accepts that any and all of his successors in interest and beneficiaries (whether intended or unintended) shall be bound by the terms of this Agreement.

Section 5. Buyer's Rights and Responsibilities

5.1 Thomas shall have the right to purchase Sheridan's one-half interest in the Property if she wants to sell her interest in the Property. In other words, Thomas shall have a right of first refusal in any sale or comparable transaction. If Sheridan offers her interest for sale, Thomas shall have the right to purchase Sheridan's interest at fair market value, which is to be established by appraisal through a third party, to be selected jointly by Thomas and Sheridan. If the parties cannot agree on an appraiser, each party must, at their own expense, obtain their own appraisal. The median of these separate appraisals shall govern the final purchase price. Sheridan shall notify Thomas in writing of her intent to sell the Property, and Thomas shall within a period of six weeks thereafter either offer to buy Sheridan's interest or agree to a sale. If Thomas elects to buy Sheridan's interest, a written purchase agreement shall be executed forthwith, with a closing date no later than six months thereafter. Said right of first refusal shall also apply if Sheridan dies and her interest would thereby transfer to a third party. Sheridan understands and accepts that any and all of her successors in interest and beneficiaries (whether intended or unintended) shall be bound by the terms of this Agreement.

5.2 Thomas has the responsibility to pay one half of the monthly payments on all mortgages on the Property starting September 1, 2011, that is if Sheridan chooses not to exercise her option to repurchase the Property by August 31, 2011. Any refinancing of said mortgages may only be made with the mutual consent of both parties herein. The mortgage payments by Thomas will be made in consideration of his investment in the Property and the expected appreciation of the value thereof.

5.3 Thomas shall not be responsible for any other costs related to the Property, including, but not limited to, real property taxes and other dues, insurance, heat, water, power, gardening, repairs based on normal wear and tear, regular upkeep, and any extraordinary costs from use which does not benefit Thomas. Thomas shall pay for necessary repairs and remodeling only if he has consented in writing to do so. Under no circumstances shall he have an obligation to consent to any remodeling, extensions, add-ons, landscaping. Instead, such consent shall be discretionary. If Sheridan incurs such expenses without Thomas' consent, she shall have no right to be reimbursed, even in consideration of an increase in the value of the Property by such work. The parties make this arrangement based on the consideration that Thomas shall have no right to occupy or otherwise use the Property, despite his one-half ownership interest.

Section 6. Additional Warranties and Representations

6.1 Both parties represent and warrant that they are free to enter into this Agreement, and that this engagement does not violate the terms of any agreement between themselves and any third party. In case of any third-party claim for damages based on unlawful interference with third-party rights, each party represents that it will defend and hold harmless the other party from any liabilities and losses incurred from such third-party claims.

6.2 Both parties represent and warrant that each person executing this Agreement has the full power and authority to do so without any further action, authorization or resolutions by any other person or entity.

6.3 Both parties represent and warrant that they have not heretofore assigned or transferred or purported to assign or transfer, to any person or other entity whatever, any rights, interests, or assets, granted pursuant to this Agreement. Each of the parties hereto further represents and warrants that no third party has any lien against, or interest in, or has asserted any rights to, any of the rights, interests, or assets granted pursuant to this Agreement, other than specifically disclosed herein.

Section 7. Entire Agreement

This Agreement constitutes the entire agreement and understanding between the parties pertaining to the subject matter hereof and supersede any and all prior agreements, whether written or oral, relating thereto. The parties stipulate that neither of them has made any representations except as specifically set forth in this Agreement and each of the parties acknowledge that they have relied on their own judgment in entering into this Agreement.

Section 8. Severability

Whenever possible, each provision of this Agreement will be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other

jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

Section 9. Amendment

Any modification, amendment or change of this Agreement will be effective only if it is in a writing signed by both parties.

Section 10. Assignment and Delegation

Neither party to this Agreement may delegate or assign any of its duties and rights under this Agreement unless the other party so consents in writing.

Section 11. Waiver

No action by the parties unless expressly defined as such shall be construed as a waiver of any rights and claims under this Agreement.

Section 12. Notices

All notices, requests, demands, and other communications shall be in writing and shall be given by registered or certified mail, postage prepaid, or overnight courier to each party's regular and primary business address, or to such subsequent addresses as the parties shall so designate in writing.

Section 13. Presumption.

This Agreement or any section thereof shall not be construed against any party due to the fact that this Agreement or any section thereof was drafted by said party.

Section 14. Parties in Interest

Nothing herein shall be construed to be to the benefit of any third party, nor is it intended that any provision shall be for the benefit of any third party.

Section 15. Successors and Assigns

This Agreement shall be binding on and inure to the benefit of the respective parties and their successors, assigns, agents, representatives, and legal representatives.

Section 16. Governing Law

This Agreement, and any dispute arising from the relationship between the parties to this Agreement, shall be governed by, construed, and enforced in accordance with the laws of the State of California.

Section 17. Execution of Agreement

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Faxes, pdf's, copies, and other reproductions of this Agreement, including applicable signature blocks to the extent executed are fully enforceable to the same extent as the original.

FINAL ACKNOWLEDGMENT

By initialing each page, Sheridan and Thomas acknowledge that they have read and reviewed each section of this Agreement and that they have had the opportunity to consult with an attorney or other legal professional regarding the legal ramifications of this Agreement. Both parties understand that this Agreement shall be a binding and fully enforceable legal document.

IN WITNESS WHEREOF, the parties hereunto set their hands and seals and acknowledged this Agreement as of the date first above written.

SHERIDAN KESSELMAN

Sheridan Kesselman
(Date)

July 28, 2008
(Signature)

THOMAS KELLER

Thomas Keller
(Date)

July 28, 2008
(Signature)

SEE ATTACHED ACKNOWLEDGEMENT

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of Los Angeles

On July 28, 2008 before me, Betty Ardeell Sankary, a Notary Public
(Here insert name and title of the officer)

personally appeared Sheridan Kesselman and Thomas Keller

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

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

WITNESS my hand and official seal.

Betty Ardeell Sankary
 Signature of Notary Public

(Notary Seal)



ADDITIONAL OPTIONAL INFORMATION

INSTRUCTIONS FOR COMPLETING THIS FORM

Any acknowledgment completed in California must contain verbiage exactly as appears above in the notary section or a separate acknowledgment form must be properly completed and attached to that document. The only exception is if a document is to be recorded outside of California. In such instances, any alternative acknowledgment verbiage as may be printed on such a document so long as the verbiage does not require the notary to do something that is illegal for a notary in California (i.e. certifying the authorized capacity of the signer). Please check the document carefully for proper notarial wording and attach this form if required.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he~~/~~she~~/~~they~~- is /are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document

DESCRIPTION OF THE ATTACHED DOCUMENT	
<u>Real Estate Purchase Agreement w/ Seller's Option Repurchase Interest</u> <small>(Title or description of attached document)</small>	
<u>including actual acknowledgement</u> <small>(Title or description of attached document continued)</small>	
Number of Pages <u>7</u>	Document Date <u>7/28/08</u>
<small>(Additional information)</small>	

CAPACITY CLAIMED BY THE SIGNER	
<input checked="" type="checkbox"/> Individual <u>(s)</u>	<input type="checkbox"/> Corporate Officer
<small>(Title)</small>	
<input type="checkbox"/> Partner(s)	<input type="checkbox"/> Attorney-in-Fact
<input type="checkbox"/> Trustee(s)	<input type="checkbox"/> Other _____

**ADDENDUM A
TO REAL ESTATE PURCHASE AGREEMENT
WITH SELLER'S OPTION REPURCHASE INTEREST**

Assessed Value of Property as per Appraisal attached hereto	+	\$1,140,000.00
1 st Mortgage	-	\$751,300.00
2 nd Mortgage	-	\$150,000.00
<hr/>		
Equity of Property	=	\$238,700.00
Rounded up (for purposes of simplification) to	≈	\$240,000.00

Attached hereto are:

1. Copy Appraisal Report
2. Copy of Deed of Trust on 1st Mortgage
3. Copy of Monthly Mortgage Statement on 1st Mortgage
4. Copy of Deed of Trust on 2nd Mortgage

Initials: JS / RT
 Sheridan Thomas



Property Address:

14272 Valley Vista Boulevard
Sherman Oaks Area (City of Los Angeles), CA 91423-4041

Prepared For:

Kesselman Estate
14272 Valley Vista Boulevard
Sherman Oaks, CA 91423

Prepared As Of:

July 10, 2008

Prepared By:

Robert L. Riede
The Appraisal Connection
18411 Crenshaw Boulevard
Torrance, CA 90504
(310) 768-8700

The Appraisal Connection
18411 Crenshaw Boulevard #320
Torrance, CA 90504
310-768-8700

Attn: Kesselman Estate
14272 Valley Vista Boulevard, Sherman Oaks, CA 91423

Dear Kesselman Estate;

In accordance with your request, I have personally inspected and appraised the real property located at:

14272 Valley Vista Boulevard, Sherman Oaks Area (City of Los Angeles), CA 91423-4041

The purpose of this appraisal was to estimate the market value of the property, as improved, in fee simple, unencumbered by liens. A legal description of the property will be found herein.

In my opinion, the estimated market value for the subject property, **as of July 10, 2008 is \$1,140,000.**

The attached report contains the description, analysis, and supportive data for the conclusions and final estimate of value together with descriptive photographs.

It is the opinion of the Appraisal Standards Board of The Appraisal Foundation that the level of detail presented in the attached appraisal form, (Uniform Residential Appraisal Report, Fannie Mae Form 1004), is a Complete Summary Appraisal Report.

This summary appraisal report is intended for use by the lender/client and/or their assigns for use in a mortgage finance transaction only. This report is not intended for any other use.

It has been a pleasure to assist you; if I may be of further service to you in the future, please let me know.

Sincerely,
Robert L. Riede
License #AR012477
State: CA

Uniform Residential Appraisal Report

File # Kesselman

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address 14272 Valley Vista Boulevard City Sherman Oaks Area (City of Los Angeles) State CA Zip Code 91423-4041

Borrower Kesselman Owner of Public Record Kesselman County Los Angeles

Legal Description Tract #5822 Lot 623

Assessor's Parcel # 2274-001-017 Tax Year 2008 R.E. Taxes \$ 10,422.86

Neighborhood Name Sherman Oaks Area Map Reference 562-A5 Census Tract 1417.00 / 3

Occupant Owner Tenant Vacant Special Assessments \$ None PUD HOA \$ None per year per month

Property Rights Appraised Fee Simple Leasehold Other (describe)

Assignment Type Purchase Transaction Refinance Transaction Other (describe) Estate Planning

Lender/Client Kesselman Estate Address 14272 Valley Vista Boulevard, Sherman Oaks, CA 91423

Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? Yes No

Report data source(s) used, offering price(s), and date(s). The subject is not currently listed FOR SALE nor has it been listed FOR SALE within the past thirty six months. Information provided by the Multiple Listing Service for this area.

I did I did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed. N/A

Contract Price \$ Est. Planning Date of Contract N/A Is the property seller the owner of public record? Yes No Data Source(s) N/A

Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? Yes No
If Yes, report the total dollar amount and describe the items to be paid. N/A

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics			One-Unit Housing Trends			One-Unit Housing	Present Land Use %
Location <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values <input type="checkbox"/> Increasing <input type="checkbox"/> Stable <input checked="" type="checkbox"/> Declining	PRICE	AGE	One-Unit	85 %		
Built-up <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply <input type="checkbox"/> Shortage <input type="checkbox"/> In Balance <input checked="" type="checkbox"/> Over Supply	\$(000)	(yrs)	2-4 Unit	5 %		
Growth <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time <input type="checkbox"/> Under 3 mths <input checked="" type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	700	Low	5	Multi-Family	5 %	
Neighborhood Boundaries Neighborhood boundaries are defined as: NORTH: Ventura Boulevard; SOUTH: City Limits; WEST: Beverly Glen Boulevard; EAST: Coldwater Canyon Avenue.			1,300+	High	85	Commercial	5 %
Neighborhood Description The subject's neighborhood consists primarily of Single Family Residences, Condominiums and Multi-Family Units of similar ages, styles and sizes. All employment centers, schools, places of worship and shopping facilities are within close proximity. Major freeways and/or highways are nearby affording access to local and distant commuting.			1,050	Pred.	50	Other	%

Market Conditions (including support for the above conclusions) Market prices within the subject's neighborhood have been declining over the past 12 months at an approximate rate of .5% per month. Typical marketing time has increased from just under 3 months to 3-6 months. There is an over supply of listing activity versus demand.

Dimensions 89 x 201 Area 17,980 SqFt Shape Rectangular View City/Mountain View

Specific Zoning Classification LARE15 Zoning Description Single Family Residence

Zoning Compliance Legal Legal Nonconforming (Grandfathered Use) No Zoning Illegal (describe)

Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? Yes No If No, describe

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements	Type	Public	Private
Electricity	<input checked="" type="checkbox"/>		Water	<input checked="" type="checkbox"/>	Street Paved Asphalt		<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gas	<input checked="" type="checkbox"/>		Sanitary Sewer	<input checked="" type="checkbox"/>	Alley	None	<input type="checkbox"/>	<input type="checkbox"/>

FEMA Special Flood Hazard Area? Yes No FEMA Flood Zone zone C FEMA Map # 0601370045C FEMA Map Date 05/04/1999

Are the utilities and off-site improvements typical for the market area? Yes No If No, describe

Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? Yes No If Yes, describe No adverse easements or encroachments were noted. Site is conforming to the neighborhood. No review of the Title Policy was made. SMSA #4480.

General Description	Foundation	Exterior Description	materials/condition	Interior	materials/condition
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input type="checkbox"/> Concrete Slab <input checked="" type="checkbox"/> Crawl Space	Foundation Walls	Concrete/Average	Floors	Carpet/New
# of Stories One	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls	Stucco/Good	Walls	Drywall/Good
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area None sq. ft.	Roof Surface	Comp Shingle/Good	Trim/Finish	Wood/Good
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finished N/A %	Gutters & Downspouts	Aluminum/Average	Bath Floor	Vinyl/Good
Design (Style) Conventional	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type	Vinyl Frame/Good	Bath Wainscot	Tile/Good
Year Built 1954	Evidence of <input type="checkbox"/> Infestation	Storm Sash/Insulated	None	Car Storage	<input type="checkbox"/> None
Effective Age (Yrs) 30 Years	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens	Aluminum Frame/Average	Driveway	# of Cars
Attic <input type="checkbox"/> None	Heating <input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities	<input type="checkbox"/> WoodStove(s) #	Driveway Surface	Paved Asphalt
<input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input type="checkbox"/> Other Fuel Gas	<input checked="" type="checkbox"/> Fireplace(s) # 1	<input checked="" type="checkbox"/> Fence Rear/Side	<input checked="" type="checkbox"/> Garage	# of Cars Two
<input type="checkbox"/> Floor <input checked="" type="checkbox"/> Scuttle	Cooling <input checked="" type="checkbox"/> Central Air Conditioning	<input checked="" type="checkbox"/> Patio/Deck Covered	<input checked="" type="checkbox"/> Porch Front	<input type="checkbox"/> Carport	# of Cars
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other	<input type="checkbox"/> Pool	<input type="checkbox"/> Other	<input type="checkbox"/> Att.	<input checked="" type="checkbox"/> Det. <input type="checkbox"/> Built-in

Appliances Refrigerator Range/Oven Dishwasher Disposal Microwave Washer/Dryer Other (describe) Fan Hood

Finished area above grade contains: 6 Rooms 3 Bedrooms 2.00 Bath(s) 2,167 Square Feet of Gross Living Area Above Grade

Additional features (special energy efficient items, etc.) None Noted.

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.) The subject is in good overall condition. No repairs are required. Periodic updating has reduced the subject's effective age.

Are there any physical deficiencies or adverse conditions that affect the livability, soundness or structural integrity of the property? Yes No If Yes, describe

Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? Yes No If No, describe

Uniform Residential Appraisal Report

File # Kesselman

There are 42 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 799,000 to \$ 1,400,000										
There are 31 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 740,000 to \$ 1,600,000										
FEATURE	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3						
Address	14272 Valley Vista Boulevard Sherman Oaks Area, CA 91423-4041	4243 Costello Avenue Sherman Oaks Area, CA 91423	3752 Glenridge Drive Sherman Oaks Area, CA 91423	4169 Sunnyslope Avenue Sherman Oaks Area, CA 91423						
Proximity to Subject		0.39 Miles ENE	0.87 Miles SE	0.94 Miles E						
Sale Price	\$ Est. Planning	\$ 950,000	\$ 1,300,000	\$ 1,099,000						
Sale Price/Gross Liv. Area	\$ N/A sq. ft.	\$ 526.61 sq. ft.	\$ 510.00 sq. ft.	\$ 528.62 sq. ft.						
Data Source(s)		RealQuest.com/Multiple Listing Service	RealQuest.com/Multiple Listing Service	RealQuest.com/Multiple Listing Service						
Verification Source(s)		APN:2266-015-025	APN:2272-027-004	APN:2373-009-014						
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+	(-) \$ Adjustment	DESCRIPTION	+	(-) \$ Adjustment	DESCRIPTION	+	(-) \$ Adjustment
Sale or Financing Concessions		Doc#1082441 Convntl.79%			Doc#915468 Convntl.77%			Doc#974905 Convntl.59%		
Date of Sale/Time		06/18/2008			05/23/2008			06/03/2008		
Location	Average	Average			Average			Average		
Leasehold/Fee Simple	Fee Simple	Fee Simple			Fee Simple			Fee Simple		
Site	17,980 SqFt	7,000 SqFt		+55,000	23,159 SqFt		-26,000	7,971 SqFt		+50,000
View	City/Mountain View	No View		+75,000	Similar View			No View		+75,000
Design (Style)	1 Story	1 Story			1 Story			1 Story		
Quality of Construction	Average	Average			Average			Average		
Actual Age	54 Years	72 Years			53 Years			68 Years		
Condition	Good	Good			Superior		-75,000	Good		
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths			Total Bdrms. Baths			Total Bdrms. Baths		
Room Count	6 3 2.00	7 3 2.00			6 3 3.00		-20,000	6 3 2.00		
Gross Living Area	2,167 sq. ft.	1,804 sq. ft.		+36,000	2,549 sq. ft.		-38,000	2,079 sq. ft.		+9,000
Basement & Finished Rooms Below Grade	None	Superior Upgrades		-20,000	None			None		
Functional Utility	Average	Average			Average			Average		
Heating/Cooling	F-A/Central	F-A/Central			F-A/Central			F-A/Central		
Energy Efficient Items	None	None			None			None		
Garage/Carport	Garage - 2	Garage - 2			Garage - 2			Garage - 2		
Porch/Patio/Deck	Patio/Deck	Patio			Patio			Patio		
Fireplace(s)	1 Fireplace	1 Fireplace			1 Fireplace			2 Fireplaces		-2,500
Fences/Pool/Spa/Etc.	Fences	Fences, Pool/Spa		-20,000	Fences			Fences		
Original Listing Price/DOM	Not Available	\$1,020,000 / DOM 31			\$1,569,000 / DOM 131			\$1,099,000 / DOM 2		
Net Adjustment (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ +126,000			<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -159,000			<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ +131,500		
Adjusted Sale Price of Comparables		Net Adj. 13.26% Gross Adj. 21.68% \$ 1,076,000			Net Adj. 12.23% Gross Adj. 12.23% \$ 1,141,000			Net Adj. 11.97% Gross Adj. 12.42% \$ 1,230,500		
<input checked="" type="checkbox"/> did <input type="checkbox"/> did not research the sale or transfer history of the subject property and comparable sales. If not, explain										
My research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.										
Data Source(s) RealQuest.com/Realist.com										
My research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the comparables sales for the year prior to the date of sale of the comparable sale.										
Data Source(s) RealQuest.com/Realist.com										
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).										
ITEM	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3						
Date of Prior Sale/Transfer	01/07/2005	02/01/2000	03/15/2001	12/28/2001						
Price of Prior Sale/Transfer	\$825,000	\$470,000	\$768,000	\$599,000						
Data Source(s)	RealQuest.com/ReaList.com	RealQuest.com/ReaList.com	RealQuest.com/ReaList.com	RealQuest.com/ReaList.com						
Effective Date of Data Source(s)	July 10, 2008	July 10, 2008	July 10, 2008	July 10, 2008						
Analysis of prior sale or transfer history of the subject property and comparable sales										
Prior sales for the subject and all comparable sales do not have an impact on the Appraiser's opinion of value for the subject property.										
The subject last sold on 01/07/2005 at a reported price of \$825,000.										
The prior sale occurred on 10/15/1990 for \$400,000. Information provided by RealQuest.com Property Data. (See attached Legal Description).										
Summary of Sales Comparison Approach										
All comparables have been given equal weight in determining an opinion of value for the subject property.										
This appraisal report, (Uniform Residential Appraisal Report, Fannie Mae Form 1004), is consistent with the requirements for a Complete Summary Appraisal Report.										
See additional comparable sales page for detailed list of adjustments.										
Indicated Value by Sales Comparison Approach \$ 1,140,000										
Indicated Value by: Sales Comparison Approach \$ 1,140,000 Cost Approach (if developed) \$ 1,147,000 Income Approach (if developed) \$ N/A										
The Sales Comparison Approach is the best indicator of value for the subject property. The Income Approach is not applicable due to lack of relevant data. The Cost Approach supports the value conclusion.										
This appraisal is made <input checked="" type="checkbox"/> "as is", <input type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or <input type="checkbox"/> subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: Certification and Statement of Limiting Conditions is attached. The subject was appraised in an "as is" condition. No repairs are required.										
Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 1,140,000 as of July 10, 2008, which is the date of inspection and the effective date of this appraisal.										

Uniform Residential Appraisal Report

File # Kesselman

NOTES:
 (1) Adjustments are made via historical paired sales analysis, the Appraiser's experience in the neighborhood, data base for similar properties in the neighborhood and conversations with local realtors.
 (2) All comparables are located within the subject's economic neighborhood and are good indicators of the subject's value.
 (3) All comparable sales selected are closed and verified by two independent sources. Data sources used by the appraiser include: RealQuest.com Property Data, Multiple Listing Service, and cooperating local real estate agents. The sales used are deemed to be the most comparable to the subject property in terms of date of sale, condition, similarity of amenities and location.

3 YEAR LISTINGS HISTORY:
 The subject is not currently listed For Sale, nor has it been listed For Sale within the past 36 months. Information provided by the Multiple Listings Service for this area.

