YOULAND INC.

236 Kingfisher Ave.

Alameda, CA 94501

**LENDER CLOSING INSTRUCTIONS**

September 17, 2022

**VIA ELECTRONIC MAIL**

ESCROW AND TITLE:  
North American Title Company  
689 Portola Drive  
San Francisco, CA 94127  
Attention: Connie Choy  
Email: cmchoy@nat.com  
Phone: 4157533003

*Re: Title Order No: 56606-21-04011 (effective July 12, 2021) (“Preliminary Report”)*

*Escrow Order No: 56606-21-04011 (“Escrow”)*

*Property Address: 37 Country Club Drive, Hayward, CA 94542 (“Property”)*

*Borrower:* *KUN LIU LLC, a California limited liability company (“Borrower”)*

*Lender: YOULAND INC., a California corporation ISAOA/ATIMA (“Lender”)*

Dear Connie:

Lender has prepared Loan Documents (as defined below) in connection with a loan in the principal amount of One Million One Hundred Twenty Five Thousand and 0/100 Dollars ($1,125,000.00) to be made to Borrower as evidenced by that certain Note dated September 17, 2022 (the “Note”). Borrower’s repayment of the Note is secured by the Property, as more particularly described in the Legal Description of the Preliminary Report (as defined below), and in Exhibit A of that certain Construction Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated September 17, 2022 (the “Security Instrument”).

**A. LOAN DOCUMENTS.**

In connection with the closing of this transaction, under separate cover, you will receive the loan documents described below which are collectively referred to herein as the “Loan Documents:”

1. Note
2. Construction Loan Agreement
3. Security Instrument
4. Guaranty (Kun Liu)
5. Arbitration Agreement
6. Certificate of Business and Commercial Purpose of Loan
7. Certification of Borrower Identity Verification (Kun Liu)
8. Compliance Agreement
9. Declaration of Non-Owner Occupancy (Kun Liu LLC)
10. Notice of Right to Receive Appraisal
11. California Hazard Insurance Disclosure
12. California Voluntary Insurance Disclosure
13. California Per Diem Interest Disclosure
14. Automated Payments (ACH) - Customer Authorization (Optional) (Borrower to provide voided check with ACH form)

**\*If the legal description is not attached to any of the Recordable Document(s) (as defined below), you shall attach the legal description of the Property as provided in the Preliminary Report.**

The Loan Documents described below are also collectively referred to herein as the “Recordable Document(s):”

1. Security Instrument

Where applicable, the Lender will execute the Loan Documents upon Lender’s receipt of the fully executed originals.

**Title and Escrow acknowledge that Borrower has properly executed (and notarized, where applicable) all Loan Documents and the Recordable Documents are acceptable for recordation.**

**Initials: \_\_\_\_\_\_\_**

**B. DOCUMENT RELATED FUNDING CONDITIONS.**

You acknowledge, understand and agree that Lender shall not be required to fund Escrow (or approve the disbursement of Loan Funds) unless and until Escrow confirms to Lender, in writing, that the following Document Related Funding Conditions have been met:

1. You have received all of the fully executed (and notarized, where applicable) Loan Documents and all Recordable Documents are properly prepared for recording with the applicable recorder’s office, and you have provided PDF copies of such fully executed Loan Documents for review and approval to **Lin Jia at richard@youland.com** (the “Lender’s Closing Contact”).

Please ensure that the Loan Documents have been fully executed (and acknowledged, as appropriate) by the parties thereto (have the Borrower execute the Loan Documents in the presence of a licensed notary), that the Recordable Document(s) are properly notarized and are in recordable form; and, provide the Borrower with a duplicate set of Loan Documents.

1. If the Borrower is an entity, you have reviewed the entity documents of Borrower and have confirmed that the parties or party executing the Loan Documents on behalf of Borrower and Guarantor (if applicable) have authority to execute the Loan Documents on behalf of Borrower.
2. You have copied government issued identification of each and every party executing the Loan Documents and shall forward copies to Lender with the Loan Documents.
3. You have obtained a copy of the (i) fire/hazard, and (ii) liability insurance policies on the Property (inclusive of flood coverage if applicable to the Property), which confirms that the premiums have been paid for the 12-month period following the date of loan closing; and, you have obtained insurance mortgagee endorsements naming Lender, its successors and assigns, as mortgagee for all of the required policies. For the hazard insurance policies, you must ensure that the Borrower’s insurance policies cover the replacement value of the improvements on the Properties. For the liability policy, the minimum coverage shall be One Million and 0/100 Dollars ($1,000,000.00). Lender will not fund this Loan until all the insurance policies are obtained and Lender is named as mortgagee.