ADDITIONAL FEATURES:
 *The present owner has updated the subject property. A summary is as follows:

EXTERIOR:
 -New Water Heater
 -New Paint
 -New Tile on Patio

INTERIOR:
 -New Paint
 -New Carpet
 -New Raised Panel Doors
 -Recessed Lighting
 -New Air Conditioning Unit

NOTES:
 (1) All sale prices are expressed in terms of cash, (Cash Equivalent).
 (2) Personal property was not considered in the Appraiser's estimate of value for the subject property.
 (3) The subject is located on a commuter traffic street however the dwelling is set back and above the traffic street creating no adverse affects.

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations.
 Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value)
 Land value gleaned via the Abstraction Method.
 The ratio of land to value is typical for the area.
 No comparable land sales were available.

ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE	= \$	875,000
Source of cost data Marshall and Swift Cost Handbook and local Contractors	Dwelling 2,167 Sq. Ft. @ \$ 185.00	= \$	401,000
Quality rating from cost service N/A Effective date of cost data Current	Sq. Ft. @ \$	= \$	
Comments on Cost Approach (gross living area calculations, depreciation, etc.)		= \$	
Gross Living Area calculations and depreciation are typical for properties of this age in the subject's area. The Cost Approach was developed for lending purposes only. This Cost Approach is not intended for insurance purposes.	Garage/Carport 380 Sq. Ft. @ \$ 75.00	= \$	28,500
	Total Estimate of Cost-New	= \$	429,500
	Less Physical 46% Functional External		
	Depreciation 197,570 0 0	= \$ (198,000)
	Depreciated Cost of Improvements	= \$	232,000
	"As-is" Value of Site Improvements	= \$	40,000
		= \$	
Estimating Remaining Economic Life (HUD and VA only) N/A Years	Indicated Value by Cost Approach	= \$	1,147,000

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent \$ N/A X Gross Rent Multiplier N/A = \$ N/A Indicated Value by Income Approach
 Summary of Income Approach (including support for market rent and GRM) The Income Approach is not applicable due to lack of relevant data.

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? Yes No Unit type(s) Detached Attached
 Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.
 Legal name of project
 Total number of phases Total number of units Total number of units sold
 Total number of units rented Total number of units for sale Data source(s)
 Was the project created by the conversion of existing building(s) into a PUD? Yes No If Yes, date of conversion.
 Does the project contain any multi-dwelling units? Yes No Data source(s)
 Are the units, common elements, and recreational facilities complete? Yes No If No, describe the status of completion.
 Are the common elements leased to or by the Homeowners' Association? Yes No If Yes, describe the rental terms and options.
 Describe common elements and recreational facilities.

Uniform Residential Appraisal Report

File #

Kesselman

This report form is designed to report an appraisal of a one-unit property or a one-unit property with an accessory unit; including a unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a condominium or cooperative project.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

Uniform Residential Appraisal Report

File #

Kesselman

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change is made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

Uniform Residential Appraisal Report

File # Kesselman

21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

- 1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of the Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

* APPRAISER'S SIGNATURE IS ELECTRONICALLY IMPOSED AND PROTECTED*.

APPRAISER

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature [Handwritten Signature]
Name Robert L. Riede
Company Name The Appraisal Connection
Company Address 18411 Crenshaw Boulevard, Torrance, CA 90504
Telephone Number (310) 768-8700
Email Address info@tacorder.com
Date of Signature and Report July 15, 2008
Effective Date of Appraisal July 10, 2008
State Certification # AR012477
or State License #
or Other (describe) State #
State CA
Expiration Date of Certification or License 10/17/2008

Signature
Name
Company Name
Company Address
Telephone Number
Email Address
Date of Signature
State Certification #
or State License #
State
Expiration Date of Certification or License

ADDRESS OF PROPERTY APPRAISED
14272 Valley Vista Boulevard
Sherman Oaks Area (City of Los Angeles), CA 91423-4041

SUBJECT PROPERTY
Did not inspect subject property
Did inspect exterior of subject property from street
Date of Inspection
Did inspect interior and exterior of subject property
Date of Inspection

APPRAISED VALUE OF SUBJECT PROPERTY \$ 1,140,000

LENDER/CLIENT

Name
Company Name Kesselman Estate
Company Address 14272 Valley Vista Boulevard, Sherman Oaks, CA 91423
Email Address

COMPARABLE SALES

Did not inspect exterior of comparable sales from street
Did inspect exterior of comparable sales from street
Date of Inspection

Uniform Residential Appraisal Report

File # Kesselman

FEATURE	SUBJECT	COMPARABLE SALE # 4	COMPARABLE SALE # 5	COMPARABLE SALE # 6
Address	14272 Valley Vista Boulevard Sherman Oaks Area, CA 91423-4041	14011 Valey Vista Boulevard Sherman Oaks Area, CA 91423	3843 Longview Valley Road Sherman Oaks Area, CA 91423	
Proximity to Subject		0.78 Miles E (Same Street)	0.69 Miles SW	
Sale Price	\$ Est. Planning	\$ 999,000	\$ 1,069,000	\$
Sale Price/Gross Liv. Area	\$ N/A sq. ft.	\$ 520.31 sq. ft.	\$ 534.50 sq. ft.	\$ sq. ft.
Data Source(s)		RealQuest.com/Multiple Listing Service	RealQuest.com/Multiple Listing Service	
Verification Source(s)		APN: 2266-027-018	APN: 2274-005-007	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+ (-) \$ Adjustment	DESCRIPTION
Sale or Financing Concessions		Active Listing Adjustment	-30,000	Active Listing Adjustment
Date of Sale/Time		DOM: 147		DOM: 30
Location	Average	Average		Average
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple
Site	17,980 SqFt	7,680 SqFt	+51,500	6,880 SqFt
View	City/Mountain View	No View	+75,000	No View
Design (Style)	1 Story	2 Story		1 Story
Quality of Construction	Average	Average		Average
Actual Age	54 Years	55 Years		56 Years
Condition	Good	Average	+50,000	Average
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths		Total Bdrms. Baths
Room Count	6 3 2.00	6 3 3.00	-20,000	5 3 2.00
Gross Living Area	2,167 sq. ft.	1,920 sq. ft.	+25,000	2,000/MLS sq. ft.
Basement & Finished Rooms Below Grade	None	None		None
Functional Utility	Average	Average		Average
Heating/Cooling	F-A/Central	F-A/Central		F-A/Central
Energy Efficient Items	None	None		None
Garage/Carport	Garage - 2	Garage - 2		Garage - 2
Porch/Patio/Deck	Patio/Deck	Patio		Patio
Fireplace(s)	1 Fireplace	1 Fireplace		1 Fireplace
Fences/Pool/Spa/Etc.	Fences	Fences, Pool	-15,000	Fences, Pool
Original Listing Price/DOM	Not Available	\$999,000 / DOM 147		\$1,069,000 / DOM 30
Net Adjustment (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ +136,500		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ +152,500
Adjusted Sale Price of Comparables		Net Adj. 13.66% Gross Adj. 26.68% \$ 1,135,500		Net Adj. 14.27% Gross Adj. 22.68% \$ 1,221,500
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).				
ITEM	SUBJECT	COMPARABLE SALE # 4	COMPARABLE SALE # 5	COMPARABLE SALE # 6
Date of Prior Sale/Transfer	01/07/2005	05/02/2006	03/16/2005	
Price of Prior Sale/Transfer	\$825,000	\$1,035,000	\$756,000	
Data Source(s)	RealQuest.com/ReaList.com	RealQuest.com/ReaList.com	RealQuest.com/ReaList.com	
Effective Date of Data Source(s)	July 10, 2008	July 10, 2008	July 10, 2008	
Summary of Sales Comparison Approach				
Comparable Number One has been adjusted for its lot size, subject's view, living area, superior upgrades and its pool and spa.				
Comparable Number Two has been adjusted for its lot size, superior condition, bathroom count and living area.				
Comparable Number Three has been adjusted for its lot size, subject's view, living area and fireplace count.				
Comparable Number Four has been adjusted for its lot size, subject's view, inferior condition, bathroom count, living area and its pool.				
In addition, this comparable is a listing and a sales price adjustment has been made. This adjustment is the difference between the asking price and probable sales price based upon recent sales within the subject's neighborhood.				
Comparable Number Five has been adjusted for its lot size, subject's view, inferior condition, living are and its pool.				
In addition, this comparable is a listing and a sales price adjustment has been made. This adjustment is the difference between the asking price and probable sales price based upon recent sales within the subject's neighborhood.				
ADJUSTMENTS:				
Living Area: @ \$100.00 per square foot.				
Room Counts: @ \$20,000 per bathroom.				
Lot Size: @ \$5.00 per square foot (+ - 1,000 square feet).				
Time Adjustment: @ .5% per month (sales over 3 months)				

LICENSE

Borrower/Client Kesselman
 Address 14272 Valley Vista Boulevard
 City Sherman Oaks Area (City of Los Angeles) County Los Angeles State CA Unit No. N/A
 Lender/Client Kesselman Estate Zip Code 91423-4041

STATE OF CALIFORNIA

Business, Transportation & Housing Agency
OFFICE OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

OREA APPRAISER IDENTIFICATION NUMBER AR012477

ROBERT L. RIEDE

has successfully met the requirements for a license as a residential real estate appraiser in the State of California and is, therefore, entitled to use the title "Certified Residential Real Estate Appraiser".

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

OFFICE OF REAL ESTATE APPRAISERS
Anthony F. Majewski
 Date Issued: October 18, 2006
 Date Expires: October 17, 2008

Audit No. 81311

THIS DOCUMENT CONTAINS A TRUE WATERMARK - HOLD UP TO LIGHT TO SEE "SAFE" AND "VERIFY FIRST"



E&O INSURANCE

Borrower/Client	Kesselman			Unit No.	N/A
Address	14272 Valley Vista Boulevard			City	Sherman Oaks Area (City of Los Angeles)
City	Sherman Oaks Area (City of Los Angeles)	County	Los Angeles	State	CA
Lender/Client	Kesselman Estate			Zip Code	91423-4041



GENERAL STAR NATIONAL INSURANCE COMPANY
P.O. Box 10354
Stamford, Connecticut 06904

REAL ESTATE APPRAISERS ERRORS & OMISSIONS LIABILITY INSURANCE POLICY

DECLARATIONS PAGE

This is a claims made and reported policy.
Please read this policy and all endorsements and attachments carefully.

Policy Number: NJ 0788010 General Agent Number: 714-99891

1. **NAMED INSURED:** Robert J. Riede
MAILING ADDRESS: 18411 Crenshaw Blvd, Ste 109
Torrance, CA 90504

2. **POLICY PERIOD:** Inception Date: 04-12-2008 Expiration Date: 04-12-2009
Effective 12:01 a.m. Standard Time at the mailing address of the Named Insured.

3. **LIMIT OF LIABILITY:**
Each Claim: \$ 1,000,000
Aggregate: \$ 2,000,000
Lock Box Liability: N/A

4. **CLAIM EXPENSES:**
b. Have a separate limit of liability.

5. **STATUS OF INSURED:** Corporation

6. **DEDUCTIBLE:** Each Claim: \$500,000
b. The deductible amount specified above applies to both Damages and Claims Expenses.

7. **PRIOR ACTS DATE:** 04-12-1993
If a date is indicated, this insurance will not apply to any regular act, error, omission or personal injury which occurred before such date.

8. **PREMIUM:** \$ 733.00

9. **ENDORSEMENTS:**
This policy is made and accepted such to the printed conditions in this policy together with the provisions, stipulations and agreements contained in the following form(s) or endorsement(s):
GSN-06-RE-122 (07/2004)
06-PL-201 (07/2004) (150-07-PL-175 (02/2006)

10. **MANAGING AGENT:**
Herbert H. Landy Insurance Agency, Inc.
75 Second Avenue, Suite 410
Needham, Massachusetts 02494-2876

Producer Code: 00026230 Date: 04/03/2008
Class Code: 73128 SLA#:
GSN-06-RE-720 (03/2005)

Herbert H. Landy
Authorized Representative

LEGAL DESCRIPTION

Borrower/Client <u>Kesselman</u>		Unit No. <u>N/A</u>
Address <u>14272 Valley Vista Boulevard</u>		City <u>Sherman Oaks Area (City of Los Angeles)</u> County <u>Los Angeles</u> State <u>CA</u> Zip Code <u>91423-4041</u>
Lender/Client <u>Kesselman Estate</u>		

RealQuest.com © - Report

Page 1 of 1

Property Detail Report

RealQuest.com

For Property Located At

14272 VALLEY VISTA BLVD, SHERMAN OAKS CA 91423-4041

*no
mks*

Owner Information:

Owner Name: **KESSELMAN SHERIDAN**
 Mailing Address: **14272 VALLEY VISTA BLVD, SHERMAN OAKS CA 91423-4041 C008**
 Phone Number: _____ Vesting Codes: **UW / /**

Location Information:

Legal Description: **TRACT NO 5822 LOT 623**
 County: **LOS ANGELES, CA** APN: **2274-001-017**
 Census Tract / Block: **1417.00 / 3** Alternate APN: _____
 Township-Range-Sect: _____ Subdivision: _____
 Legal Book/Page: _____ Map Reference: **22-E4 / 562-A5**
 Legal Lot: **623** Tract #: **5822**
 Legal Block: _____ School District: **LOS ANGELES UNIF**
 Market Area: _____ Munic/Township: _____
 Neighbor Code: _____

Owner Transfer Information:

Recording/Sale Date: **/ /** Deed Type: _____
 Sale Price: _____ 1st Mtg Document #: _____
 Document #: _____

Last Market Sale Information:

Recording/Sale Date: **01/07/2005 / 12/21/2004** 1st Mtg Amount/Type: **\$660,000 / CONV**
 Sale Price: **\$825,000** 1st Mtg Int. Rate/Type: **5.38 / ADJ**
 Sale Type: **FULL** 1st Mtg Document #: **52167**
 Document #: **52166** 2nd Mtg Amount/Type: **\$82,500 / CONV**
 Deed Type: **GRANT DEED** 2nd Mtg Int. Rate/Type: **/ ADJ**
 Transfer Document #: _____ Price Per SqFt: **\$389.15**
 New Construction: _____ Multi/Split Sale: _____

Title Company: **UNITED TITLE**
 Lender: **CITIMORTGAGE**
 Seller Name: **MARTIN TRUST**

Prior Sale Information:

Prior Rec/Sale Date: **10/15/1990 / 09/1990** Prior Lender: _____
 Prior Sale Price: **\$400,000** Prior 1st Mtg Amt/Type: **/**
 Prior Doc Number: **1749479** Prior 1st Mtg Rate/Type: **/**
 Prior Deed Type: **QUIT CLAIM DEED**

Property Characteristics:

Gross Area: 2,120	Parking Type: CARPORT	Construction: _____
Living Area: 2,120	Garage Area: _____	Heat Type: CENTRAL
Tot Adj Area: _____	Garage Capacity: 2	Exterior wall: STUCCO
Above Grade: _____	Parking Spaces: 2	Porch Type: _____
Total Rooms: 6	Basement Area: _____	Patio Type: _____
Bedrooms: 3	Finish Bsmnt Area: _____	Pool: _____
Bath(F/H): 2 /	Basement Type: _____	Air Cond: _____
Year Built / Eff: 1954 /	Roof Type: _____	Style: CONVENTIONAL
Fireplace: Y / 1	Foundation: RAISED	Quality: _____
# of Stories: 1.00	Roof Material: WOOD SHAKE	Condition: _____

Other Improvements: **FENCE**

Site Information:

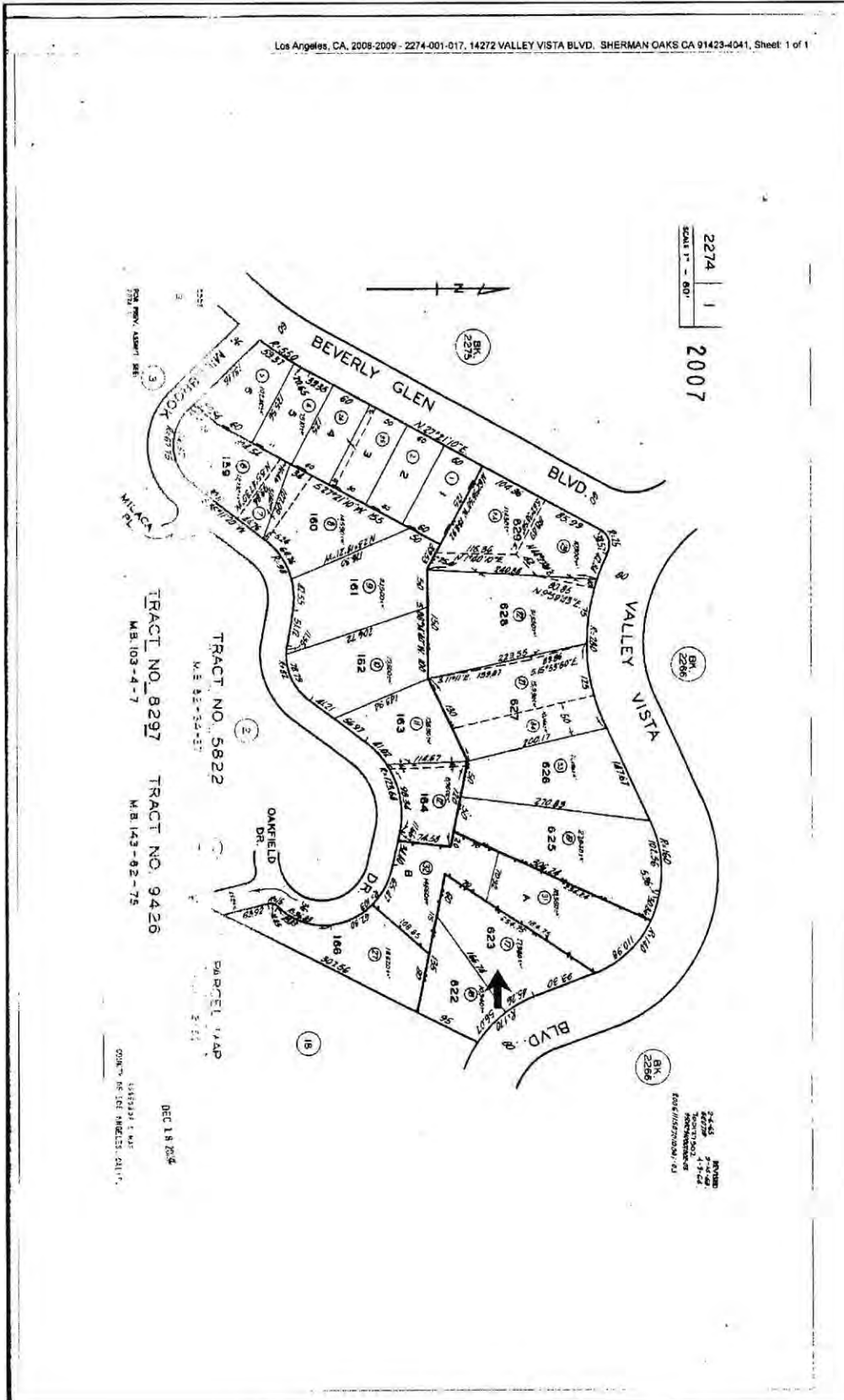
Zoning: **LARE15** Acres: **0.41** County Use: **SINGLE FAMILY RESID (0100)**
 Flood Zone: **C** Lot Area: **17,980** State Use: _____
 Flood Panel: **0601370045C** Lot Width/Depth: **89 x 201** Site Influence: _____
 Flood Panel Date: **05/04/1999** Res/Comm Units: **1 /** Sewer Type: **TYPE UNKNOWN**
 Land Use: **SFR** Water Type: _____

Tax Information:

Total Value: **\$858,330** Assessed Year: **2007** Property Tax: **\$10,422.86**
 Land Value: **\$754,280** Improve %: **012%** Tax Area: **13**
 Improvement Value: **\$104,040** Tax Year: **2007** Tax Exemption: **HOMEOWNER**
 Total Taxable Value: **\$851,330**

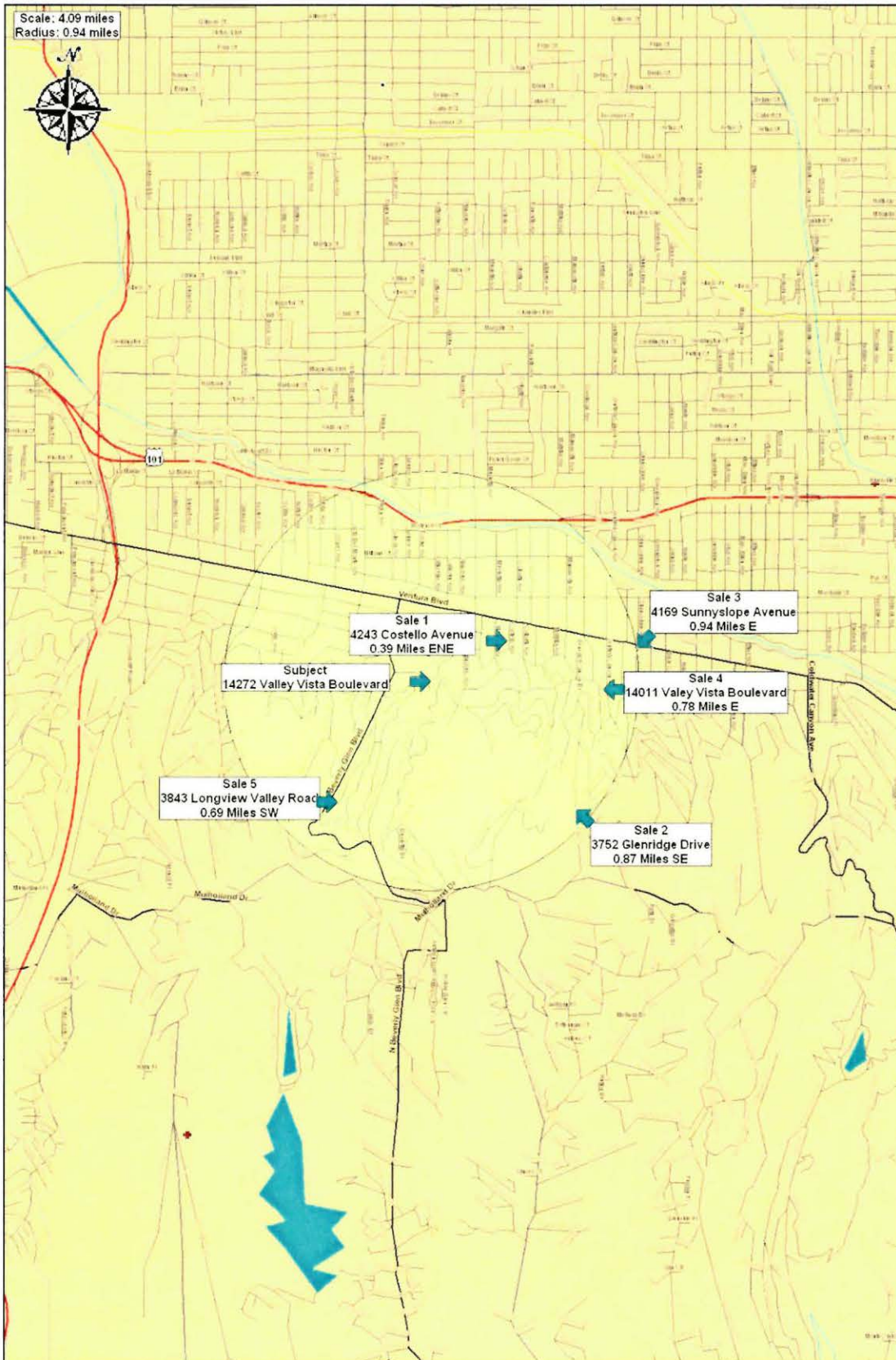
PLAT MAP

Borrower/Client	Kesselman			Unit No.	N/A
Address	14272 Valley Vista Boulevard			City	Sherman Oaks Area (City of Los Angeles)
City	Sherman Oaks Area (City of Los Angeles)	County	Los Angeles	State	CA
Lender/Client	Kesselman Estate			Zip Code	91423-4041