Mortgagee clause shall read as follows:

**YOULAND INC. ISAOA/ATIMA**  
**236 Kingfisher Ave.**  
**Alameda, CA 94501**

1. Intentionally omitted.
2. Upon receiving the Loan Documents, please (i) insert the date of closing in the appropriate blanks in the Recordable Document(s), if any such Recordable Document(s) are not already dated, (ii) attach the Legal Description of the Property as set forth in the Legal Description of the Preliminary Report to every Recordable Document requiring a legal description of the Property but not containing such legal description, (iii) complete any blanks contained in the Recordable Document(s) with information provided to you in writing, and (iv) ensure that each of the Closing Documents is dated appropriately.
3. You have received funds from the Borrower (the “Borrower Funds”), if any, which you shall disburse in accordance with the terms of these instructions and you have confirmed that all Borrower Funds derive from a domestic bank account and not a foreign bank account. If you have reason to believe that any portion of the Borrower Funds derive from a foreign bank account, please notify Lin Jia as soon as possible.

**Title and Escrow acknowledge that Lender shall not fund Escrow with the Loan Funds unless and until these Section B conditions have been met and Title and Escrow are hereby confirming that the Section B conditions have been met.**

**Initials: \_\_\_\_\_\_\_**

**C. TITLE RELATED FUNDING CONDITIONS.**

You acknowledge, understand and agree that Lender shall not be required to fund Escrow (or approve Escrow’s disbursement of Loan Funds) unless and until Title has confirmed with Lender, in writing, that the following Title Related Funding Conditions have been met:

1. You have confirmed that all liens and encumbrances, including any existing encumbrances, open taxes, open assessments, mortgages, deeds of trust and/or security deeds recorded against the Property are either cleared prior to closing or will be paid through the closing of escrow.
2. You have confirmed that all necessary items have been collected, reviewed and approved to clear all requirements within the Preliminary Report.
3. **TITLE POLICY:** North American Title Company (the “Title Company”) is prepared to issue to Lender, and its successors and/or assigns, a long form (short form policies are not acceptable) 2006 ALTA Lender’s Policy in the amount of One Million One Hundred Twenty Five Thousand and 0/100 Dollars ($1,125,000.00), insuring fee simple title to the Property as vested fully and solely in Borrower, and insuring Lender that the Security Instrument executed by Borrower, in favor of Lender, will record in first priority position on the Property as of the date and time of recording of the Security Instrument to be insured (the “Title Policy”), pursuant to the terms, conditions and exceptions specifically agreed to by Lender and specifically set forth in the Preliminary Report (as defined above).

Prior to the issuance of the Title Policy and upon Closing, Escrow shall confirm that no violations of record remain the Property’s title and all taxes, assessments, and municipal charges have been paid current and the following **exception items** listed in the Preliminary Report shall be paid or otherwise DELETED and shall not appear on the Title Policy: **15 (paid to remove).**

**Title acknowledges that it will provide an approved Title Policy in accordance with the Preliminary Report and the Section C conditions have been (or will be at Closing) fully met.**

**Initials: \_\_\_\_\_\_\_**

**D. SETTLEMENT STATEMENT RELATED FUNDING CONDITIONS.**

You acknowledge, understand and agree that Lender shall not be required to fund Escrow (or approve Escrow’s disbursement of Loan Funds) unless and until Escrow confirms to Lender, in writing, that the following Settlement Statement Related Funding Conditions have been met:

1. You have prepared a Settlement Statement for execution by Borrower which includes the following information:
   1. **All fees, costs and reserves described in Exhibit A attached hereto.**
   2. All fees and costs plus any other costs and expenses incurred in connection with the closing of this transaction, including those which may be incurred for the Title Policy and endorsements, escrow fees, notary fees, photocopying, recording and filing fees, taxes, title company services, and all such other fees and charges.
   3. Any amounts necessary to clear the exceptions listed in C3 above including any taxes, assessments and liens.
   4. Insurance premiums for the Property through the earlier of the Maturity Date or 12 months from the date of the Loan Documents.
   5. Borrower shall sign and date the Settlement Statement at the closing to acknowledge receipt of the Settlement Statement and approval of the disbursements and Escrow shall provide Lender with such executed Settlement Statement. Note: Lender shall have no liability for any costs or expenses which may be incurred in connection with the closing of this transaction.

**Title and Escrow acknowledge that Lender shall not provide Loan Funds to Escrow (or approve disbursement of such Loan Funds) unless and until the Section D conditions have been (or will be) met upon closing.**

**Initials: \_\_\_\_\_\_\_**

**E. RECORDING.**

1. You have contacted Lin Jia, the closing contact on behalf of Lender, and Lender has confirmed, in writing (via email) that all funding and closing conditions required by Lender have been fulfilled to the satisfaction of Lender; and, you have delivered an executed copy of this letter to Lin Jia at richard@youland.com countersigned and properly initialed to indicate your acceptance of these instructions.
2. Thereafter, upon receipt of the Loan Funds and the closing of the Loan, you shall record the Recordable Document(s) in the Official Records in the County in which the Property is located. The recordation shall constitute your agreement and acknowledgement that Title will unequivocally issue of the Title Policy (in accordance with Section C above).