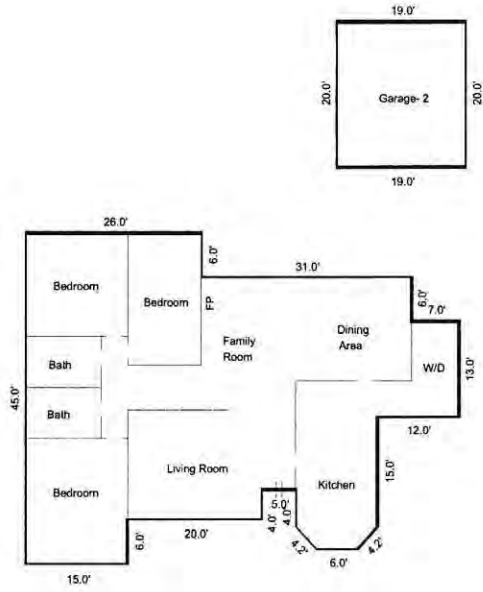
LOCATION MAP

Borrower/Client	Kesselman		Unit No.	N/A			
Address	14272 Valley Vista Boulevard		City	Sherman Oaks Area (City of Los Angeles)			
City	Sherman Oaks Area (City of Los Angeles)	County	Los Angeles	State	CA	Zip Code	91423-4041
Lender/Client	Kesselman Estate						



SKETCH

Borrower/Client <u>Kesselman</u>		Unit No. <u>N/A</u>
Address <u>14272 Valley Vista Boulevard</u>		
City <u>Sherman Oaks Area (City of Los Angeles)</u>	County <u>Los Angeles</u>	State <u>CA</u> Zip Code <u>91423-4041</u>
Lender/Client <u>Kesselman Estate</u>		



Sketch by Apex IV™

Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	2167.0	2167.0
GAR	Garage	380.0	380.0
Net LIVABLE Area		(Rounded)	2167

LIVING AREA BREAKDOWN			
Breakdown			Subtotals
First Floor			
19.0	x	57.0	1083.0
7.0	x	13.0	91.0
6.0	x	26.0	156.0
10.0	x	52.0	520.0
4.0	x	12.0	48.0
4.0	x	35.0	140.0
1.0	x	12.0	12.0
6.0	x	15.0	90.0
3.0	x	6.0	18.0
0.5	x	3.0	4.5
0.5	x	3.0	4.5
11 Items	(Rounded)		2167

SUBJECT PHOTOGRAPH ADDENDUM

Borrower/Client	Kesselman		
Address	14272 Valley Vista Boulevard	Unit No.	N/A
City	Sherman Oaks Area (City of Los Angeles)	County	Los Angeles
		State	CA
		Zip Code	91423-4041
Lender/Client	Kesselman Estate		



Front View



Rear View



Street View

SUBJECT PHOTOGRAPH ADDENDUM

Borrower/Client <u>Kesselman</u>	
Address <u>14272 Valley Vista Boulevard</u>	Unit No. <u>N/A</u>
City <u>Sherman Oaks Area (City of Los Angeles)</u>	County <u>Los Angeles</u> State <u>CA</u> Zip Code <u>91423-4041</u>
Lender/Client <u>Kesselman Estate</u>	



Side View



Side View



View

INTERIOR SUBJECT PHOTOGRAPH ADDENDUM

Borrower/Client	Kesselman		
Address	14272 Valley Vista Boulevard	Unit No.	N/A
City	Sherman Oaks Area (City of Los Angeles)	County	Los Angeles
		State	CA
		Zip Code	91423-4041
Lender/Client	Kesselman Estate		



Bathroom



Bathroom



Kitchen

INTERIOR SUBJECT PHOTOGRAPH ADDENDUM

Borrower/Client <u>Kesselman</u>	
Address <u>14272 Valley Vista Boulevard</u>	Unit No. <u>N/A</u>
City <u>Sherman Oaks Area (City of Los Angeles)</u> County <u>Los Angeles</u> State <u>CA</u>	Zip Code <u>91423-4041</u>
Lender/Client <u>Kesselman Estate</u>	



Family Room

COMPARABLE PHOTOGRAPH ADDENDUM

Borrower/Client <u>Kesselman</u>		Unit No. <u>N/A</u>	
Address <u>14272 Valley Vista Boulevard</u>			
City <u>Sherman Oaks Area (City of Los Angeles)</u>	County <u>Los Angeles</u>	State <u>CA</u>	Zip Code <u>91423-4041</u>
Lender/Client <u>Kesselman Estate</u>			



**Sales Comparable 1
Front View**

Address: 4243 Costello Avenue
 Prox. to Subject: 0.39 Miles ENE
 Sales Price: \$ 950,000
 Gross Living Area: 1,804
 Total Rooms: 7
 Total Bedrooms: 3
 Total Bathrooms: 2.00
 Location: Average



**Sales Comparable 2
Front View**

Address: 3752 Glenridge Drive
 Prox. to Subject: 0.87 Miles SE
 Sales Price: \$ 1,300,000
 Gross Living Area: 2,549
 Total Rooms: 6
 Total Bedrooms: 3
 Total Bathrooms: 3.00
 Location: Average



**Sales Comparable 3
Front View**

Address: 4169 Sunnyslope Avenue
 Prox. to Subject: 0.94 Miles E
 Sales Price: \$ 1,099,000
 Gross Living Area: 2,079
 Total Rooms: 6
 Total Bedrooms: 3
 Total Bathrooms: 2.00
 Location: Average

COMPARABLE PHOTOGRAPH ADDENDUM

Borrower/Client <u>Kesselman</u>		Unit No. <u>N/A</u>	
Address <u>14272 Valley Vista Boulevard</u>			
City <u>Sherman Oaks Area (City of Los Angeles)</u>	County <u>Los Angeles</u>	State <u>CA</u>	Zip Code <u>91423-4041</u>
Lender/Client <u>Kesselman Estate</u>			



**Sales Comparable 4
Front View**

Address: 14011 Valey Vista Boulevard
 Prox. to Subject: 0.78 Miles E (Same Street)
 Sales Price: \$ 999,000
 Gross Living Area: 1,920
 Total Rooms: 6
 Total Bedrooms: 3
 Total Bathrooms: 3.00
 Location: Average



**Sales Comparable 5
Front View**

Address: 3843 Longview Valley Road
 Prox. to Subject: 0.69 Miles SW
 Sales Price: \$ 1,069,000
 Gross Living Area: 2,000/MLS
 Total Rooms: 5
 Total Bedrooms: 3
 Total Bathrooms: 2.00
 Location: Average

Address:
 Prox. to Subject:
 Sales Price: \$
 Gross Living Area:
 Total Rooms:
 Total Bedrooms:
 Total Bathrooms:

Recording Requested By:

WELLS FARGO BANK, N.A.
18801 VENTURA BLVD 301
TARZANA, CA 91356-

Return To:

WELLS FARGO BANK, N.A.
FINAL DOCUMENTS X4701-022
1000 BLUE GENTIAN ROAD
EAGAN, MN 55121-1889

Prepared By:

PROCESSING WHOLESALE
WELLS FARGO BANK, N.A.
18801 VENTURA BLVD 301
TARZANA, CA 91356-

[Space Above This Line For Recording Data]

DEED OF TRUST

0148859871

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

(A) "Security Instrument" means this document, which is dated **SEPTEMBER 20, 2005** together with all Riders to this document.

(B) "Borrower" is
SHERIDAN KESSELMAN, AN UNMARRIED WOMAN

Borrower is the trustor under this Security Instrument.

(C) "Lender" is **WELLS FARGO BANK, N.A.**

Lender is a **National Association**
organized and existing under the laws of **THE UNITED STATES OF AMERICA**

Lender's address is
P. O. BOX 5137, DES MOINES, IA 50306-5137

Lender is the beneficiary under this Security Instrument.

(D) "Trustee" is FIDELITY NATIONAL TITLE INSURANCE COMPANY

(E) "Note" means the promissory note signed by Borrower and dated SEPTEMBER 20, 2005
The Note states that Borrower owes Lender SEVEN HUNDRED FIFTY-FIVE THOUSAND
AND NO/100 Dollars

(U.S. \$755,000.00.....) plus interest. Borrower has promised to pay this debt in regular
Periodic Payments and to pay the debt in full not later than OCTOBER 1, 2035

(F) "Property" means the property that is described below under the heading "Transfer of
Rights in the Property."

(G) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges
and late charges due under the Note, and all sums due under this Security Instrument, plus
interest.

(H) "Riders" means all Riders to this Security Instrument that are executed by Borrower.
The following Riders are to be executed by Borrower [check box as applicable]:

- | | | |
|--|---|---|
| <input type="checkbox"/> Adjustable Rate Rider | <input type="checkbox"/> Condominium Rider | <input type="checkbox"/> Second Home Rider |
| <input type="checkbox"/> Balloon Rider | <input type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> 1-4 Family Rider |
| <input type="checkbox"/> VA Rider | <input type="checkbox"/> Biweekly Payment Rider | <input type="checkbox"/> Other(s) [specify] |

(I) "Applicable Law" means all controlling applicable federal, state and local statutes,
regulations, ordinances and administrative rules and orders (that have the effect of law) as
well as all applicable final, non-appealable judicial opinions.

(J) "Community Association Dues, Fees, and Assessments" means all dues, fees,
assessments and other charges that are imposed on Borrower or the Property by a
condominium association, homeowners association or similar organization.

(K) "Electronic Funds Transfer" means any transfer of funds, other than a transaction
originated by check, draft, or similar paper instrument, which is initiated through an
electronic terminal, telephonic instrument, computer, or magnetic tape so as to order,
instruct, or authorize a financial institution to debit or credit an account. Such term includes,
but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers
initiated by telephone, wire transfers, and automated clearinghouse transfers.

(L) "Escrow Items" means those items that are described in Section 3.

(M) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or
proceeds paid by any third party (other than insurance proceeds paid under the coverages
described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation
or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or
(iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(N) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or
default on, the Loan.

(O) "Periodic Payment" means the regularly scheduled amount due for (i) principal and
interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.

(P) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. Section 2601 et
seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be
amended from time to time, or any additional or successor legislation or regulation that

governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA. (Q) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the

County of **LOS ANGELES** ;
[Type of Recording Jurisdiction] [Name of Recording Jurisdiction]

A.P.N.# 2274-001-017

SEE LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF

Parcel ID Number: which currently has the address of
14272 VALLEY VISTA BOULEVARD [Street]
SHERMAN OAKS AREA [City] , California **91423** [Zip Code]
("Property Address"):

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.



Return Mail Operations
 PO Box 14411
 Des Moines, IA 50306-3411

*H. 06-23-08
 JKH# 2437*

000491 1 AT 0.346 (1461/00491/00081/003 01 ALMY JS 706
 SHERIDAN KESSELMAN
 14272 VALLEY VISTA BOULEVARD
 SHERMAN OAKS AREA CA 91423-4041

Monthly Mortgage Statement

Statement Date 05/23/08
 Loan Number 0146859871

Customer Service

- Online
wellsfargo.com
- Telephone (800) 762-8659 **TTY Deaf/Hard of Hearing** (800) 934-9998
- Fax (515) 324-2478
- Payments PO Box 30427 Los Angeles CA 90030
- Correspondence PO Box 10335 Des Moines IA 50306
- Purchase or Refinance** (800) 443-3429

Summary

Payment (Principal and/or Interest)	\$3,678.24
Optional Product(s)	\$0.00
Current Monthly Payment	\$3,678.24
Overdue Payments	\$0.00
Unpaid Late Charge(s)	\$0.00
Other Charges	\$0.00
TOTAL PAYMENT DUE 07/01/08	\$3,678.24

Property Address
 14272 VALLEY VISTA BLVD
 SHERMAN OAKS AREA CA 91423
Unpaid Principal Balance \$751,300.00
(Contact Customer Service for your payoff balance)
Interest Rate 5.875%
Interest Paid Year-to-Date \$18,381.20

Activity Since Your Last Statement

Date	Description	Total	Principal	Interest	Escrow	Late Charge	Other
05/23	PAYMENT	\$3,678.24		\$3,678.24			

Important Messages

TALES OF WELLS FARGO
 From western collectibles to a 1960's TV series, many people are attracted to the history of Wells Fargo in the Old West. As a Wells Fargo customer, you play a part in that unique tale. We invite you to learn more by clicking on the "About Us" tab at wellsfargo.com.

Recording requested by:
Wells Fargo Bank, N.A.

When recorded return to:
Wells Fargo Bank, N.A.
Attn: Document Mgt.
P.O. Box 31557
MAC B6955-013
Billings MT 59107-9900

State of California
REFERENCE #: 20080889200020

Space Above This Line For Recording Data
Account number: 650-650-8345092-1XXX

SHORT FORM DEED OF TRUST (With Future Advance Clause)

1. **DATE AND PARTIES.** The date of this Short Form Deed of Trust ("Security Instrument") is APRIL 30, 2008 and the parties are as follows:

TRUSTOR ("Grantor"): **SHERIDAN KESSELMAN, A MARRIED WOMAN WHO ACQUIRED TITLE AS SHERIDAN KESSELMAN, UNMARRIED WOMAN, AND THOMAS KELLER A NON VESTED SPOUSE**

whose address is: **14272 VALLEY VISTA BLVD, SHERMAN OAKS, CALIFORNIA 91423-4041**

TRUSTEE: **American Securities Company, P.O. Box 31557, Billings, MT 59107**

BENEFICIARY ("Lender"): **Wells Fargo Bank, N.A., 101 North Phillips Avenue, Sioux Falls, SD 57104**

2. **CONVEYANCE.** For good and valuable consideration, the receipt and sufficiency of which is acknowledged, and to secure the Secured Debt (defined below) and Grantor's performance under this Security Instrument, Grantor irrevocably grants, conveys and sells to Trustee, in trust for the benefit of Lender, with power of sale, all of that certain real property located in the County of LOS ANGELES, State of California, described as follows:

SEE ATTACHED EXHIBIT

with the address of **14272 VALLEY VISTA BLVD, SHERMAN OAKS, CALIFORNIA 91423** and parcel number of **2274-001-017** together with all rights, easements, appurtenances, royalties, mineral rights, oil and gas rights, all water and riparian rights, ditches, and water stock and all existing and future improvements, structures, fixtures, and replacements that may now, or at any time in the future, be part of the real estate described above.

3. **MAXIMUM OBLIGATION LIMIT AND SECURED DEBT.** The total amount which this Security Instrument will secure shall not exceed **\$ 150,000.00** together with all interest thereby accruing, as set forth in the promissory note, revolving line of credit agreement, contract, guaranty or other evidence of debt ("Secured Debt") of even date herewith, and all amendments, extensions, modifications, renewals or other documents which are incorporated into this Security Instrument, now or in the future. The maturity date of the Secured Debt is **not later than seven (7) calendar days after May 30, 2048.**



4. **FICTITIOUS DEED OF TRUST.** By the delivery and execution of this Security Instrument, Grantor agrees that all provisions and sections of the Fictitious Deed of Trust, inclusive, dated **February 1, 1997**, and recorded on **February 06, 1997** as Instrument Number **97 200895** in Book **N/A** at Page **N/A** of the Official Records in the Office of the Recorder of **LOS ANGELES** County, State of California, are hereby incorporated into, and shall govern, this Security Instrument.
5. **RIDERS.** If checked, the following are applicable to this Security Instrument. The covenants and agreements of each of the riders checked below are incorporated into and supplement and amend the terms of this Security Instrument.
- N/A** Third Party Rider
- N/A** Leasehold Rider
- N/A** Other: **N/A**

SIGNATURES: By signing below, Grantor agrees to perform all covenants and duties as set forth in this Security Instrument. Grantor also acknowledges receipt of a copy of this document and a copy of the provisions contained in the previously recorded Fictitious Deed of Trust (the Deed of Trust-Bank/Customer Copy). The undersigned Grantor requests that a copy of ANY NOTICE OF DEFAULT AND ANY NOTICE OF SALE hereunder be mailed to the Grantor's address given herein.

Grantor SHERIDAN KESSELMAN _____ Date

Grantor THOMAS KELLER _____ Date



**ADDENDUM B
TO REAL ESTATE PURCHASE AGREEMENT
WITH SELLER'S OPTION REPURCHASE INTEREST**

See blank copy of Grant Deed on next page.

Initials: _____ / _____
 Sheridan Thomas

RECORDING REQUESTED BY:

AND WHEN RECORDED MAIL THIS DEED AND, UNLESS OTHERWISE SHOWN BELOW, TO:
Sheridan Kesselman
14272 Valley Vista Blvd
Sherman Oaks, CA 91423

Order No.:
Escrow No.:

A.P.N.: 2274-001-017

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE

GRANT DEED

THE UNDERSIGNED GRANTOR(S) DECLARE(S):

DOCUMENTARY TRANSFER TAX IS \$ _____, CITY TRANSFER TAX IS \$ _____.

Computed on full value of property conveyed, or computed on full value less value of liens or encumbrances remaining at time of sale or transfer.

There is no Documentary transfer tax due. (State reason and give Code section or Ordinance number).

Unincorporated area: city of Los Angeles

GRANTOR(S): SHERIDAN KESSELMAN

hereby **GRANT(S) to:** SHERIDAN KESSELMAN and THOMAS KELLER as joint tenants,

the following described real property in the City of Los Angeles, County of Los Angeles, State of California:

Lot 623 of Tract 5822, as per map recorded in Book 82, Pages 34 to 37 Inclusive of Maps, in the office of the County Recorder of said County.

Dated: _____, 2008

SHERIDAN KESSELMAN

State of California

County of _____

On _____, _____ before me, _____,

Notary Public, personally appeared _____

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

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

WITNESS my hand and official seal.

Signature _____ (Seal) (This area for official notarial seal)

MAIL TAX STATEMENTS AS DIRECTED ABOVE

Exhibit B

RECORDING REQUESTED BY:

AND WHEN RECORDED MAIL THIS DEED AND, UNLESS OTHERWISE SHOWN BELOW, TO:
Sheridan Kesselman
14272 Valley Vista Blvd
Sherman Oaks, CA 91423

Order No.:
Escrow No.:

A.P.N.: 2274-001-017

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE

GRANT DEED

THE UNDERSIGNED GRANTOR(S) DECLARE(S):

DOCUMENTARY TRANSFER TAX IS \$ _____, CITY TRANSFER TAX IS \$ _____.

Computed on full value of property conveyed, or computed on full value less value of liens or encumbrances remaining at time of sale or transfer.

There is no Documentary transfer tax due. (State reason and give Code section or Ordinance number).

Unincorporated area. city of Los Angeles

GRANTOR(S): SHERIDAN KESSELMAN

hereby **GRANT(S) to:** SHERIDAN KESSELMAN and THOMAS KELLER as joint tenants,

the following described real property in the City of Los Angeles, County of Los Angeles, State of California:

Lot 623 of Tract 5822, as per map recorded in Book 82, Pages 34 to 37 Inclusive of Maps, in the office of the County Recorder of said County.

Dated: July 28, 2008

Sheridan Kesselman
SHERIDAN KESSELMAN

State of California
County of Los Angeles
On July 28, 2008 before me, Betty Ardele Sankary
Notary Public, personally appeared Sheridan Kesselman

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

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

WITNESS my hand and official seal.



Signature Betty Ardele Sankary (Seal) (This area for official notarial seal)

MAIL TAX STATEMENTS AS DIRECTED ABOVE

Exhibit C

**AMENDMENT (NO. 1) TO
REAL ESTATE PURCHASE AGREEMENT
WITH SELLER'S OPTION REPURCHASE INTEREST**

This AMENDMENT (NO. 1) ("Amendment") TO REAL ESTATE PURCHASE AGREEMENT WITH SELLER'S OPTION REPURCHASE INTEREST ("Agreement") is made by and between SHERIDAN KESSELMAN ("Sheridan" or "Seller") and THOMAS KELLER ("Thomas" or "Buyer").

RECITALS

WHEREAS, Sheridan owns the real property with the legal description Lot 623 of Tract 5822, as per map recorded in Book 82, Pages 34 to 37 Inclusive of Maps, Los Angeles County (APN:2274-001-017), and commonly know as 14272 Valley Vista Boulevard, Sherman Oaks, CA 91423 ("Property");

WHEREAS, Sheridan has sold and transferred to Thomas a 50% interest in the Property, and Thomas has purchased said interest;

WHEREAS, Sheridan has not exercised the option to repurchase said interest within three years as was provided in the Agreement;

WHEREAS, Thomas has paid the agreed purchase price for said interest as provided in the Agreement;

WHEREAS, Thomas has since September 2011 made monthly payments of \$2,000 as his contribution to the mortgage payments payable with respect to the Property;

WHEREAS, the Property has lost in market value considerably since the date of the Agreement (August 1, 2008), which was against Sheridan's and Thomas's expectations;

WHEREFORE, in consideration of the mutual promises set forth in this Amendment, Sheridan and Thomas agree to amend the Agreement as follows:

AMENDMENT

Section 5.2 of the Agreement shall be hereby be amended and is restated as follows:

AMENDMENT (NO. 1) TO
REAL ESTATE PURCHASE AGREEMENT WITH SELLER'S OPTION REPURCHASE INTEREST

Page 1 of 2

Initials: *S.K.* / *TK*
 Sheridan Thomas

“5.2 Thomas has the responsibility to pay one half of the monthly payments on all mortgages on the Property starting September 1, 2011 until and including August 31, 2014. This shall be done in monthly payments of \$2,000.00. Thereafter, Thomas shall be released from any further mortgage payments and any further payments by Thomas shall only be made on a voluntary/discretionary basis. The mortgage payments by Thomas will be made irrespective of any appreciation or depreciation of the market value of the Property. Until August 31, 2014, any refinancing of said mortgages may only be made with the mutual consent of both parties herein. Thereafter, Sheridan shall be free to refinance the mortgages at her own discretion.”

No further amendments are made to the Agreement and, for the avoidance of doubt, nothing in this Amendment shall have any effect on the validity of the remaining provisions of the Agreement. Sections 7, 8, 16 and 17 of the Agreement shall apply *mutatis mutandis*.

IN WITNESS WHEREOF, the parties hereunto set their hands and seals and acknowledged this Amendment as of the date first above written.

SHERIDAN KESSELMAN

THOMAS KELLER

June 30, 2012

(Date)

June 30, 2012

(Date)

Sheridan Kesselman

(Signature)

[Handwritten Signature]

(Signature)

Exhibit D

PROMISSORY NOTE

This Promissory Note documents a loan of \$155,000 granted by Thomas Keller to Sheridan Kesselman in February 2013 and this note (including any copy thereof) shall serve as conclusive evidence of such loan and the associated payment obligations.

RECITATIONS:

Date: February 1, 2013

Borrower: Sheridan Kesselman

Borrower's Address: 14272 Valley Vista Boulevard, Sherman Oaks, CA 91423-4041

Lender: Thomas Keller

Principal Amount: \$155,000.00 (one hundred fifty-five thousand U.S. dollars)

Term: For a maximum of thirty (30) years from the date of execution of Note

Place of Payment: Los Angeles, California

Monthly Payments: Interest Payments. Payments on principal are optional and without penalties

INTEREST. This Promissory Note shall be interest bearing in the amount of six percent (6.0%) per annum, but never exceed the maximum amount of non-usurious interest that may be contracted for, taken, reserved, charged, or received under law; any interest in excess of the maximum shall be credited on the principal of the debt or, if that has been paid, refunded (the "Interest"). Interest shall automatically be adjusted upwards by one percent (1%) for each percentage point for any period in which the U.S. Consumer Price Index (CPI-U annual) exceeds three percent (3%). Interest is payable at the end of each calendar year. Interest may, however, at the Borrower's option, be capitalized and thereby added to the Principal (which in turn bears full interest). Interest is shall be deemed capitalized, unless payment of interest on this note is documented by a clear designation of any payment being made for interest under this Promissory Note.

PAYMENT TERMS. This Note is due and payable as follows: Installments or full payment on the principal are optional, but repayment of the balance of this Promissory Note is due no later than the earlier of (i) the Borrower's default under any other third-party payment obligation (cross-default) or any bankruptcy, receivership, or similar proceedings, (ii) the expiry of the Borrower, (iii) the date of sale of the property located at 14272 Valley Vista Blvd., Sherman Oaks, CA 91423, USA by the Borrower and (iv) thirty (30) years after

the date of execution of this Promissory Note ("Due Date"). Interest is payable on the Due Date or at the time of repayment of any portion of this Promissory Note.

BORROWER'S PRE-PAYMENT RIGHT. Borrower has the right to prepay this Promissory Note in whole or in part, prior to maturity, without penalty.

FORM OF PAYMENT. Repayment and payment of interest or any other payments due under this Promissory Note shall be made in cash, unless the Lender agrees to another form of payment.

ATTORNEY'S FEES. If this Promissory Note is given to an attorney for collection or enforcement, or if suit is brought for collection or enforcement, or if it is collected or enforced through probate, bankruptcy, or other judicial proceeding, then Borrower shall pay the Lender all costs of collection and enforcement, including reasonable attorney's fees and court costs in addition to other amounts due.

SEVERABILITY. If any provision of this Promissory Note or the application thereof shall, for any reason and to any extent, be invalid or unenforceable, neither the remainder of this Promissory Note nor the application of the provision to other persons, entities or circumstances shall be affected thereby, but instead shall be enforced to the maximum extent permitted by law.

BINDING EFFECT. The covenants, obligations and conditions herein contained shall be binding on and inure to the benefit of the heirs, legal representatives, and assigns of the parties hereto.

GOVERNING LAW. This Note shall be governed, construed and interpreted by, through and under the Laws of the State of California.

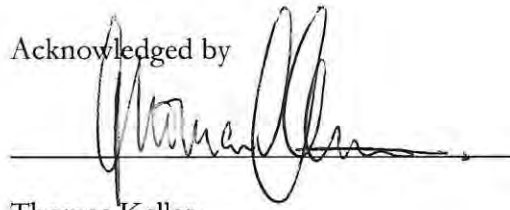
Borrower is responsible for all obligations represented by this Promissory Note.

EXECUTED this 21st day of February 2013.



Sheridan Kesselman

Acknowledged by



Thomas Keller

Exhibit E

REAL ESTATE PURCHASE OPTION AGREEMENT

THIS REAL ESTATE PURCHASE OPTION AGREEMENT (this "**Agreement**") is entered into as of October 31, 2016 by and between Sheridan Kesselman ("**Owner**") and Thomas Keller (born in Stockholm on June 11, 1974) ("**Optionee**").

RECITALS

1. Owner is the owner of certain real property located at 14272 Valley Vista Blvd, Sherman Oaks, California, which is more particularly described in Lot 623 of Tract 5822, as per map recorded in Book 82, Pages 34 to 37 Inclusive of Maps, Los Angeles County (APN: 2274-001-017), and commonly known as 14272 Valley Vista Boulevard, Sherman Oaks, CA 91423 (the "**Property**").
2. Optionee is interested in acquiring the Property. Owner has agreed to grant Optionee a contractual option to purchase the Property, subject to discharge or assumption of any current loans by third-party lenders, constituting encumbrances on the Property.
3. The parties desire to set forth the terms of the real estate purchase option granted by Owner to Optionee.

NOW, FOR AND IN CONSIDERATION of \$10.00 and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is agreed as follows:

ARTICLE 1

Grant of Real Estate Purchase Option

Owner grants to Optionee the option to (the "**Real Estate Purchase Option**") to purchase the Property on the terms and conditions set forth in this Agreement.

ARTICLE 2

Term of Real Estate Purchase Option

The term of the Real Estate Purchase Option shall commence on the date of this Agreement and end thirty (30) years thereafter.

ARTICLE 3

Manner of Exercising Real Estate Purchase Option

3.1 Prior to (a) soliciting any offer for sale of the Property or any ownership interest in the Property, or (b) accepting any offer to purchase the Property or any beneficial ownership interests in the Property, Owner shall notify Optionee of such interest to sell or offer and deliver to Optionee a written notice in writing of its intent to sell the Property. Optionee may exercise the Real Estate Purchase Option by delivery to Owner of written notice of exercise within thirty (30) days after (a) Optionee has received Owner's notice of its intent to sell and (b) the Purchase Price has been established in accordance with Article 4. In the event Optionee does not exercise the Real Estate Purchase Option, Owner may sell the Property, provided that the Property shall continue to be subject to the Real Estate Purchase Option which



shall bind all subsequent owners until the Real Estate Purchase Option terminates by its own terms pursuant to Article 2.

3.2 Optionee may exercise the Real Estate Purchase Option by delivering to Owner, during the Real Estate Purchase Option term, written notice of the exercise (the “**Real Estate Purchase Option Notice**”). The Real Estate Purchase Option Notice shall state that the Real Estate Purchase Option is exercised without condition or qualification.

ARTICLE 4
Purchase Price

4.1 The purchase price of the Property (the “**Purchase Price**”) shall be the greater of the outstanding debt or the then fair market value of the Property.

4.2 The fair market value of the Property (the “**Fair Market Value**”) shall be determined by a licensed real estate appraiser in Los Angeles County, who shall be appointed by Owner and Optionee jointly. If Owner and Optionee do not agree on an appraiser, each party shall, at his/her own expense, obtain their own appraisal by a reputable and independent licensed real estate appraiser in Los Angeles County.

ARTICLE 5
Completion of Sale

5.1 As a condition to closing, and in addition to payment of the Purchase Price and the satisfaction of other conditions to closing set forth in this Agreement, Optionee shall be entitled to a California Land Title Association owner’s policy of title insurance, dated as of the close of escrow, in the amount equal to the Purchase Price for the Property, showing title of the Property vested in Optionee and, subject to all liens, encumbrances and other exceptions then affecting title.

5.2 Escrow for the sale of the Property shall close on or before the later of (a) ninety (90) days after Owner’s receipt of Optionee’s written notice of exercise of the Real Estate Purchase Option or (b) ninety (90) days after receipt of the appraisals required under Section 4.2 above. The Purchase Price shall be payable by taking subject to the existing debt (if permitted by the holders of the then existing debt) and if the Purchase Price exceeds the debt, the balance of the Purchase Price shall be payable in readily available funds. As a condition to closing, Owner shall cooperate in obtaining all consents from any third party, governmental agency and holder of a mortgage or deed of trust on the Property, whose consent to a sale is required.

5.3 Owner shall convey the Property to Optionee in an “as is” condition without representation or warranty.

ARTICLE 6
Quitclaim Instrument on Termination of Real Estate Purchase Option

Upon termination of this Real Estate Purchase Option pursuant to Article 1 or Article 2 of this Agreement, Optionee agrees, upon Owner’s request, to execute and deliver a written instrument (in form appropriate



for recording) relinquishing and terminating its rights under this Agreement to Owner within thirty (30) days after termination and to execute, acknowledge and deliver any other documents required by Owner's title insurance company to remove this Agreement as an encumbrance against the Property.

ARTICLE 7
Notices

Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be personally delivered, including but not limited to overnight delivery or deposited in the certified U.S. mail, return receipt requested, first class and postage prepaid, at the other parties then current address. If there is any doubt about the other party's current address, the address shall be verified (to the extent feasible) prior to submission of the notice. Any notice provided in accordance with this Article 7 shall be deemed to have been given on the delivery date or the date that delivery is refused by the addressee, as shown on the return receipt.

ARTICLE 8
Attorneys' Fees

In the event of any action, arbitration, or proceeding at law or in equity to enforce any provision of this Agreement or to protect or establish any right or remedy of any party hereunder, the unsuccessful party to the litigation shall pay to the prevailing party all costs and expenses, including reasonable attorneys' fees incurred therein by the prevailing party, and if the prevailing party recovers judgment in any action, proceeding, or arbitration, the costs, expenses and attorneys' fees shall be included in and as a part of the judgment.

ARTICLE 9
Miscellaneous

9.1 Contemporaneously with the execution of this Agreement, Owner and Optionee shall execute, acknowledge and record this Agreement or a Memorandum of Real Estate Purchase Option evidencing this Agreement in the Official Records of the County in which to Property is located.

9.2 The Parties expressly confirm that this Agreement shall not void or amend any other rights the Optionee has in respect of the Property.

9.3 This Agreement shall in no way limit the rights of any holder of a mortgage or deed of trust on the Property. To the extent that this Agreement right limits such third-party rights, the Real Estate Purchase Option shall be considered void.

9.4 The Owner agrees not grant any purchase option or right of first refusal with respect to the Property to any third party for the term of this Agreement.

9.5 Time is of the essence of each and all of the agreements, covenants and conditions of this Agreement.

9.6 This Agreement shall be interpreted in accordance with and governed by the laws of the State of California.

9.7 This Agreement may not be amended or modified in any respect whatsoever except by an instrument in writing signed by Owner and Optionee.

9.8 This Agreement may be executed in one or more counterparts by some or all of the parties hereto, each of which counterparts shall be an original and all of which taken together shall constitute a single agreement.

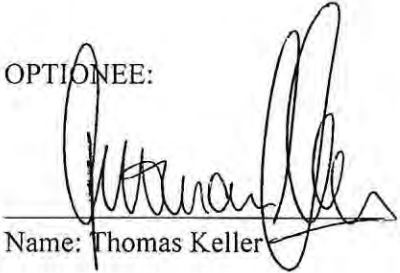
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

OWNER:



Name: Sheridan Kesselman

OPTIONEE:



Name: Thomas Keller

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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

State of California)
County of Los Angeles)
On Oct 31, 2016 before me, Johnny Hong Notary Public
Date Here Insert Name and Title of the Officer
personally appeared Sheridan Kesselman AND
Name(s) of Signer(s)
Thomas Keller

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

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

WITNESS my hand and official seal.



Signature [Handwritten Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document
Title or Type of Document: Real Estate Purchase Option Agreement. Document Date: Oct 31, 2016.
Number of Pages: Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer(s)
Signer's Name:
[] Corporate Officer -- Title(s):
[] Partner -- [] Limited [] General
[] Individual [] Attorney in Fact
[] Trustee [] Guardian or Conservator
[] Other:
Signer Is Representing:

Exhibit F

This page is part of your document - DO NOT DISCARD



20161349742



Pages:
0003

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

11/01/16 AT 09:52AM

FEES:	21.00
TAXES:	0.00
OTHER:	0.00
PAID:	<u>21.00</u>



LEADSHEET



201611011890015

00012870050



007915708

SEQ:
01

DAR - Counter (Upfront Scan)



THIS FORM IS NOT TO BE DUPLICATED



RECORDING REQUESTED BY
Thomas Keller
14272 Valley Vista Blvd.
CA 91423-4041 Sherman Oaks

AND WHEN RECORDED MAIL TO
Thomas Keller
c/o Sheridan Kesselman
14272 Valley Vista Blvd.
CA 91423-4041 Sherman Oaks

MEMORANDUM OF OPTION

This Memorandum of Option is made and entered into as of ~~November~~^{October} 21, 2016 by and between the Sheridan Kesselman (the "Optionor") and Thomas Keller ("Optionee").

Optionor and Optionee have entered into that certain Real Estate Purchase Option Agreement dated as of ~~November~~^{October} 21, 2016 (the "Agreement"), whereby Optionor and Optionee agreed to the terms and conditions pursuant to which Optionee has purchased from Optionor an option to purchase the real property described in Lot 623 of Tract 5822, as per map recorded in Book 82, Pages 34 to 37 Inclusive of Maps, Los Angeles County (APN: 2274-001-017), and commonly known as 14272 Valley Vista Boulevard, Sherman Oaks, CA 91423.

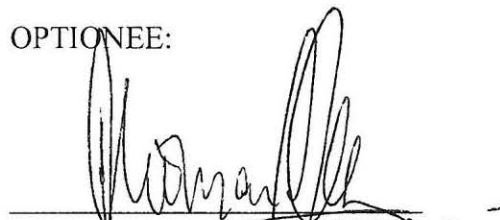
The terms and conditions governing the option are more fully set forth in the Agreement, which terms and conditions are made a part of this Memorandum of Option as though fully set forth herein. The option agreed in Agreement shall expire ~~November~~^{October} 21, 2046.

IN WITNESS WHEREOF, this Memorandum of Option is executed this ~~21~~³¹ day of ~~November~~^{October}, 2016.

OPTIONOR:


Name: Sheridan Kesselman

OPTIONEE:


Name: Thomas Keller

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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

State of California)
County of Los Angeles)

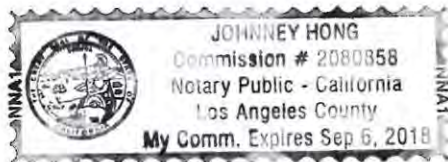
On Oct 31, 2016 before me, Johnney Hong Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Sheridan Kesselman AND
Name(s) of Signer(s)
Thomas Keller

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

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

WITNESS my hand and official seal



Signature [Handwritten Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Memorandum of Option Document Date: Oct 31, 2016
Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
 Corporate Officer -- Title(s): _____
 Partner -- Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

Signer's Name: _____
 Corporate Officer -- Title(s): _____
 Partner -- Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

Exhibit G



Sheridan Kesselman

- \$500.00

April 12, 2020
Money Sent

[Repeat this transaction](#)

Paid with

Washington Mutual x-5956 \$500.00

Transaction ID

7RD21827EH161351P

Contact info

[Sheridan Kesselman](#)
<http://letsgetyouhappy.com>
kesselmansheridan@gmail.com

Note

Payment for Timeshare (500/20.000)

Details

Sent to Sheridan Kesselman \$500.00

Total **\$500.00**



Sheridan Kesselman

- \$4,500.00

April 14, 2020
Money Sent

[Repeat this transaction](#)

Paid with

Washington Mutual x-5956

\$4,500.00

Contact info

[Sheridan Kesselman](#)

<http://letsgetyouhappy.com>

kesselmansheridan@gmail.com

Transaction ID

2SK646330U834094L

Note

Time Share (5,000/20,000)

Details

Sent to Sheridan Kesselman \$4,500.

Total **\$4,500.**



Sheridan Kesselman

- \$5,000.00

April 14, 2020
Money Sent

[Repeat this transaction](#)

Paid with

Washington Mutual x-5956

\$5,000.00

Contact info

[Sheridan Kesselman](#)

<http://letsgetyouhappy.com>

kesselmansheridan@gmail.com

Transaction ID

1FJ42034P6623200X

Note

Time Share (USD 10,000/20,000)

Details

Sent to Sheridan Kesselman \$5,000.

Total \$5,000.



Sheridan Kesselman

April 20, 2020
Money Sent

- \$5,000.00

[Repeat this transaction](#)

Paid with

Washington Mutual x-5956

\$5,000.00

Contact info

[Sheridan Kesselman](#)

<http://letsgetyouhappy.com>

kesselmansheridan@gmail.com

Transaction ID

1RL31581MK104802T

Note

Time Share (15,000/20,000)

Details

Sent to Sheridan Kesselman \$5,000.

Total **\$5,000.**



Sheridan Kesselman

April 22, 2020
Money Sent

- \$5,000.00

[Repeat this transaction](#)

Paid with

Washington Mutual x-5956

\$5,000.00

Contact info

[Sheridan Kesselman](#)

<http://letsgetyouhappy.com>

kesselmansheridan@gmail.com

Transaction ID

1T72898571523141R

Note

Timeshare (last instalment of \$20. 000)

Details

Sent to Sheridan Kesselman \$5,000.

Total \$5,000.

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Yes, Accept Cookies

1 J. Patrick Fleming, Jr. (SBN 76414)
2 FLEMING LAW FIRM
3 1901 Avenue of the Stars, Suite 1900
4 Los Angeles, California 90067
5 (310) 986-2733; Fax: (310) 984-1047
6 E-mail: rf@jpfleminglaw.com

7
8 Attorneys for defendant
9 and cross-complainant Sheridan Kesselman

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

THOMAS KELLER,
Plaintiff,
vs.
SHERIDAN KESSELMAN, and DOES 1-10,
Defendants.

SHERIDAN KESSELMAN, an individual,
Cross-Complainant,
vs.
THOMAS KELLER, an individual; and ROES
1-20, inclusive,
Cross-Defendants.

Case No.: 21STCV28591

Assigned for all purposes to
Hon. Mark V. Mooney, Dept. 68

**VERIFIED CROSS-COMPLAINT OF
SHERIDAN KESSELMAN FOR:**

- 1) **RESCISSION OF PURCHASE AGREEMENT AND GRANT DEED;**
- 2) **RESCISSION OF AMENDMENT;**
- 3) **RESCISSION OF OPTION;**
- 4) **QUIET TITLE;**
- 5) **BREACH OF CONTRACT;**
- 6) **BREACH OF COVENANT OF GOOD FAITH AND FAIR DEALING; AND**
- 7) **DECLARATORY RELIEF**

For causes of action against cross-defendant Thomas Keller and ROES 1-20, inclusive,
cross-complainant Sheridan Kesselman alleges as follows:

PARTIES

1
2 1. Cross-complainant Sheridan Kesselman has had no legal experience, especially in
3 real estate. She was a high school English teacher, and in 1973 obtained a California license in
4 Marriage and Family Counseling. Sheridan has never had any legal training, and has never
5 negotiated or drafted contract language. Sheridan has had no experience selling and buying real
6 estate, other than to acquire her home at 14272 Valley Vista Boulevard, Sherman Oaks,
7 California (“Valley Vista”), which she purchased on or about December 21, 2004, and to own a
8 home with her first husband for approximately thirty years. Valley Vista has been Sheridan’s
9 home for approximately twenty-two years.
10

11 2. When Sheridan met cross-defendant Thomas Keller in 2001, she had long ago
12 stopped working as a school teacher, and had only a few private clients. She was living
13 exclusively on pension payments from a plan created by her former husband. At the time, Keller
14 was a German citizen, who was living and studying in Germany.
15

16 3. Sheridan married Keller on August 26, 2005, approximately 5-7 months after
17 Keller had moved to Los Angeles to live with her. At the time, Sheridan was 59 years old, and
18 Keller was 31.

19 4. Sheridan is informed and believes, and so alleges, that Keller graduated with a law
20 degree in 2003 from Humboldt University of Berlin, Germany. He wanted to come to the United
21 States and begin practicing law in Los Angeles. To help get him started, Sheridan gave up her
22 counseling practice, and used her time assisting him in this effort. Sheridan paid for all of
23 Keller’s food and expenses while he studied for the California Bar exam. After he passed the Bar
24 and was admitted on August 15, 2006, Sheridan helped him get a job with a small law firm in
25 West Los Angeles. After finding work, Keller contributed small amounts of money occasionally
26 toward groceries, but did not pay any major expenses.
27
28

1 had been married to Sheridan for three years and owed her a fiduciary duty not to take unfair
2 advantage. In addition, he was a practicing attorney, versed in the law.

3 10. Keller drafted a document titled Real Estate Purchase Agreement with Seller's
4 Option Repurchase Interest (the "Purchase Agreement"). He knew that Sheridan was under great
5 stress, that she trusted him, and that she would not get an attorney to review its terms because she
6 was so distracted and under such great financial pressure. Exercising undue influence, Keller had
7 Sheridan sign the Purchase Agreement on July 28, 2008, knowing she was not in a state of mind
8 to understand or pay attention to its terms. The terms of the Purchase Agreement were drafted in
9 a patently unconscionable and one-sided manner, including as follows:

11 a) Keller drafted the Purchase Agreement so that he paid a total of \$120,000
12 over three years to Sheridan to acquire a half-interest in Valley Vista, but did not assume any
13 personal liability for the loans then secured by the property. This lop-sided and patently unfair
14 result allowed Keller to obtain a half-interest in a \$1,140,000 property for \$120,000 rather than
15 \$570,000, by simply side-stepping the existing loans without paying anything toward them,
16 leaving that liability solely on Sheridan.

18 b) Keller drafted the agreement so that he would have no financial
19 responsibilities other than to pay half of the monthly payments due on loans secured by the
20 property, and then only beginning three years later, on or about September 1, 2011. Sheridan was
21 left to shoulder the payments on the loan until then, and to pay for all property taxes, renovations,
22 and other substantial expenses at the home, even though Keller owned half.

24 c) Though he had received an inheritance in the millions of dollars, Keller
25 drafted the agreement to provide for a payout over three years at \$40,000/year, beginning in 2008.

26 11. In a particularly egregious and outrageous violation of Sheridan's trust and
27 circumstances, Keller cunningly drafted and coupled the Purchase Agreement with a Grant Deed
28

1 dated July 28, 2008, whereby Sheridan conveyed Valley Vista to herself and Keller as “joint
2 tenants.” Keller did not explain to Sheridan what this legally significant term meant, and so
3 deliberately misled her into believing that it was nothing more than a reference to their joint
4 ownership of the property. At no time did the parties ever discuss or agree that if Sheridan were
5 to pass away, Keller would get the entire property. By drafting the Grant Deed to provide for
6 “joint tenancy,” Keller created a right of survivorship, in circumstances in which there were great
7 odds that he would survive Sheridan, who is 28 years older. Significantly, there was nothing to
8 this effect in the Real Estate Purchase Agreement, which instead repeatedly described the
9 transaction as one in which Sheridan was selling a 50% interest in the property to Keller. Indeed,
10 contrary to the concept of joint tenancy, the Purchase Agreement at Sections 4.4 and 5.1 provided
11 for the opportunity to repurchase one another’s interests in the event of death.
12

13 12. Sheridan did not discover this fraud until she learned about the legal effect of the
14 seemingly innocuous term “joint tenants” in or about late August 2021, when so advised by
15 counsel.
16

17 **June 30, 2012 Amendment (No. 1) to Purchase Agreement**

18 13. Even before he was to begin paying his share of mortgage payments on the house,
19 Keller began complaining about having to do so, claiming it was a bad deal for him. He began
20 urging Sheridan to pay the mortgage herself, even though he knew she did not have the income to
21 do so, and surely knew this was in direct contradiction to the terms of the Purchase Agreement.
22 Finally, he threatened to put Sheridan’s home on the market unless she agreed to changes to the
23 arrangements. Ultimately, Keller told Sheridan he did not want to continue to make payments on
24 the mortgage. Coerced and intimidated by the threat to sell and by attorney Keller’s repeated
25 statements that he did not want to pay his share of the loan payments, Sheridan was compelled to
26 verbally agree to Keller’s demand for a three year limit on his future mortgage payments during a
27
28

1 personal visit to Germany in or about June 2011.

2 14. Keller stopped paying his share of the mortgage payments on or about August 31,
3 2014. At this point, faced with a fait accompli, Sheridan felt hopeless, given that Keller lived in
4 Europe and she did not think there was anything she could do about it. Instead, she focused on
5 finding work to earn extra income.

6 15. Sheridan has reviewed the Amendment (No. 1) to Real Estate Purchase Agreement
7 with Seller's Option Repurchase Interest, which is attached to Keller's complaint and purports to
8 have been signed on June 30, 2012. Sheridan has no recollection of ever seeing this document,
9 and does not have any correspondence or copy of it. Sheridan is uncertain of its authenticity.
10 Even if it were genuine, Amendment (No. 1), and the circumstances preceding its date, confirm
11 that Sheridan received no consideration from Keller whatsoever for a purported amendment he
12 drafted to let him walk away from a long-term contractual obligation which to date has amounted
13 to more than \$150,000, and which continues to grow.
14
15

16 **Keller representations to bank concerning sum given to Sheridan in 2013**

17 16. In his complaint, Keller alleges that Kesselman did not disclose the transfer of his
18 half interest to a new lender in 2013. What he fails to mention is that he knew and agreed with
19 this, as he evidently did not want to be a party to the loan, and, for reasons of his own, had not
20 recorded the 2008 Grant Deed purportedly providing him with that interest. Keller also fails to
21 mention that he signed a letter on March 17, 2013 that he knew would be provided to the bank
22 stating that the "\$150,000" he had given Sheridan was to help out with the refinancing of the
23 house, and that he did not "expect anything in return for this and you can consider it a gift." It
24 was in Keller's interest to reduce the loan payments on the property, as that also reduced his
25 monthly share of those payments.
26

27 17. Keller was a licensed California attorney at the time. If he now contends the loan
28

1 remains in effect, then he is effectively admitting that he knowingly misled the bank, and
2 committed bank fraud. He should be estopped from now taking a contrary position.

3 **October 31, 2016 Real Estate Purchase Option Agreement**

4 18. In or about September 2016, Keller sent Sheridan a draft Real Estate Purchase
5 Option Agreement (the "Option") he had drafted, and which he insisted she sign. E-mails about
6 various aspects of the document were exchanged up to at least October 25, 2016, with Sheridan
7 objecting to many parts of the draft. On October 28, 2016, Keller arrived in Los Angeles from
8 Germany, which Sheridan is informed and believes was a trip made for the sole purpose of
9 getting Sheridan to sign the new agreement.
10

11 19. At the time, the parties had been divorced for several years. Sheridan was 70 years
12 old, and Keller was 42 years old. Sheridan had physical issues, and Keller was a man in his
13 prime who was significantly taller and heavier.
14

15 20. On October 31, 2016, Keller arrived at Sheridan's home demanding that she sign
16 the Option, and a related Memorandum of Option, both of which he had prepared. When
17 Sheridan resisted doing so, he became extremely angry and screamed: "This is my house." He
18 grabbed and shook Sheridan violently. Sheridan was afraid she would be punched, especially
19 because in the past she had experienced bouts with Keller's occasional intense temper.
20 Frightened and intimidated, Sheridan conceded to Keller's demand that they immediately go to a
21 notary office to sign the documents. Sheridan had no time to have an attorney review them.
22 Sheridan has no copy of the Option she was compelled to sign, and believes one was not provided
23 to her by Keller. The first time she saw and had an opportunity to read what she signed was when
24 she reviewed the complaint in this action.
25

26 21. After this terrifying experience, Sheridan avoided communication with Keller for
27 quite some time. Sheridan tried to refinance her home to reduce her payments, but the
28

1 Memorandum of Option came up in the title search, and Sheridan was told in or about September
2 2017 that a refinancing would not be possible unless Keller agreed to remove the Memorandum
3 of Option. Eventually, Sheridan was able to turn over an existing second to get the mortgage
4 refinanced, which caused her financial hardship because the monthly payments were significantly
5 higher than the refinancing option she had been denied due to Keller's right of first refusal.
6 Asked by Sheridan in September 2018 to write a note that a mortgage broker had requested
7 voluntarily rescinding the Option , Keller refused.
8

9 22. The Option drafted by Keller described Sheridan as the owner, and made no
10 mention of the Purchase Agreement, the Grant Deed, or of Keller's claim to a 50% interest in the
11 property. Oddly, it reads as if Keller was not an owner at all. Among other egregious terms, it
12 eliminated Sheridan's immediate ability to sell, instead requiring that before doing so, she would
13 have to submit to an appraisal process to determine the fair market value of the property, which
14 Keller could then decide whether to pay. In the event he chose not to do so, the Option
15 egregiously provided that Sheridan could sell the Property, but only "provided that the Property
16 shall continue to be subject to the ... Option which shall bind all subsequent owners until the...
17 Option terminates by its own terms pursuant to Article 2." In turn, Article 2 provides that the
18 Option ends thirty years from October 31, 2016.
19

20 23. Keller disingenuously characterizes this four page, detailed Option as
21 "substantively comparable" to the right of first refusal set forth in one paragraph at Section 5.1 of
22 the Purchase Agreement. It is not. Instead, it represents an effort to significantly expand the
23 scope and terms of the original provision.
24

25 24. Other than avoiding physical harm, Sheridan received no consideration for locking
26 up her power to sell the home in this manner.
27
28

1 **Efforts to resolve disputes so that Valley Vista could be sold**

2 25. In late 2020, Sheridan decided to sell Valley Vista. She informed Keller of this
3 intention, and he responded by reminding her of his 50% interest, of the appraisal requirements of
4 the Option, and by listing debts he claimed she owed him.

5 26. These demands opened old wounds for Sheridan. She hired counsel, and in
6 January 2021, reminded Keller of the extreme emotional distress she had been in and the undue
7 influence used by Keller when she signed the Purchase Agreement, as well as the physical threats
8 he had made to compel her to sign the Option.

9 27. During the process of communicating with potential real estate brokers about
10 listing Valley Vista for sale and its value, Sheridan was repeatedly informed that they would not
11 be able to list the property until the Option situation with Keller was resolved. Furthermore, it
12 was made clear that as long as Keller had a recorded interest of some kind, buyers would not be
13 interested in making offers unless they knew an understanding had been reached to clear the
14 Option from the property. Sheridan wanted to sell the property early in 2021, when the real estate
15 market was very favorable according to real estate professionals she spoke with.

16 28. With these facts in mind, a proposal was made to resolve the parties' disputes, and
17 a series of negotiations ensued. Sheridan made a serious and reasonable proposal to resolve all
18 financial matters between the parties by way of a sale of Valley Vista. This did not require a
19 mediation. Sheridan proposed means by which this could be accomplished, while at the same
20 time protecting any claim Keller might have should escrow fall through. The proposal was
21 rejected by Keller, who essentially demanded that Sheridan waive and abandon her claims should
22 the proposed sale fall through.

23 29. Sheridan is now informed and believes that the real estate market has cooled off
24 significantly, so that Valley Vista would not get as much if sold now as if it had been sold earlier
25

1 in 2021. Frustrated, and unable to resolve matters with Keller, Sheridan decided to not sell and
2 continue to live at Valley Vista. Keller has now opted for litigation.

3 **FIRST CAUSE OF ACTION FOR RESCISSION OF PURCHASE AGREEMENT AND**
4 **GRANT DEED**

5 30. Sheridan hereby incorporates by reference the allegations of paragraphs 1 to 12, as
6 if fully set forth herein.
7

8 31. Sheridan's consent to the Purchase Agreement and the Grant Deed were obtained
9 through fraud and undue influence by Keller, and in addition her signing of the Grant Deed was
10 made by mistake as to its meaning and purpose. Furthermore, the consideration for these
11 documents failed when Keller refused to honor his continuing obligation to pay half of the
12 mortgage payments on Valley Vista. As a result, Sheridan is entitled to rescind the Purchase
13 Agreement and the Grant Deed.
14

15 32. Sheridan has been trapped by her financial struggles and limitations, and by the
16 legal machinations of Keller regarding Valley Vista. She had no idea until 2021 that the
17 circumstances surrounding her signing of the Purchase Agreement and Grant Deed gave her a
18 right to rescind.

19 33. As part of any such rescission, Sheridan agrees that, upon sale of Valley Vista, she
20 will return to Keller the \$120,000 he paid her as part of the Purchase Agreement, as well as the
21 sums he did pay over three years for half of the loan payments on the house, amounting to
22 approximately \$70,000.
23

24 **SECOND CAUSE OF ACTION FOR RESCISSION OF AMENDMENT NO. 1**

25 34. Sheridan hereby incorporates by reference the allegations of paragraphs 1 to 15, as
26 if fully set forth herein.

27 35. Rescission is warranted because no consideration was provided by Keller for the
28

1 Amendment, assuming it is authentic. As alleged, Sheridan has no recollection of signing the
2 purported Amendment (No. 1), and questions its authenticity. That too may be a basis for
3 rescission.

4 36. If the Purchase Agreement and Grant Deed are rescinded, it follows that the
5 Amendment should also be deemed rescinded. If the Purchase Agreement and Grant Deed are
6 not rescinded, and the Amendment is rescinded, then Keller should be found to owe Sheridan the
7 sums he has not paid toward half of the loan payments on the home since August 31, 2014, in an
8 amount totaling over \$150,000.

10 **THIRD CAUSE OF ACTION FOR RESCISSION OF OPTION**

11 37. Sheridan hereby incorporates by reference the allegations of paragraphs 1 to 24, as
12 if fully set forth herein.

13 38. Sheridan's consent to the Option was obtained through duress, menace, and undue
14 influence by Keller. No consideration was provided by Keller for execution of the Amendment.
15 As a result, Sheridan is entitled to rescind the Option.

16 39. Sheridan has felt trapped by the legal machinations of Keller regarding Valley
17 Vista, and has continued to struggle financially. She was not aware until 2021 that the
18 circumstances surrounding her signing of the Option give her a right to rescind.

20 **FOURTH CAUSE OF ACTION TO QUIET TITLE**

21 40. Sheridan hereby incorporates by reference the allegations of paragraphs 1 to 29, as
22 if fully set forth herein.

23 41. The property that is the subject of this action for quiet title is 14272 Valley Vista
24 Boulevard, Sherman Oaks, California, and its legal description is as follows:

25
26 Lot 623 of Tract No. 5822, in the City of Los Angeles, County
27 of Los Angeles, State of California, as per map recorded in
28 Book 82, Pages 34 to 37 Inclusive of Maps, in the Office of the County
Recorder of said County.

1 42. Sheridan seeks to confirm her title to the property against the claims of Keller
2 originating out of the Purchase Agreement and the Grant Deed, effective as of August 1, 2008,
3 and/or against the Option effective as of October 31, 2016 against the Option.

4 43. As a result of duress, fraud, undue influence, and/or menace by Keller in obtaining
5 the Purchase Agreement and its related Grant Deed, Amendment (No. 1), the Option and its
6 related Memorandum of Option, plaintiff is entitled to an order determining her title is unaffected
7 by any adverse claims originating from these documents, and ordering a release of all rights
8 Keller may have had under the Purchase Agreement, Grant Deed, and Option.

9
10
11 **FIFTH CAUSE OF ACTION FOR BREACH OF CONTRACT**

12 44. Sheridan hereby incorporates by reference the allegations of paragraphs 1 to 29, as
13 if fully set forth herein.

14 45. Sheridan contends that the Purchase Agreement and Grant Deed should be
15 rescinded. If they are not, Sheridan has nevertheless performed her obligations under said
16 agreement.

17 46. Keller has materially breached the contract by refusing each month to pay the half-
18 share of payments on loans secured on the property since August 31, 2014.

19 47. As a result of this continuing breach, incurring each month, Keller owes Sheridan
20 a sum totaling in excess of \$150,000.

21
22 **SIXTH CAUSE OF ACTION FOR BREACH OF IMPLIED COVENANT OF GOOD**
23 **FAITH AND FAIR DEALING**

24 48. Sheridan hereby incorporates by reference the allegations of paragraphs 1 to 36, as
25 if fully set forth herein.

26 49. Sheridan contends that the Purchase Agreement should be rescinded. If it is not,
27 Sheridan contends that Keller breached the implied covenant of good faith and fair dealing in the
28

1 Purchase Agreement by refusing and failing to honor his obligation to pay his half-share of
2 monthly loan payments on Valley Vista, by drafting Amendment (No. 1) to eliminate that
3 obligation, and by using coercion and threat to compel Sheridan to sign the Option, and by
4 subsequently recording the Memorandum of Option.

5 50. When he took these actions, Keller was not acting fairly or in good faith in a
6 manner consistent with his obligations under the Purchase Agreement, and was acting to deprive
7 Sheridan of the benefits provided to her under the agreement.
8

9 51. Sheridan has incurred damages arising out of Keller's refusal to pay his share of
10 mortgage payments and her inability to sell the property because of his recording of the coerced
11 Memorandum of Option, in a sum to be determined at trial.

12 **SEVENTH CAUSE OF ACTION FOR DECLARATORY RELIEF**

13 52. Sheridan hereby incorporates by reference the allegations of paragraphs 1 to 51, as
14 if fully set forth herein.
15

16 53. Actual controversies have arisen between the parties relating to their rights and
17 liabilities relating to documents drafted by Keller relating to Valley Vista and their financial
18 circumstances. In particular, Sheridan contends:

19 a) That the Purchase Agreement is void, unconscionable, and unenforceable,
20 as it is a patently one-sided document obtained through undue influence.
21

22 b) That the Grant Deed is the result of fraud, undue influence, and is
23 unenforceable and null and void.

24 c) That Amendment (No. 1) is not authentic, and if it is, was entered into
25 without any consideration, and so is unenforceable and null and void.

26 d) That the Option was obtained as a result of threat and menace, duress, and
27 undue influence, and no consideration was provided by Keller. It is therefore unenforceable and
28

1 null and void.

2 e) That Sheridan has taken every reasonable effort to deliver and deed the
3 time share at the Westin Desert Willow Villa to Keller, but has so far been frustrated by third
4 parties in her effort to do so. When they were married, Sheridan participated in acquiring the then
5 unbuilt time share at Keller's insistence. Sheridan has never had any interest in the time share,
6 and only used it once, when she went there with Keller in or around April 2011 for one night,
7 because Keller wanted to see it. Keller has used it since then, but Sheridan has not. Sheridan is
8 still attempting to arrange for delivery of the title to the time share to Keller.
9

10 f) That the purported 2013 loan from Keller to Kesselman should be
11 declared unenforceable because of Keller's representations to a bank that it was a gift.

12 54. Sheridan is informed and believes that Keller disputes each of these contentions.

13 55. As a result, declaratory relief is appropriate to confirm Sheridan's rights and to
14 permit her to get on with her life and desire to sell Valley Vista.
15

16 PRAYER

17 WHEREFORE, cross-complainant Sheridan Kesselman prays for judgment in her favor
18 and against cross-defendant Thomas Keller, and Roes 1-20, as follows:

19 On First Cause of Action for Rescission

20 1. For rescission of the July 28, 2008 Real Estate Purchase Agreement and related
21 Grant Deed, providing for the parties to return to the positions they were in as of July 28, 2008,
22 with the sums paid by Keller to be returned to him;

23 2. For an order cancelling and declaring the Grant Deed void and unenforceable, and
24 directing Keller to record a release of any rights under the Grant Deed;
25

26 On Second Cause of Action for Rescission

27 3. For rescission of Amendment (No. 1) to the Purchase Agreement, providing for
28

1 the parties to return to their positions as of June 30, 2012;

2 4. Should the Purchase Agreement and Grant Deed not be rescinded, for payment
3 from Keller of the sums he has failed and refused to pay toward his share of payments on the
4 loans secured by Valley Vista since August 31, 2014, in an amount to be determined at trial, but
5 which exceeds \$150,000;

6
7 **On Third Cause of Action for Rescission**

8 5. For rescission of the October 31, 2016 Real Estate Purchase Option Agreement;

9 6. For an order cancelling and declaring the Option void and unenforceable, and
10 directing Keller to record a release of any rights under the Option and the Memorandum of
11 Option;

12 **On Fourth Cause of Action to Quiet Title**

13 7. For a determination that Sheridan's title to Valley Vista is unaffected by and free
14 and clear of any claims by Keller originating out of the Purchase Agreement and its related Grant
15 Deed, Amendment (No. 1), and the Option;

16 8. For an order cancelling the Grant Deed, and the Memorandum of Option, and
17 directing Keller to record a release of the Grant Deed, the Option, and the Memorandum of
18 Option;

19
20 **On Fifth Cause of Action for Breach of Contract**

21 9. For compensatory damages in an amount to be determined at trial;

22
23 **On Sixth Cause of Action for Breach of Implied Covenant**

24 10. For compensatory damages in an amount to be determined at trial;

25 **On Seventh First Cause of Action for Declaratory Relief**

26 11. For determination and declaration that:

27 a. The Purchase Agreement is void, unconscionable, and unenforceable, as it
28

1 is a patently one-sided document obtained through undue influence.

2 b. The Grant Deed is the result of fraud, undue influence, and is
3 unenforceable and null and void.

4 c. The Amendment is either not authentic or was entered into without any
5 consideration, and so is unenforceable and null and void.

6 d. The Option was obtained as a result of threat and menace, duress, and
7 undue influence, and no consideration was provided by Keller. It is therefore unenforceable and
8 null and void.

9 e. That Sheridan has taken every reasonable effort to deliver and deed the
10 time share at the Westin Desert Willow Villa to Keller, but has so far been frustrated by third
11 parties in her effort to do so.

12 f. That the purported 2013 loan from Keller to Kesselman should be declared
13 unenforceable because of Keller's representations to a bank that it was a gift.

14
15
16 **On All Causes of Action**

17 12. For reasonable attorneys' fees, as provided by contract or law;

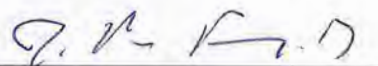
18 13. For interest.

19 14. For costs of suit;

20 15. For such other and further relief that the Court deems just and proper.
21
22

23 DATED: September 15, 2021

FLEMING LAW FIRM

24
25 By: 
26 J. Patrick Fleming, Jr.

27 Attorneys for defendant and
28 cross-complainant Sheridan Kesselman

VERIFICATION

I have read the foregoing Cross-Complaint, and know its contents.

I am a party to this action. The matters stated in the foregoing document are true of my own knowledge except as to those matters which are stated on information and belief and, as to those matters, I believe them to be true.

I am informed and believe and on that ground allege that the matters stated in the foregoing document are true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and was executed this ___ day of September 2021 at Sherman Oaks, California.

September 15, 2021

Sheridan Kesselman
Sheridan Kesselman

- **Emails/Docs prove the Purchase Agreement was negotiated over a period of time, not something presented in a moment of distress.**
 - **094: May 25, 2008-letter from Thomas to Sheridan discussing potential deal terms, and Sheridan’s signature noting “offer accepted” dated 7-16-08.**
 - **095: July 2008-note from Sheridan of list of things for Thomas to do, including “draw up necessary paperwork for us re: your buying into the house—your offer is attached (No. 162).”**
 - **096: Mar.16, 2012-email, three years after signing Real Estate Purchase Agreement, Sheridan says “I felt it was fair.”**

- **Email/Docs prove Sheridan obtained the appraisal:**
 - **099: June 27, 2008-email reflects Sheridan asking Thomas for Appraiser Reide’s contact info and offering to “take care of it.”**
 - **100: July 15, 2008-invoice from appraiser directed to Sheridan.**

BUYING INTO THE HOUSE:

I am not sure if it makes that much sense for me to buy into the house. There is not a whole lot of equity in the house, under the current market conditions, 100-300 thousand. So if I paid you a total of 200 thousand, I would have a large stake in the house.

If you want to move forward, I would suggest the following: We get another appraisal, from a neutral professional appraiser (approx. \$450). Based on the appraiser's finding, I will buy $\frac{1}{2}$ of the property by paying you a sum equaling one half of the value of the equity in the house over the next three years, i.e. in three installments. You will have the option to buy out my interest within 5 years. If you choose to do so, you will pay me interest of 4.5 % p.a. on the sum equaling the three installments paid. Thereafter, if you do not opt to buy me out, we become joint owners, but I will not have the right to live in the house. I will have no right to do anything with the house, and you are the one who decides what happens to the house. I will, however, get the right of first refusal whenever you/we decide to sell the house, and the price would be determined by a neutral professional appraiser. As long as you live in the house, you will be responsible for all costs related to the property. After the five years, when my interest in the house vests, I will start paying up to one half of the mortgage(s) until such time when the house is sold.

appraisal 1,140,000.00
current - 900,000.00
loan
current equity - 240,000.00
 $\frac{1}{2}$ " - 120,000.00
yearly for - 40,000.00
3 years

05/26/2008

Thomas Keller
14272 Valley Vista Blvd.
Sherman Oaks, CA 91423

offer accepted -

7-16-08

Sheridan Kesselman

your copy of
what you gave
me re: what
your offer is

List of things to do before you leave

- 1) draw up necessary paperwork for us re: your buying into the house –your offer is attached
- 2) work on revising my resume (you offered to do it) - resume is attached – purpose is primarily if I need to seek employment as a therapist (if I can't get enough work from one of these sites I hope to sign up with) or possibly also to use on my website
- 3) help me set up a website – I need you to take a pic of me to post – professional looking – and have site for job possibilities
- 4) Find out about my work status if I were to want to work in Europe (assuming we're still married, but legally separated)
- 5) Find out if I could be covered by your health insurance here, even if I had to pay something – it seems to be very good coverage, maybe better than I have now. I'd just need it for 3 years, after that I have other benefits that kick in and I wouldn't need it anymore
- 6) Some additional help with the computer – mostly practice – you being around to come in and help while I practice some of what Britt went over with me
- 7) More practice with the Espresso machine unless you do want to take it –(you can if you like)
- 8) Making plan under 2 alternate situations for the first year or two of our Starwood vacation (2009 and 2010) – one if we should decide that we want to take a vacation together – if we're not seeing other people and are able to have a close friendship and still care strongly for each other and
Two if we want to take separate vacations but both want to use the time
- 9) finish making copies of cd's for me and labeling them
- 10) For the time you're still here, please pick up your stuff every day so I don't have to –
- 11) Most important – let's try to enjoy each other for the time we have left – we may not ever find other partners who we love as much or who love us as much as we love each other, so we should enjoy and appreciate each other now.
- 12) xo

House

5 messages

Thomas Keller <tpbkeller@gmail.com>
To: Sheridan Kesselman <oscliz@aol.com>

Thu, Mar 15, 2012 at 10:06 PM

Hi there,

I tried to call you earlier, but you were not there - hope everything is well.

I spoke to my tax advisor today and he told me that it will not be possible for me to deduct my taxes from my payments on the mortgage. The problem is that in order to have a tax deductible there must be income from the same property. Based on this, I want that we make some changes to our arrangements - and if we can't find some common ground that we put the house on the market this coming summer. Can we talk about this this coming weekend please. Thanks.

Hugs,
Thomas

--

Thomas Keller
Weserstr. 40
D-60329 Frankfurt am Main
Mob: +49-(0)172-6385212

oscliz@aol.com <oscliz@aol.com>
To: tpbkeller@gmail.com

Fri, Mar 16, 2012 at 4:17 AM

Hi Thomas -

Sorry I missed your call - I was at a meeting with a therapist about possible referrals.

When I read your email, I was both hurt and upset. It seems like you are treating me like an object - where you can make decisions for my life without my involvement. That is both unfair and not acceptable.

When you left, you were the one who drew up that document about giving me a sum of money for 3 years and then you would pay half the mortgage for however long I lived in the house. **You were the one who insisted on having the document notarized, and I felt it was fair.**

You may not see it this way, but I feel I gave you just as much in terms of many years of a committed relationship - in financial, emotional and many other ways. I was there for you in whatever ways you needed me for all those years, even up to the present.

I try not to be negative, but I have told you on many occasions now that this past 3 years have been very difficult for me. I have not purchased a single article of clothing in over a year, nor have I taken any trips except to see Britt. When I talk to you you tell me about trips you've taken, lots of new clothes you've bought, and even your Ali photograph for \$25,000 (which would cover the cost of one year's worth of your 2 years and 5 months obligation left on our most recent agreement).

You have every right to spend your money any way you want, and I'm happy that you have lots of it to spend. I know you are unhappy in your job, but believe me, if I could be making \$250,000 a year, even doing something I hate, I would take it in a second right now.

As I told you, I've met with my accountant twice about the house issue, and he has told me both times (the last was last month) that it would be a very bad idea for me to sell the house now. I've had 2 brokers come and take a look, and they both said the same thing. Right now and in the immediate foreseeable future, the house would only

get, tops, about \$900,000. That's just a bit under what's owed. That doesn't include brokers fees or any repairs which would have to be done before it could even sell (which I was told by the brokers could be somewhere between \$50,000 - \$75,000). I wouldn't even have the money to pay those costs now. Even if the house sold, and somehow the costs could be paid, I would walk away with absolutely not a penny, and no money to buy anything else, and no write off for anything.

The market here is very slowly improving. It's far from where it was, but it is getting better.

When I was there and you told me you didn't want to continue to make payments for the mortgage, you came up with a different plan. Of course I wasn't happy that despite our written agreement that you drew up, you were making changes that impacted my life. But at the same time, I care for you and want you to be happy, and so I agreed to the new 3 year plan. That is far less than the 10 or 15 years I might have chosen to stay in this house. That went into effect this past September, and goes through another 2 years and 5 months (after March).

If we did this all the traditional way, (community property) we would have sold the house, gotten nothing, and I would have asked for half your savings (which I believe I am definitely in large part responsible for your having). I didn't want to do that and I don't want to do that now.

But I need to be able to count on that money for the next 2 years and 5 months as per our agreement as I am trying to find ways to make a good income again. It may not seem like it to you, but I am working very hard on trying to get my book out there, and I am also working on trying to build my practice. I am scheduling meetings with therapists who may be in a position to send referrals my way (due to geographic location or speciality). The meeting I was at today when you called was with a woman in Santa Monica and she liked me very much. We will meet again late next week to talk some more. I will be setting up many more of these meetings.

Neither one of us had any idea what was about to happen with the recession when you left. No one did. But it happened and I'm trying hard to cope the best I can. I'm a fighter and I have no intention of just giving up on my future. I will turn things around.

I'll be at another referral meeting this Saturday, and out all day tomorrow, but will be around on Sunday afternoon (my time) if you'd like to talk. I do have one possible idea that might work.

Have a good Friday and Saturday.

x
Sheridan
[Quoted text hidden]

Thomas Keller <tpbkeller@gmail.com>
To: oscliz@aol.com

Sat, Mar 17, 2012 at 4:54 PM

Hi again,

Sorry about the email, it was not the best way to communicate - I guess it's frustrating for me too. Let's talk on Sunday then. I will call you around noon your time, if that works for you.

Hugs,
Thomas
[Quoted text hidden]

Sheridan <oscliz@aol.com>
To: Thomas Keller <tpbkeller@gmail.com>

Sat, Mar 17, 2012 at 6:18 PM

Ok -

Sent from my iPhone
[Quoted text hidden]

oscliz@aol.com <oscliz@aol.com>
To: tpbkeller@gmail.com

Sun, Mar 18, 2012 at 8:11 PM

T.K. -

Now would be a good time for you to call if it works for you - I have to leave for Ken and Mar's by 1 - if that's not good, I'll be around late afternoon tomorrow. Just let me know.

Thanks.

x

[Quoted text hidden]

u & me

10 messages

oscliz@aol.com <oscliz@aol.com>
To: tpbkeller@gmail.com

Tue, May 27, 2008 at 6:33 AM

I love you.....now and forever

Thomas Keller <tpbkeller@gmail.com>
To: oscliz@aol.com

Tue, May 27, 2008 at 4:47 PM

i will love you too, forever and ever
[Quoted text hidden]

oscliz@aol.com <oscliz@aol.com>
To: tpbkeller@gmail.com

Fri, Jun 27, 2008 at 5:11 AM

HELLO MY DARLING SWEETIE PIE -
I JUST WANTED TO SEND YOU A BIG KISS AND HUG AND WELCOME YOU TO BERLIN - OUR TOWN! SAY
HELLO TO "RRRTHOOM NAHBU" IF YOU SEE HER, AND THINK OF ME AS YOU WALK THE HALLS OF THE
WESTIN.
I LOVE YOU.
SHERIDAN

-----Original Message-----

From: Thomas Keller <tpbkeller@gmail.com>
To: oscliz@aol.com
Sent: Tue, 27 May 2008 7:47 am
Subject: Re: u & me

i will love you too, forever and ever

[Quoted text hidden]

oscliz@aol.com <oscliz@aol.com>
To: tpbkeller@gmail.com

Fri, Jun 27, 2008 at 7:34 PM

Hi Sweetie -
I forgot to ask you about instructions on how to put on on my Skype so we can talk while you're away. E-mail the
infp and I'll do it. Also, I remember that the appraiser's name is Reide, and he's in Torrance, but I can't
remember the name of the company. Send that to me too, so I can take care of it.
Write soon -(and call)
Love,
Tweetie
p.s. Wendie sends her love and kisses to you and Will - defender of the big and the fat!

-----Original Message-----

From: Thomas Keller <tpbkeller@gmail.com>
To: oscliz@aol.com
Sent: Tue, 27 May 2008 7:47 am
Subject: Re: u & me

i will love you too, forever and ever

THE APPRAISAL CONNECTION
Licensed Real Estate Appraisers

ROBERT L. RIEDE

8411 Crenshaw Blvd. #320
Irvine, CA 92614

(714) 768-8700
(714) 768-0342 Fax
rriede@appconnect@sbcglobal.net

CONNECTION

rd, Suite 320
4-5042

Invoice

Date	Invoice #
7/15/2008	18148

Bill TO

SHERIDAN KESSELMAN

Description	Amount
SINGLE FAMILY APPRAISAL (FORM 1004): BORROWER: Kesselman PROPERTY ADDRESS: 14272 Valley Vista Boulevard Sherman Oaks, CA 91423 AS OF: July 10, 2008 RRKL/562-A5	450.00
<p><i>Thank you for the opportunity to be of service to you!</i></p> <p><i>Bob</i></p>	
Please call if we may be of further service (310) 768-8700. We appreciate your prompt payment.	Total \$450.00

- **Emails/Docs prove the Amendment was negotiated over the course of over a year; Thomas wanted to sell and cut losses; Sheridan wanted to wait for economy to improve, agreed to modify terms to avoid sale:**
 - **103: Apr. 20, 2011-note from Sheridan showing math workup of house value, debt and equity, says it would be a very bad idea to sell the house now, says maybe in three years with improving economy there will be enough equity for Thomas to “get [his] investment back”.**
 - **104: June 13, 2011-email, Thomas talks about not wanting to pay 1/2 mortgage, why he did not file deed (so Sheridan can claim full tax deduction on property and avoid issues with bank), agrees to honor contract**
 - **105: June 13, 2011-email, Sheridan says contract was never intended to bind Thomas to pay mortgage forever, will find solution; says to draw up papers and she'll just sign**
 - **107: Mar. 15, 2012-email, Thomas wants to sell house unless can find common ground**
 - **107: Mar.16, 2012-email, Sheridan says Purchase Agreement "was fair", but request to sell now is unfair, says house would only get up to \$900k, which is less than what's owed (so no equity), which excludes \$50-70k for broker fees and repairs, she would net nothing; says she agreed to his 3-yr mortgage plan because she wanted him to be happy**

Notes presented by Sheridan to Thomas on April 20, 2011

Currently owe \$951,300 on house

1st is \$3678 mo.

2nd is \$540 - \$600 mo. - adjustable

you have paid \$120,000

if you make the half payments on the mortgage for the next 3 years, it will cost youj
\$79,200 Approx (\$2139 - 2200 per mo.)

that will put your total investment at \$199,200

per Michele (she looked at comps.) house could sell for about \$950,000 right now in this
market (she didn't know what I owe on it)

if we're married and sell the house, we can keep the first \$500,000 profit tax free
(\$250,000 each)

When I got the bank appraisal for the 2nd mortgage (just before the crash in 2008)

It was appraised at a million one -

With a little work and the economy improving over 3 years, it could bring \$1,400,000 to
\$1,200,000 -

That would give us each \$200,00 - \$250,000

At least you would get your investment back -

I would have money to put down on a condo somewhere

If we sell now, we'd walk away with nothing, plus have some expenses to pay - brokers
fees, inspection etc.

The accountant said that it would be a very bad idea to sell the house now -

Email from TK

3 messages

Thomas Keller <tpbkeller@gmail.com>
To: Sheridan Kesselman <oscliz@aol.com>

Mon, Jun 13, 2011 at 11:05 AM

Hi, it's me.

Hope you are having a relaxing day. I think I'm the only one here so far and before I get started with my stuff here, there are a few things I want to tell you because it's too difficult to say it in person. I have had a very nice weekend with you. And I think we have done many nice things. I hope you feel the same way. I have to say that I'm sorry that I have been mean to to you again. Because I have, I kind of always am. Maybe it's a way of pushing you away - yes, what else would it be. I don't know, it's weird. In some way, when I am with you, I am not being myself. I mean, yes, sometimes I can be silly and stupid, but with you I am even more so than usual. I wish it would not be that way, but somehow I cannot control it. I guess in part it is because you let me and I take advantage of it. But I really am a schmuck.

I think in a way I can understand also what is going on inside me. The whole relationship with you has been hard work emotionally. I guess I am not really used to having someone tell me that she loves me and that I am being appreciated. Maybe I don't know how to deal with that because it feels like unknown territory to me. And of course there is also the fear of letting go and letting myself depend on someone else. Anyway, it does feel good that you can still see the goodness in me, because sometimes I can't.

Another thing that has been kind of upsetting to me and I guess have have not really been able to talk about it the way I feel that I needed to is the house issue. I was hoping that you would give me a break somehow so that I would not need to pay the one half of the mortgage. I still feel that I'm in for a bad deal (at least as it stands right now) and that you are reaping the benefits from having sold at a good price and now have me pay for parts of your costs of living. It is also upsetting to me because, I kind of don't have a different choice. I know that it would be unwise to put the house on the market now. And it would not really solve anything. On the other hand, it does mean that I will most likely have to continue working and not stop at the beginning of next year like I had planned to. But I guess that's life. Anyway, I will of course pay the mortgage as per the agreement - I'm not the one to simply dishonor a promise. On the other hand, I hope that you will make an honest effort to try to solve your income situation somehow and when you have you will cover the mortgage by yourself or at least to the extent that you can. I think the best would be if you could simply stay in the house and not have to sell at some point - because it is a very nice place for you to live. And in the end, that was the idea anyway. When I offered to pay one half of the mortgage, it really was not so much a business calculation, but more something I wanted to do because I did not want to take advantage of you. So please try to remember that and only hold me to this promise to the extent that you really need it and when you don't anymore, or you realize that in the long-term you will not be able to cover the mortgage payments by yourself, you will not make me pay this. I will not file the deed, because the risk is too big, not just for the bank, but also for your tax situation. Since you are getting the full benefit of the tax deduction, I also think it is fair if you try to pay as much of the mortgage yourself as you can, at least when the time comes. As to the money that I loaned you, the Promissory Note, I don't want to ask for the money if you don't have it, you can pay me back when it is possible for you. I guess when I said you have to pay me back next year, it was because I was upset. I know you will pay me back when you can, so don't worry about that.

Ok enough about the house, I will simply accept the way it is, and I will try to look at it that I am doing something good because I can help you with this and give back a little of all the things (or rather love, which is not a thing), that you have given me.

There is one other thing that I guess I wanted to talk about, but have not been able to, because I felt uncomfortable about it. I had mentioned it when we were in Palm Springs. It's the D-word. I do think that it is necessary for me to get a divorce, also because it is a status quo, which is not going to change anything. I think it will also be easier for me to have this sorted out if and when I do meet someone else. And the same should be the case for you. One reason for staying married was, at least for me, to keep the option open to move back to LA. But it's not a good reason to stay married and I really don't have any plans to go back in the near future. It would simply not make any sense to start all over again. Whether I want it or not, my options of finding a (different) job simply are much better here, I make better money and I have greater social security. Yes, there are many things I love much more about LA than life here in Germany and maybe I'll retire in California one day, but it's still too far away. As to the tax situation, I think we simply have to deal with it, it's also too far away and too uncertain to plan

life around that. If you are ok with this, I would try to take care of the paper work, there is no great rush, but if we could try to get started in the coming months, that would be good.

I think that there are many other things to say and talk about. And it probably would be better if we could actually talk about them. About the sex issue, I really don't want to have sex again. There are different reasons for that. I cannot say that I am not flattered that you want to have sex with me, but I am very certain about my feelings in this respect. Please understand. I do wish for you to have a fulfilled sex life and I am glad that Steve can give you that for the time being. Maybe he is not the one, but I do hope that you find someone who is deserving of you. And if and when you do, I will be happy for you. I hope you will feel the same way when I find someone (at some point I will). And when we go separate ways, it does not mean that what we had is gone, it will stay within you, within me and between the two of us, whether we want to or not.

Many kisses,
Thomas

--
Thomas Keller
Weserstr. 40
D-60329 Frankfurt am Main
Mob: +49-(0)172-6385212

oscliz@aol.com <oscliz@aol.com>
To: tpbkeller@gmail.com

Mon, Jun 13, 2011 at 4:30 PM

Nice to get a very communicative email. I always appreciate when you can honestly share your feelings. As for the house, I will certainly do all I can to find a way to make money, and if I can, and can manage to stay there on my own, I will, at least till I decide if I want to live somewhere else. I realize your offer and the contract you wrote up says that you will pay half the mortgage for as long as I live there, but I never intended to expect you to do that forever. As we discussed, at worst, I should be able to sell the house in 3 years and make enough of a profit to be able to put something down on a condo somewhere. I can't guarantee anything as life and the economy are very unpredictable, but I am optimistic. If things change for the better for me economically sooner, you'll be the first to know.

Meanwhile, perhaps you can think about how you will give me the money each month - deposit it into our joint account? I need to be able to put the money into my own account and pay the mortgage by the 25-26 of each month as it is due on the first. Half comes to \$2109 as of right now. We can adjust if necessary every 3-6 months if it has gone up or down. Does that sound o.k.?

This would mean you would get the first payment to me the 25 -26 of August for the Sept. house payment.

As for the divorce, I was going to say something too, but didn't want you to feel I was forcing you to give up on the idea of LA if you were wanting that. I also didn't want to cut down on your profit if it turns out that we are able to sell the house for enough to make more than \$250,000 profit. I'm fine with it - maybe you can draw up the papers and I can just sign. You know that I trust you.

As for the way you treat me, yes, you are often mean. Yes, I have allowed it, and that's my problem. But I don't want to do that anymore.

I believe that it has to do with many things, one of them being the way you learned to behave toward women from your father. I also think it is a way of pushing me away, both because you are uncomfortable with someone loving you and because you want to let go of me and sort of move me out of your life.

I completely understand this and am going through some of the same feelings about you.

I think it ties in with the sex. You talk about wanting a young (very young) girl who will basically do what you tell her to. I know that you are partly kidding, but also not entirely. I hope you will not settle for someone just because it is easy. You will eventually tire of a woman who is not very bright, very strong, very funny. Of course looks matter, but ultimately she must have and be much more if you are to have a shot at a future.

As for the sex, I realize there is part of you who sees all my flaws, my wrinkles, all the things that say I am not young. Part of you finds this upsetting, and you withdraw from it. Also, I believe that part of you is afraid to be with me because you are afraid that the sex will feel good and remind you of what it's like to be with someone you love and who loves you, and that will make moving on more difficult.

It is too bad we are so many years apart. I guess the culture we live in will end up winning this one and we (particularly you) are more influenced by what our society tells you to do and be than we'd hoped. I'm not blaming you, I feel it too but I've always been a rebel and could deal with this better. I know that even if we stayed together now, for 5 or even 10 years, the day would come when you would see me as very old and want a younger woman. Part of me thinks that it would be worth it cause we would have a loving and fun relationship for that period of time which is more than most married couples have anyway, but who knows.

I also think that sex is hard for you (not just with me) because at best it represents a total letting go and trusting someone else, letting them pleasure you, letting them see you when you are vulnerable and out of control.

I think that maybe going back to someone (not a psychiatrist) for some short-term sessions might help.

And even though we've been kidding about it, dealing with whatever's going on with you about your mom would probably make you feel better.

Well, as usual, I've gone on and on, but as you said, we haven't really talked about all this in a long time. I hope this will help clear the air.

Thank you for having me and if you prefer, the next time I come to see Britt I'll try and find another way to go so I don't have to inconvenience you.

x

[Quoted text hidden]

oscliz@aol.com <oscliz@aol.com>

Mon, Jun 13, 2011 at 5:45 PM

To: tpbkeller@gmail.com

Hey -

I didn't mean to imply in any way that you hadn't shown amazing strength and courage in marrying me and being together in the first place. That shows a lot of guts.

-----Original Message-----

From: Thomas Keller <tpbkeller@gmail.com>

To: Sheridan Kesselman <oscliz@aol.com>

Sent: Mon, Jun 13, 2011 11:05 am

Subject: Email from TK

[Quoted text hidden]

House

5 messages

Thomas Keller <tpbkeller@gmail.com>
To: Sheridan Kesselman <oscliz@aol.com>

Thu, Mar 15, 2012 at 10:06 PM

Hi there,

I tried to call you earlier, but you were not there - hope everything is well.

I spoke to my tax advisor today and he told me that it will not be possible for me to deduct my taxes from my payments on the mortgage. The problem is that in order to have a tax deductible there must be income from the same property. Based on this, I want that we make some changes to our arrangements - and if we can't find some common ground that we put the house on the market this coming summer. Can we talk about this this coming weekend please. Thanks.

Hugs,
Thomas

--

Thomas Keller
Weserstr. 40
D-60329 Frankfurt am Main
Mob: +49-(0)172-6385212

oscliz@aol.com <oscliz@aol.com>
To: tpbkeller@gmail.com

Fri, Mar 16, 2012 at 4:17 AM

Hi Thomas -

Sorry I missed your call - I was at a meeting with a therapist about possible referrals.

When I read your email, I was both hurt and upset. It seems like you are treating me like an object - where you can make decisions for my life without my involvement. That is both unfair and not acceptable.

When you left, you were the one who drew up that document about giving me a sum of money for 3 years and then you would pay half the mortgage for however long I lived in the house. **You were the one who insisted on having the document notarized, and I felt it was fair.**

You may not see it this way, but I feel I gave you just as much in terms of many years of a committed relationship - in financial, emotional and many other ways. I was there for you in whatever ways you needed me for all those years, even up to the present.

I try not to be negative, but I have told you on many occasions now that this past 3 years have been very difficult for me. I have not purchased a single article of clothing in over a year, nor have I taken any trips except to see Britt. When I talk to you you tell me about trips you've taken, lots of new clothes you've bought, and even your Ali photograph for \$25,000 (which would cover the cost of one year's worth of your 2 years and 5 months obligation left on our most recent agreement).

You have every right to spend your money any way you want, and I'm happy that you have lots of it to spend. I know you are unhappy in your job, but believe me, if I could be making \$250,000 a year, even doing something I hate, I would take it in a second right now.

As I told you, I've met with my accountant twice about the house issue, and he has told me both times (the last was last month) that it would be a very bad idea for me to sell the house now. I've had 2 brokers come and take a look, and they both said the same thing. Right now and in the immediate foreseeable future, the house would only

get, tops, about \$900,000. That's just a bit under what's owed. That doesn't include brokers fees or any repairs which would have to be done before it could even sell (which I was told by the brokers could be somewhere between \$50,000 - \$75,000). I wouldn't even have the money to pay those costs now. Even if the house sold, and somehow the costs could be paid, I would walk away with absolutely not a penny, and no money to buy anything else, and no write off for anything.

The market here is very slowly improving. It's far from where it was, but it is getting better.

When I was there and you told me you didn't want to continue to make payments for the mortgage, you came up with a different plan. Of course I wasn't happy that despite our written agreement that you drew up, you were making changes that impacted my life. But at the same time, I care for you and want you to be happy, and so I agreed to the new 3 year plan. That is far less than the 10 or 15 years I might have chosen to stay in this house. That went into effect this past September, and goes through another 2 years and 5 months (after March).

If we did this all the traditional way, (community property) we would have sold the house, gotten nothing, and I would have asked for half your savings (which I believe I am definitely in large part responsible for your having). I didn't want to do that and I don't want to do that now.

But I need to be able to count on that money for the next 2 years and 5 months as per our agreement as I am trying to find ways to make a good income again. It may not seem like it to you, but I am working very hard on trying to get my book out there, and I am also working on trying to build my practice. I am scheduling meetings with therapists who may be in a position to send referrals my way (due to geographic location or speciality). The meeting I was at today when you called was with a woman in Santa Monica and she liked me very much. We will meet again late next week to talk some more. I will be setting up many more of these meetings.

Neither one of us had any idea what was about to happen with the recession when you left. No one did. But it happened and I'm trying hard to cope the best I can. I'm a fighter and I have no intention of just giving up on my future. I will turn things around.

I'll be at another referral meeting this Saturday, and out all day tomorrow, but will be around on Sunday afternoon (my time) if you'd like to talk. I do have one possible idea that might work.

Have a good Friday and Saturday.

x
Sheridan
[Quoted text hidden]

Thomas Keller <tpbkeller@gmail.com>
To: oscliz@aol.com

Sat, Mar 17, 2012 at 4:54 PM

Hi again,

Sorry about the email, it was not the best way to communicate - I guess it's frustrating for me too. Let's talk on Sunday then. I will call you around noon your time, if that works for you.

Hugs,
Thomas
[Quoted text hidden]

Sheridan <oscliz@aol.com>
To: Thomas Keller <tpbkeller@gmail.com>

Sat, Mar 17, 2012 at 6:18 PM

Ok -

Sent from my iPhone
[Quoted text hidden]

oscliz@aol.com <oscliz@aol.com>
To: tpbkeller@gmail.com

Sun, Mar 18, 2012 at 8:11 PM

T.K. -

Now would be a good time for you to call if it works for you - I have to leave for Ken and Mar's by 1 - if that's not good, I'll be around late afternoon tomorrow. Just let me know.

Thanks.

x

[Quoted text hidden]

- **Emails prove the \$155k-loan per the Promissory Note was to assist Sheridan with a refinance; she requested Thomas write the “gift” letter, she (not Thomas) gave it to the bank to pretend it was a gift to reduce her overall debt picture as a means to qualify for the loan; she re-affirmed her commitment to the loan multiple times:**
 - **111: Nov.15, 2012-email, Thomas suggests Sheridan look into a refi since rates are low**
 - **112: Dec.9, 2012-email, Thomas offers to help with “money for the down payment” to make a refi work**
 - **113: Dec.28, 2012-email, Sheridan says working on refi**
 - **114: Jan.5, 2013-email, Sheridan says refi loan is for \$750k, that Thomas will “need to give [her] \$151,00 to get the loan to that amount” and that he "is a pretty wonderful guy to do this"**
 - **116: Jan.19, 2013-email, Thomas offers 150k loan @ 6% for down payment for refi, says she should think about it carefully whether it makes sense for her**
 - **116: Jan.19, 2013-email, Sheridan suggests 6% is high based on what her accountant told her, but says she “want[s] to go ahead with the loan” at whatever interest rate Thomas feels is fair.**
 - **117: Jan.20, 2013-email, Thomas says 6% is not a lot for an unsecured loan, is lower than any bank loan, tells Sheridan he rather not to do the loan, and she needs “to decide if it makes sense for [her] – not leave the decision for [him]. If it does not make sense, then don’t do it.”**
 - **117: Jan.20, 2013-email, Sheridan says “I do want to go ahead – I have thought it out.”**
 - **118: Mar. 15, 2013-email, Sheridan says she told bank the \$150k is a gift and now underwriter wants a letter from Thomas supporting this.**
 - **118: Mar. 15, 2013-email, Thomas says he doesn’t understand why she can’t just say this is a loan, but agrees to write letter to help her “without any impact on our agreement.”**
 - **118: Mar. 15, 2013-email, Sheridan says “I can’t say it’s a loan cause then they will say I don’t qualify as it’s additional debt.”**
 - **121: Dec. 10, 2015-email, Thomas reminds Sheridan of interest accruing on \$155k-note, should be close to \$200k by end of year.**
 - **121: Dec. 13, 2015-email, Sheridan says “I am aware that the interest is increasing on the loan”, complains of money problems.**
 - **122: Dec. 17, 2015-email, Thomas mentions the various loans, says he’s depending on Sheridan honoring the agreements they made.**
 - **122: Dec. 19, 2015-email, Sheridan says “Of course I’ll honor my obligations. I always have and I always will.”**

House/Mortgage

1 message

Thomas Keller <tpbkeller@gmail.com>

Thu, Nov 15, 2012 at 6:49 AM

To: Sheridan Kesselman <oscliz@aol.com>

Hi Sheridan, I think you should look into another refi for the house as rates have come down a lot further and you/we may even be able to save compared to what you are paying now and I don't think that they can get much lower than they are now. California average 30 years fixed are 3.23%. Could you look into that? Thanks.

Love,
TK

--

Thomas Keller
Weserstr. 40
D-60329 Frankfurt am Main
Mob: +49-(0)172-6385212

Refinancing

1 message

Thomas Keller <tpbkeller@gmail.com>

Sun, Dec 9, 2012 at 11:41 PM

To: Sheridan Kesselman <oscliz@aol.com>

Hi, I looked a bit more on the refinancing. I think that it's best to speak with an advisor / mortgage broker, cause there are many cost elements that need to be considered, including the refinancing costs that are between 3 and 6% of the loan, then you may have prepayment penalties, you need to see how much you save net, i.e. taking into consideration what the impact is on taxes, not sure if any of these costs are tax deductible. In the end, it's probably only worth it if you decide to stay for a longer period of time - they should be able to tell you how long you need to stay before it pays to refinance. I guess you would need to think about that before you really make a decision. But over the longer term, I think this is a good opportunity to reduce cost of living. I should have the ability to make the money for the downpayment available, even if it's a bit of a stretch. We would have to talk about on what terms that would be. I think it makes sense to wait until after christmas, but you should find someone knowledgeable and trustworthy to figure out the math in terms of costs/savings.

I attach some information I found on the internet, it's just general information, but includes some noteworthy points.

Hugs,
Thomas

--

Thomas Keller
Weserstr. 40
D-60329 Frankfurt am Main
Mob: +49-(0)172-6385212

 **refinancing.pdf**
421K

(no subject)

1 message

oscliz@aol.com <oscliz@aol.com>
To: tpbkeller@gmail.com

Fri, Dec 28, 2012 at 3:49 AM

Hi Sweetie -

Hope you're having a wonderful holiday and had a good Christmas -

I just wanted to let you know that I've been working on info re: getting a new loan. should have everything together to tell you in about 2 - 3 weeks.

Thinking of you -

x

Sheridan

new loan

2 messages

oscliz@aol.com <oscliz@aol.com>
To: tpbkeller@gmail.com

Sat, Jan 5, 2013 at 5:28 AM

Hi Sweetie -

Here's the information about a new loan. I think it sounds quite good. I checked several possibilities but this was definitely the only one that made sense.

There really wasn't a 15 year option available, and the 10 year interest only jumps big time at the end of the 10 years, and would be very expensive then. In addition, trying to re-finance then would be very hard as interest rates will have gone way up -

the 30 year fixed option is good - it's a loan for \$750,000 (which means you'd need to give me \$151,000 to get the loan to that amount) and that then puts us in the category of the house having 20% equity. the new loan is a combination of principal and interest (which is good cause then I'm paying down the principal over time) and the loan combines my fixed first and my adjustable 2nd into one loan.

The new rate of interest is 4% (versus the 5.875% I'm paying now) on the first -

the new monthly (combined for the first and the second) payment would be \$3580 per month. (Now I pay \$3678 on the first and \$540 give or take on the second). - total about \$4200.

I want you to know that you are a pretty wonderful guy to do this - it will of course help protect your investment so when I finally do sell the house I can do it when there's a really good economy and actually get some good money for it and a profit for both of us.

Please let me know as soon as possible as I'm not sure how long this offer will last.

We'll talk soon -

Big kiss from Mele and Quin -

(and me too)

x

Thomas Keller <tpbkeller@gmail.com>
To: "Keller, Thomas" <kellert@sullcrom.com>

Sun, Jan 20, 2013 at 12:28 PM

[Quoted text hidden]

--

Thomas Keller
Weserstr. 40
D-60329 Frankfurt am Main
Mob: +49-(0)172-6385212

info

2 messages

oscliz@aol.com <oscliz@aol.com>
To: tpbkeller@gmail.com

Tue, Feb 5, 2013 at 4:35 AM

Hi Sweetie -

Well, I spent the day talking to banks, mortgage brokers sec. and have gotten it all worked out.

The deal Adam got for me at 4% is really very good. The lower rates (3%, 3.5 etc) are for conforming loans, loans under \$625,000. Mine is called a jumbo loan and goes in a different category.

I checked this with the mortgage lender at Wells Fargo, at US Savings and Chase and also spoke to David Greenholtz (my nephew who lives in Utah now) and they all said the same thing. I also looked it up online.

So I've proceeded with Adam while I can still get 4% - I was told by everyone else that they couldn't get me that rate - it would be higher. they also all have fees at least that amount.

All in all, this is a very good deal.

I also wanted to let you know that your envelope from Normandie Casino came _ I didn't open it but I'm guessing it's the tickets. I made dinner reservations at Rivera for 5:30 - it's just about a block walk to Staples and we can leave the car at the restaurant which makes it much easier to get in and out.

x

Sheridan

Thomas Keller <tpbkeller@gmail.com>
To: Sheridan Kesselman <oscliz@aol.com>

Tue, Feb 5, 2013 at 8:03 AM

Hi,

Ok, now you did your due diligence :) I am proud of you! And it makes sense what you are saying. And good timing with the loan - congrats.

Yes, the envelope should contain the tickets. You can open it if you want to. Rivera will be fine, I'll just have one carrot (instead of two) for lunch on Friday. ;-)

Hugs,
Thomas

[Quoted text hidden]

--

Thomas Keller
Weserstr. 40
D-60329 Frankfurt am Main
Mob: +49-(0)172-6385212

Refinancing of the House

4 messages

Thomas Keller <tpbkeller@gmail.com>
To: Sheridan Kesselman <oscliz@aol.com>

Sat, Jan 19, 2013 at 3:59 PM

Hi there,

Just wanted to check with you about the refi. As I understood from our last talk, you seemed to be fine with my proposal to give you the money (\$150,000) for the down-payment as a loan with 6% interest. Like I said, I think that you should think about it carefully and whether it makes sense for you. It may be that the interest is a bit higher than what you are paying on the second, but that's obviously also due to extremely low lending rates, which are being pushed down artificially by the Fed. And you will have some extra flexibility, plus the interest will be locked in for a long time. In any event, I hope that you have given this enough thought and feel ok about the arrangements (because it will be hard to undo once you have done the refi). Assuming that you want to do this, please let me know when exactly you need the money (date), cause I will take a few days to transfer the money.

Thanks

TK

--

Thomas Keller
Weserstr. 40
D-60329 Frankfurt am Main
Mob: +49-(0)172-6385212

oscliz@aol.com <oscliz@aol.com>
To: tpbkeller@gmail.com

Sat, Jan 19, 2013 at 11:27 PM

Hi T.K. -

I spoke to the accountant yesterday. I told him you were offering to give me the money as a gift (because of taxes) but that I was also considering the possibility of a loan from somewhere else that would be for 30 years. I asked him what he thought would be fair interest for me and the other party. He said 4% was fair, perhaps a bit more in my favor. I asked him if 6% was good - he said he thought that was too high.

My loss due to decreased interest payments will be \$83 per month. The actual amount I'll save each month over what I'm paying now will be \$555.00 per month. I was hoping to be able to use that to buy a car (mine is having some problems and repairs are going to be very expensive) and for house repairs. The house needs lots of things but I haven't been able to do take care of them.

If I'm responsible for paying 6% it will be \$1350 per month. I think I understood you to say that it will go down as the principal on the house builds up - but it seems like a lot to me. I do understand that you want to make something on your money -

I want to go ahead with the loan - you decide what you feel is fair - if it's 4%, 5% or 6%. In any case, I'll agree to your decision.

I need the money in our joint account by the end of this coming week (January 25th).

Talk soon -

x

Sheridan
[Quoted text hidden]

Thomas Keller <tpbkeller@gmail.com>

Sun, Jan 20, 2013 at 12:19 AM

[Exhibits page 116](#)

To: oscliz@aol.com

Hi, I am still at work, but have some downtime.

I don't really understand what the accountant means by fair - fair like making loans between friends or fair compared to what you could get elsewhere? 6% is not a lot if you consider that it's unsecured - it's not a mortgage. It's \$150,000. If you go to a bank, which you could also do, they would not give you a loan under 10% interest, probably only at a significantly higher rate (if at all). Now there is obviously a difference, because we know each other, but still. You can also look at it like this. You could take out the money from your pension and not borrow from me - you probably don't want to do that because your return is higher than 6% - and if not, it would actually make more sense to not borrow the money from me, but to use your own money. Therefore, I think 6% is quite fair and I still think there is an upside for you. But you have to decide if it makes sense for you - not leave the decision for me. If it does not make sense, then don't do it. As to what you would be paying, if I use my calculator, you would be paying \$750 per month (assuming that you pay every year), not \$1,350 - how do you arrive at that number?.

Ok please think about it some more. I want to help you out, but I don't want to sponsor this really. I will completely understand if you decide that you'd rather not do this. I am absolutely fine with that too - it may even be the better thing to do in terms of our relationship.

As to sending the money, I think by Friday could become tight. I thought you had until the end of the month.

X

Thomas

[Quoted text hidden]

oscliz@aol.com <oscliz@aol.com>
To: Thomas Keller <tpbkeller@gmail.com>

Sun, Jan 20, 2013 at 12:34 AM

I do want to go ahead - I have thought it out - if you can't get it in the account by the end of the week just do your best -
Thanks -

Sent from my iPhone

[Quoted text hidden]

gift

7 messages

oscliz@aol.com <oscliz@aol.com>
To: tpbkeller@gmail.com

Fri, Mar 15, 2013 at 9:26 PM

Hi T.K. -

I'm still trying to get this refinance done on the house. I think banks are all pretty much stupid jerks - the underwriter on my loan at Adam's bank is insisting that since I said the 150,000 was a gift from my ex-husband, they need to have a letter from you stating that. I said that you live and work in Germany for a law firm that has offices all over the world. I said you often travel here for business and visit with me, and have often given me cash gifts to help me out financially. I said that when you were here recently I had discussed my effort to refinance the house, and you suggested giving me the \$150,000 to bring down the principal to a conforming loan and that would allow me to refinance.

Can you write me some sort of a letter stating it was a gift and re-affirming that you help me out financially with gifts when we see each other? I said this has been going on since we ended our marriage four and a half years ago.

Sorry to bother you about this but I need to get this approved and done before April 11 or they start the whole thing all over again!

Let me know as soon as possible.

Thanks sweetie -

x

Sheridan

Thomas Keller <tpbkeller@gmail.com>
To: oscliz@aol.com

Fri, Mar 15, 2013 at 9:40 PM

No problem, I will send you a fax over the weekend with a letter to that effect (obviously without any impact on our agreement). I don't know why you can't say that this is a loan, but never mind.

Hope you are feeling better!!

Hugs,
Thomas

[Quoted text hidden]

--

Thomas Keller
Weserstr. 40
D-60329 Frankfurt am Main
Mob: +49-(0)172-6385212

oscliz@aol.com <oscliz@aol.com>
To: tpbkeller@gmail.com

Fri, Mar 15, 2013 at 9:43 PM

Thanks for your help - I can't say that it's a loan cause then they will say I don't qualify as it's additional debt. These people are not bright or reasonable. I'm still sick - saw 2 more doctors this week - more blood tests - hope I'll find something out by next week.

x

Sheridan

[Quoted text hidden]

Thomas Keller <tpbkeller@gmail.com>
To: Sheridan Kesselman <oscliz@aol.com>

Sat, Mar 16, 2013 at 12:02 AM

That's complete bolonies... So are they asking you to turn in your credit cards? What business of theirs is it anyway? This is money you used to pay down your old loan. It's just none of their business. Whatever, I'll send you the paper.

[Quoted text hidden]

oscliz@aol.com <oscliz@aol.com>
To: Thomas Keller <tpbkeller@gmail.com>

Sat, Mar 16, 2013 at 2:11 AM

I know - its ridiculous-and by the way they believe you and I are divorced - otherwise they would have to see your taxes and all your income info - they are a big pain in the ass!
Sorry to have to bother you about this -
Thanks and have a good weekend -
Xi

Sent from my iPhone

[Quoted text hidden]

Thomas Keller <tpbkeller@gmail.com>
To: Sheridan Kesselman <oscliz@aol.com>

Sat, Mar 16, 2013 at 9:20 AM

Ok, well that would not have been a problem. I have all my tax returns and income statements.

[Quoted text hidden]

oscliz@aol.com <oscliz@aol.com>
To: Thomas Keller <tpbkeller@gmail.com>

Sat, Mar 16, 2013 at 5:33 PM

Trust me - you don't want to get involved with these people - they Re truly incompetent!
X

Sent from my iPhone

[Quoted text hidden]

(no subject)

1 message

oscliz@aol.com <oscliz@aol.com>
To: tpbkeller@gmail.com

Fri, Mar 15, 2013 at 9:48 PM

Just so you know, the underwriter is asking for the gift letter, source, checks etc. - I sent them a copy of the cashier's check receipt I got at Wells Fargo - I took the money out of the joint account (which they don't know about and shouldn't) - if they did, they would start to ask for your tax stuff etc. They are nuts and nosey - I had said to Adam that you got the cash while you were here and gave it to me and i went in and got a cashiers check and took it to Wells fargo to pay down the principal.

Finances

4 messages

Thomas Keller <tpbkeller@gmail.com>
To: Sheridan Kesselman <oscliz@aol.com>

Thu, Dec 10, 2015 at 1:44 PM

Hi Sheridan,

I wanted to check with you about some financial stuff. Since I lent you the money for the refinancing (\$155k), you did not pay any of the interest. We agreed that you don't have to, but it keeps adding up - should be close to \$200k by the end of next year. I just want to point this out, avoiding any misunderstandings. There is also a second promissory note which is supposed to be repaid in 2017 (approx. \$50k). Will you be able to pay that?

Have a good rest of the week,
Thomas

oscliz@aol.com <oscliz@aol.com>
To: tpbkeller@gmail.com

Sun, Dec 13, 2015 at 11:15 PM

Hi Thomas -

I am aware that the interest is increasing on the loan. I don't remember what % interest you are charging. I have the info but not handy. Can you write and tell me what it is?

As for the approx \$50,000 due in 2017, as things are going right now I won't be able to give that back at that time. My expenses have gone up and up. It seems that every month there is something else that has to be done for the house. Last year I did the turf and sprinklers (which I wish I hadn't had to do but there really was no choice with this drought) and there have been 4 different pretty big plumbing problems I had to take care of, and a couple weeks ago the water heater broke and had to be completely replaced (\$2500) - Last week I went in to the dentist because I had a bad pain in one tooth. He did a set of X-rays (\$375) and told me he thinks I need a root canal. I'm meeting with that doctor tomorrow morning - Dr. Keen said that if it's not that, then I need to come back to him next week and he'll take off the crown and fill what must be a bad cavity and then I'll need a new crown on that tooth. He said that even if it is a root canal, I'll still need a new crown. I didn't ask cause I was already upset about it, but I'm guessing that this could cost between \$4,000 and \$10,000 depending on what's wrong and what has to be done. Of course insurance (which I have) hardly pays anything, although I'll call them once I know what needs to be done. Frankly, if I have to pay \$4 or more thousand dollars, I'm not sure how I'll do it. I'll probably have to charge it.

Very depressing. Also, although I've been working very hard at the therapy, it's really not much help. Patients come and go - some get better and resolve what they came for in a few sessions, others don't really want to work to change anything, they just want to complain. Right now I only have a couple people left as 5 clients have gone away for several weeks holiday, and as I said, 8 have left for other reasons. I'm glad they got better, but it doesn't help me financially.

I also feel a little bad about our arrangement. If I recall correctly, you will be getting a hunk of the house when I sell it, and while giving me that money as opposed to loaning me the money may not seem like it was something you wanted to do, after all the years of support, both financial and emotional, I gave to you, I kind of feel like it would have been more appropriate. Even the whole situation with your father, I believe, wouldn't have happened if I hadn't urged and encouraged you over a several week period to ask your brother for your fair share to half.

Anyway, when I've tried very hard to be there for you any way I could for so many years, as a friend and wife, this just makes me sad.

Sorry I can't be more optimistic but this is just how I feel.

Hope you have a nice holiday.

Sheridan

[Quoted text hidden]

Thomas Keller <tpbkeller@gmail.com>
To: Sheridan Kesselman <oscliz@aol.com>

Thu, Dec 17, 2015 at 7:31 AM

Hi Sheridan,

Thanks for letting me know.

The interest on the promissory note of originally \$155,000 is 6% p.a., and unpaid interest is added to the principal on a yearly basis.

As to the loan due in 2017, I lent you this money for a plastic surgery some eight years ago. But it was not intended to be a long-term loan really. For the 50% of the house, you have received a fair price and I paid almost \$70,000 on top of that by paying half of the mortgage dues for 3 years. I helped you to obtain a long-term attractive financing for the house. In total you have received approx. \$375,000 from me, which makes a large part of my savings that should be for my own retirement one day. So I am depending on you honouring the agreements we made.

If you cannot repay the loan in 2017, maybe you can pay me back in instalments, say \$10,000 per year, would you be able to handle that? In order to give me some security, I would like to record the right of first refusal that I have under the real estate purchase agreement - this would be an alternative to recording the grant deed. We could enter into a separate agreement for this purpose.

Have a good day,
Thomas

[Quoted text hidden]

for plastic surgery,

oscliz@aol.com <oscliz@aol.com>
To: tpbkeller@gmail.com

Sat, Dec 19, 2015 at 5:34 AM

Thomas -

Of course I'll honor my obligations. I always have and I always will. My understanding is that you already have the right of first refusal on the house, so if I ever sell it, you can buy it first.

I can't promise \$10,000 a year, but I can promise \$500 a month to start (for 2017). If I can pay more, I will.

That's just the best I can do with what I have coming in right now.

[Quoted text hidden]

- **Emails prove the Purchase Option was negotiated over the course of nearly a year; Thomas reviewed and insisted on changes that Thomas made to appease her; she welcomed his arrival to LA for purposes of signing before a notary the very Purchase Option she received previously via email:**
 - **124: Dec. 17, 2015-email, Thomas says would like to record the right of first refusal as an alternative to recording the grant deed, would need separate agreement for this purpose.**
 - **124: Dec. 19, 2015-email, Sheridan says she understood he already had a right of first refusal.**
 - **125: May 19, 2016-email, Thomas proposes to come to LA in Oct/Nov. to execute right of first refusal before a notary with Sheridan and record same with county.**
 - **126: Sep. 12, 2016-email, Sheridan says she finally got a chance to read the Right of First Refusal, insists on revisions to the document, and then she will sign before a notary with him.**
 - **127: Sep. 12, 2016-email, Thomas doesn't quibble over the details, says key point is that he be able to record the Right of First Refusal**
 - **129: Oct. 14, 2016-email, Thomas emails draft Memorandum of Right of First Refusal, requests "questions/comments".**
 - **131: Oct. 25, 2016-email, Sheridan proposes a list of changes to the Right of First Refusal.**
 - **132: Oct. 27, 2016-email, Sheridan says "if you redo the Right of First Refusal, I'll print up 2 copies so it's ready to get notarized."**
 - **133: Oct. 31, 2016-email, Thomas emails revised document, now titled "Memorandum of Option."**

[Quoted text hidden]

Thomas Keller <tpbkeller@gmail.com>
To: Sheridan Kesselman <oscliz@aol.com>

Thu, Dec 17, 2015 at 7:31 AM

Hi Sheridan,

Thanks for letting me know.

The interest on the promissory note of originally \$155,000 is 6% p.a., and unpaid interest is added to the principal on a yearly basis.

As to the loan due in 2017, I lent you this money for a plastic surgery some eight years ago. But it was not intended to be a long-term loan really. For the 50% of the house, you have received a fair price and I paid almost \$70,000 on top of that by paying half of the mortgage dues for 3 years. I helped you to obtain a long-term attractive financing for the house. In total you have received approx. \$375,000 from me, which makes a large part of my savings that should be for my own retirement one day. So I am depending on you honouring the agreements we made.

If you cannot repay the loan in 2017, maybe you can pay me back in instalments, say \$10,000 per year, would you be able to handle that? In order to give me some security, I would like to record the right of first refusal that I have under the real estate purchase agreement - this would be an alternative to recording the grant deed. We could enter into a separate agreement for this purpose.

Have a good day,
Thomas

[Quoted text hidden]

for plastic surgery,

oscliz@aol.com <oscliz@aol.com>
To: tpbkeller@gmail.com

Sat, Dec 19, 2015 at 5:34 AM

Thomas -

Of course I'll honor my obligations. I always have and I always will. My understanding is that you already have the right of first refusal on the house, so if I ever sell it, you can buy it first.

I can't promise \$10,000 a year, but I can promise \$500 a month to start (for 2017). If I can pay more, I will.

That's just the best I can do with what I have coming in right now.

[Quoted text hidden]

Coming to LA

2 messages

Thomas Keller <tpbkeller@gmail.com>
To: Sheridan Kesselman <oscliz@aol.com>

Thu, May 19, 2016 at 12:23 PM

Hi Sheridan,

Again, long time no hear. My impression is that you want it this way. It's ok. Listen, to settle this right of first refusal issue, I will come to LA for the last weekend of October - staying until Nov. 1. We will need to go to the notary together then and I will have this filed with the county recorder - then I'll leave you alone...

I know your birthday is coming up soon. I hope there's something special planned for you.

Thomas

oscliz <oscliz@aol.com>
To: Thomas Keller <tpbkeller@gmail.com>

Thu, May 19, 2016 at 3:25 PM

hi Thomas -

You can pick up the phone anytime you want. I'm just very busy right now with the restaurant. Trying to review dozens of resumes and set up interviews to pick the staff - then will send my choices on to Brandi and Jared to make their final decisions. Some of the furniture has arrived - there are boxes everywhere - The painters are finishing up - its really hectic.

How are you? Did things work out ok at your work? Everyone is getting along now? How's the therapy coming? Making progress?

Hope your mom and Stefan and Paola are all good.

If you really want some communication you can write - you never do.

In case you hadn't realized it, part of the problem in our relationship was that communication only happened if I initiated it.

Take care,
Sheridan

Sent from my Verizon, Samsung Galaxy smartphone

[Quoted text hidden]

My visit

7 messages

Thomas Keller <tpbkeller@gmail.com>
To: Sheridan Kesselman <oscliz@aol.com>

Mon, Sep 5, 2016 at 12:06 PM

Hi Sheridan,

how are you? I hope it's not too hot. Are you still busy with helping Jared?

When I come visit from 29 October to 1 November, should I book a place or will you host me? Either way is fine for me, but I'd want to make arrangements soon in case I should book something.

Have a good week ahead!

Thomas

oscliz <oscliz@aol.com>
To: Thomas Keller <tpbkeller@gmail.com>

Mon, Sep 5, 2016 at 5:13 PM

Hi -

You're welcome here. It's a bit crowded now as I've filled up drawers and closets but we'll make some room. I've been very busy, still helping with stuff for the restaurant and working. Also, Dakota's got early stage kidney disease which I'm managing with a variety of special diet and some medicines. She also has something else - either Irritable Bowel Disease or Lymphoma - She's having an Endoscopy to find out for sure on Sept 14 - they have to put her to sleep to do the surgery and it costs \$2000 but we've done everything else - It's the only way to be sure. I have to give her her medicine now. I'll try and write more later.

Take care

Sent from my Verizon, Samsung Galaxy smartphone

[Quoted text hidden]

oscliz@aol.com <oscliz@aol.com>
To: tpbkeller@gmail.com

Mon, Sep 12, 2016 at 1:14 AM

Hi T.K. -

I wrote you a while ago and told you that Dakota has early stage kidney disease and also either irritable bowel disease or Cancer, and is having surgery this coming Wednesday to find out which it is. I heard nothing back.

A while back you wrote to me and said that you figured I didn't want a friendship as I never shared anything with you anymore, then I tell you this about Dakota and you don't even respond.

Also, I finally got a chance to read the Right of First Refusal doc you sent. I have no problem with giving you right of first refusal whenever I finally sell the house, but I can't sign that document with all those specific requirements - it's just not necessary. When I do finally sell the house, and it could be in 10, 20 or more years, of course I will get appraisals from several good brokers that I either know (like Michelle) or who have been highly recommended. I will want to get the highest possible price to be sure I can pay you whatever amount I owe you by then if I haven't been able to pay off the larger loan by then, and have something left over for me to live somewhere else. I would think that by now you would realize that you can trust me to always do the right thing and I've always been very good to you.

If you want to draw up a short document just saying that I will promise after getting 3 valid current appraisals from reputable brokers to give you right of first refusal, I will be happy to sign and we can get it notarized when you're here.

Hope your back is feeling better.

Sheridan

[Quoted text hidden]

Thomas Keller <tpbkeller@gmail.com>
To: Sheridan Kesselman <oscliz@aol.com>

Mon, Sep 12, 2016 at 10:25 AM

Hi Sheridan,

Sorry about Dakota. But she's a tuffy, she'll be ok.

About the right of first refusal, it's not so much about the details of the agreement, the key point is that I need to record it. I simply used a precedent I found online. I can have another look at the agreement, but in any event, we will need this in writing and signed before a notary, and then recorded. As I explained, we already have an agreement on a right of first refusal, but it is in the purchase and sale agreement, which I think you don't want to record with the county recorders office.

Have a great week ahead! Hope the surgery goes well.

Thomas

[Quoted text hidden]

oscliz@aol.com <oscliz@aol.com>
To: tpbkeller@gmail.com

Tue, Sep 13, 2016 at 7:20 AM

Thomas -

It occurred to me that you're scheduled to arrive on a Friday afternoon (I'm not sure what time, but by the time you get your car and drive to my house with Friday afternoon traffic, it will be late. I'm not sure if the notary nearby will still be open, but for certain there will be no way to get to the courthouse to record anything and they're closed on Saturday and Sunday and then you leave. How will you get this done?

I also was thinking about what you said about staying in a hotel and I think it's a better idea. Right now I'm spending about an hour to an hour and a half every morning feeding the cats what with Dakota getting lots of different medicines and I don't know what will happen after Wednesday, so I think you'll be more comfortable in a nearby hotel.

Best,

[Quoted text hidden]

Thomas Keller <tpbkeller@gmail.com>
To: Sheridan Kesselman <oscliz@aol.com>

Sun, Sep 18, 2016 at 10:46 PM

Hi Sheridan, sorry I could not take your call. I will be there until Tuesday, so there's enough time. I have already booked a place to stay also.

I hope the examination of Dakota when well.

Thomas

[Quoted text hidden]

oscliz <oscliz@aol.com>
To: Thomas Keller <tpbkeller@gmail.com>

Sun, Sep 18, 2016 at 11:17 PM

I must have written down the dates incorrectly - Glad you've gotten a place - Dakota came through the procedure ok - now I have to wait 5 to 10 days for the results of the biopsies. Meanwhile she's on all these different medications - Deysi said she feels like she's working in a hospital, but hopefully it's going to ve ok. How are things at work now that the boss you didn't like is gone? Hope all's well - Sheridan

Sent from my Verizon, Samsung Galaxy smartphone

----- Original message -----

From: Thomas Keller <tpbkeller@gmail.com>

Date: 9/18/16 1:46 PM (GMT-08:00)

To: Sheridan Kesselman <oscliz@aol.com>

Subject: Re: My visit

[Quoted text hidden]

Right of First Refusal

4 messages

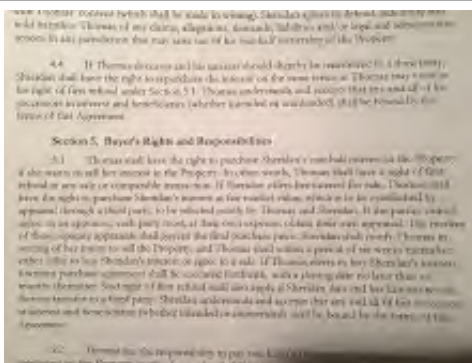
Thomas Keller <tpbkeller@gmail.com>
To: oscliz@aol.com

Fri, Oct 14, 2016 at 11:11 PM

Hi Sheridan, I had a look at the original agreement. I think we should stick to what we agreed in that agreement, i.e., joint appointment or, if no agreement on the appraiser, separate appointments with the median of the appraisals being decisive.

I will send updated draft and a draft Memorandum of Right of First Refusal shortly

Thomas



IMG_4891.JPG
2715K

Thomas Keller <tpbkeller@gmail.com>
To: Sheridan Kesselman <oscliz@aol.com>

Fri, Oct 14, 2016 at 11:16 PM

Hi, as per my e-mail a minute ago, I attach revised draft of the agreement (see clause 4.2) and a memorandum of right of first refusal, which I would have recorded with the county recorder.

Let me know if you have any questions/comments.

Thomas

2 attachments

RIGHT OF FIRST REFUSAL AGREEMENT - Draft 14102016.docx
21K

Memorandum of Right of First Refusal - Draft 14102016.docx
12K

Thomas Keller <tpbkeller@gmail.com>
To: Sheridan Kesselman <oscliz@aol.com>

Wed, Aug 30, 2017 at 7:57 PM

Hi Sheridan,

Here is the Right of First Refusal, which i also don't have in signed copy available right now. I will send you a copy of the signed version when I can.

Thomas

[Quoted text hidden]

2 attachments

 **RIGHT OF FIRST REFUSAL AGREEMENT - Draft 14102016.docx**
21K

 **Memorandum of Right of First Refusal - Draft 14102016.docx**
12K

oscliz <oscliz@aol.com>
To: Thomas Keller <tpbkeller@gmail.com>

Wed, Aug 30, 2017 at 8:08 PM

Thanks -

Sent from my Verizon, Samsung Galaxy smartphone
[Quoted text hidden]

Re: Right of First Refusal

3 messages

oscliz@aol.com <oscliz@aol.com>
To: tpbkeller@gmail.com

Tue, Oct 25, 2016 at 2:05 AM

Hi Thomas -

I read over what you sent and it is mostly ok - A couple things -

1) under Article 3, it states 90 days for you to decide and let me know if you want to buy the house or not. that's really too long. If I'm selling the property, 30 days should be plenty of time for you to know if you want to buy it or not. Please change that number.

2) Under 4.2, I will accept my brokers determination as to fair market value when trying to sell the property. The purpose of giving you first right of refusal isn't to give you a lesser price on the house, it's to give you the first opportunity to buy the house at the best price I can get for it. Whenever I sell, I will want to get top dollar for the house, so I can pay off all debts on it and have as much cash left over a possible to buy something else. Please remove the last sentence.

3) There is no need for 9.2 to be in this at all. Please remove. It only confuses the issue.

4) 9.5 indicated that you can assign this right to someone else - that's not acceptable to me. I agreed that I will give you, Thomas Keller, right of first refusal, If you should marry and have kids, and not be around for some reason when I sell the house, that's the end of it. It is not an option for someone else to get the right of first refusal. Please remove 9.5.

The rest is fine.

Looking forward to seeing you Friday. What time did you say your plane gets in?

Sheridan

-----Original Message-----

From: Thomas Keller <tpbkeller@gmail.com>
To: Sheridan Kesselman <oscliz@aol.com>
Sent: Fri, Oct 14, 2016 2:16 pm
Subject: Right of First Refusal

Hi, as per my e-mail a minute ago, I attach revised draft of the agreement (see clause 4.2) and a memorandum of right of first refusal, which I would have recorded with the county recorder.

Let me know if you have any questions/comments.

Thomas

Thomas Keller <tpbkeller@gmail.com>
To: Sheridan Kesselman <oscliz@aol.com>

Thu, Oct 27, 2016 at 9:32 AM

Hi Sheridan,

Here's my flight info:

Outbound flight

Zurich (ZRH) - Los Angeles (LAX), Fri. 28.10.2016

13:15 ZRH

Latest check-in:
12:45

16:20 LAX

Business

LX 40

Flight operated by Swiss Global
Air Lines On behalf of Swiss
International Air Lines

[Quoted text hidden]

oscliz <oscliz@aol.com>
To: Thomas Keller <tpbkeller@gmail.com>

Thu, Oct 27, 2016 at 4:25 PM

Hi T.K. -

Gve me a call or text when you arrive. Once you're settled in your place I can come get you to go get some dinner.

Also, if you redo that Right of First Refusal I'll print up 2 copies so it's ready to get notarized.

They're predicting rain tomorrow so you might want an umbrella - of course, in L A these days, it's rare!

Looking forward to seeing you tomorrow and have a safe flight 😊

Sent from my Verizon, Samsung Galaxy smartphone

[Quoted text hidden]

Option Agreement

1 message

Thomas Keller <tpbkeller@gmail.com>
To: Sheridan Kesselman <oscliz@aol.com>

Mon, Oct 31, 2016 at 9:43 PM

 **Memorandum of Option - Final 01112016.docx**
13K

RECORDING REQUESTED BY
Thomas Keller
14272 Valley Vista Blvd.
CA 91423 -4041 Sherman Oaks

AND WHEN RECORDED MAIL TO
Thomas Keller
14272 Valley Vista Blvd.
CA 91423- -4041 Sherman Oaks

MEMORANDUM OF OPTION

This Memorandum of Agreement is made and entered into as of November 1, 2016 by and between the Sheridan Kessselman (the “**Optionor**”) and Thomas Keller (“**Optionee**”).

Optionor and Optionee have entered into that certain Real Estate Purchase Option Agreement dated as of November 1, 2016 (the “**Agreement**”), whereby Optionor and Optionee agreed to the terms and conditions pursuant to which Optionee has purchased from Optionor an option to purchase the real property described in Lot 623 of Tract 5822, as per map recorded in Book 82, Pages 34 to 37 Inclusive of Maps, Los Angeles County (APN: 2274-001-017), and commonly known as 14272 Valley Vista Boulevard, Sherman Oaks, CA 91423.

The terms and conditions governing the option are more fully set forth in the Agreement, which terms and conditions are made a part of this Memorandum of Option as though fully set forth herein. The Option Agreement shall expire November 1, 2046.

IN WITNESS WHEREOF, this Memorandum of Agreement is executed this 1st day of November, 2016.

OPTIONOR:

OPTIONEE:

Name: Sheridan Kesselman

Name: Thomas Keller

Option

1 message

Thomas Keller <tpbkeller@gmail.com>
To: Sheridan Kesselman <oscliz@aol.com>

Mon, Oct 31, 2016 at 9:51 PM

**Memorandum of Option - Final 01112016.docx**

13K

RECORDING REQUESTED BY
Thomas Keller
14272 Valley Vista Blvd.
CA 91423-4041 Sherman Oaks

AND WHEN RECORDED MAIL TO
Thomas Keller
c/o Sheridan Kesselman
14272 Valley Vista Blvd.
CA 91423-4041 Sherman Oaks

MEMORANDUM OF OPTION

This Memorandum of Option is made and entered into as of November 1, 2016 by and between the Sheridan Kessselman (the “**Optionor**”) and Thomas Keller (“**Optionee**”).

Optionor and Optionee have entered into that certain Real Estate Purchase Option Agreement dated as of November 1, 2016 (the “**Agreement**”), whereby Optionor and Optionee agreed to the terms and conditions pursuant to which Optionee has purchased from Optionor an option to purchase the real property described in Lot 623 of Tract 5822, as per map recorded in Book 82, Pages 34 to 37 Inclusive of Maps, Los Angeles County (APN: 2274-001-017), and commonly known as 14272 Valley Vista Boulevard, Sherman Oaks, CA 91423.

The terms and conditions governing the option are more fully set forth in the Agreement, which terms and conditions are made a part of this Memorandum of Option as though fully set forth herein. The option agreed in Agreement shall expire November 1, 2046.

IN WITNESS WHEREOF, this Memorandum of Option is executed this 1st day of November, 2016.

OPTIONOR:

OPTIONEE:

Name: Sheridan Kesselman

Name: Thomas Keller

Via Facsimile: +1-818-789-4622

Ms. Sheridan Kesselman
14272 Valley Vista Blvd.
Sherman Oaks, CA 91423

March 17, 2013

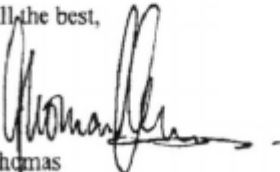
Re: Money gift

Dear Sheridan,

This is to confirm that I gave you \$150,000 in February of this year and that this was to help you out with the refinancing of your house. You have helped me in the past and as I told you in February, I don't expect anything in return for this and you can consider it a gift.

I trust this suffices as evidence for your purposes.

All the best,



Thomas

155k Promissory Note, incl. Interest

\$ 155'000.00		Contractual Interest Rate: 6 % p.a.
\$ 8'525.00	2013	Unpaid interest is capitalized annually.
\$ 163'525.00		Infl. adjustm. for each % that CPI exceeds 3%
\$ 9'811.50	2014	
\$ 173'336.50		
\$ 10'400.19	2015	
\$ 183'736.69		
\$ 11'024.20	2016	
\$ 194'760.89		
\$ 11'685.65	2017	
\$ 206'446.54		
\$ 12'386.79	2018	
\$ 218'833.34		
\$ 13'130.00	2019	
\$ 231'963.34		
\$ 13'917.80	2020	
\$ 245'881.14		
\$ 24'588.11	2021	
\$ 270'469.25		Interest 6 months Balance as of June 30, 2022
\$ 32'456.31	2022	\$ 16'228.16 \$ 286'697.41
\$ 302'925.56		Inflationadjusted +6% (based on CPI 2022 of 9% annualized)
\$ 18'175.53	2023	
\$ 321'101.10		
\$ 19'266.07	2024	
\$ 340'367.16		
\$ 20'422.03	2025	
\$ 360'789.19		
\$ 21'647.35	2026	
\$ 382'436.54		
\$ 22'946.19	2027	
\$ 405'382.74		
\$ 24'322.96	2028	
\$ 429'705.70		