**Title and Escrow acknowledge that the Section E conditions shall be met with the Closing of the Loan.**

**Initials: \_\_\_\_\_\_\_**

**F. DISBURSEMENT OF FUNDS.**

1. Upon all of the above-referenced conditions being met, your confirmation of the same and Lender’s written authorization, you are instructed to disburse the Funds as follows:

* + 1. Pay all demands received into escrow in connection with this transaction which have been approved by Lender.
    2. Pay all of the fees and costs plus any other costs and expenses incurred in connection with the closing of this transaction, as may be set forth in the settlement statement, including those which may be incurred for the Title Policy, escrow fees, notary fees, photocopying, recording and filing fees, taxes, title company services, and all such other fees, charges, and assessments. Lender shall have no liability for any costs or expenses which may be incurred in connection with the closing of this transaction (collectively, the “Fees and Costs”).

**Title and Escrow acknowledge that Loan Funds shall not be disbursed from Escrow unless and until all conditions in these instructions conditions have been (or will be at the time of Closing) met.**

**Initials: \_\_\_\_\_\_\_**

**G. DELIVERY OF ORIGINAL EXECUTED LOAN DOCUMENTS.**

* 1. Upon closing, you shall deliver the executed originals of the Loan Documents to Lender, to the address listed below in G2, and:
  2. Deliver within three (3) days after receipt, each original Recordable Document(s) showing all recording information and the 2006 ALTA Title Policy showing all recording information, to the address listed below:

YOULAND INC.  
236 Kingfisher Ave.  
Alameda, CA 94501

* 1. Deliver within five (5) days of closing, one certified copy of the Closing Statement showing settlement of the Funds disbursed at closing, to the address listed above.

**Title and Escrow acknowledge that these delivery conditions shall be met upon closing.**

**Initials: \_\_\_\_\_\_\_**

As Escrow and Title perform the closing of the Loan, each will strictly adhere to the procedures in the order set forth herein (unless instructed to the contrary by Lender, in writing). All requirements with respect to closing shall be considered as having taken place simultaneously and no delivery or payment shall be considered as having been made until all deliveries, payments and closing transactions have been accomplished.

In this transaction, you shall adhere to the procedures set forth in these Lender Closing Instructions. Lender reserves the right to amend or modify these instructions before closing, including without limitation terminating its Loan. If you are unable to comply with these instructions and close the transaction on or before September 24, 2022, or if there are to be any changes therein, then you are not to proceed without further authorization from Lin Jia.

PLEASE NOTE FURTHER Escrow shall not proceed without further authorization from the Lender and if you fail to adhere to the terms of these Lender Closing Instructions, disburse Loan Funds prior to meeting the conditions set forth herein or fail to deliver the Loan Documents and Title Policy as set forth herein, you will be in breach of these instructions and Lender reserves its rights against Title and Escrow at law and equity.

Prior to closing, please deliver the acknowledgment below to the Lender’s Closing Contact via electronic mail. Please reach out to the Lender’s Closing Contact if you have any questions.

Very truly yours,

YouLand Inc.

The undersigned acknowledges receipt of the above escrow instructions and agrees to proceed in strict accordance therewith.

**LENDER:**

YOULAND INC.,

a California corporation

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name: Lin Jia

Title: CEO

**ESCROW AND TITLE:**  
   
North American Title Company  
  
By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_   
Name: Connie Choy  
Title: Escrow and Title Officer

**EXHIBIT A**

**(FEES, COSTS & RESERVES)**

**FEES PAYABLE TO YOULAND INC. (License No. 60DBO-45398)**

|  |  |  |
| --- | --- | --- |
| **Fee Description** | **Fee Amount** | **Payee** |
| Lender Fee | $22,500.00 | YouLand Inc. |
| Lender Processing Fee | $1,695.00 | YouLand Inc. |
| Document Preparation Fee | $595.00 | YouLand Inc. |
| Additional Fees | $20.00 | YouLand Inc. |
| Per Diem Interest | $216.49 per day from date funds disbursed through September 30, 2022 | YouLand Inc. |

Please deliver Lender Fee, Lender Processing Fee, Document Preparation Fee and Additional Fees to:

YouLand Inc.

236 Kingfisher Ave.

Alameda, CA 94501

Per Diem Interest will be **net deducted from Lender's wire into escrow.**

**BROKER 1 FEES PAYABLE TO Youland Inc. (License No. 60DBO-70976)**

|  |  |  |
| --- | --- | --- |
| **Fee Description** | **Fee Amount** | **Payee** |
| Broker 1 Fee | $500.00 | Youland Inc. |
| Broker 1 Processing Fee | $0.00 | Youland Inc. |

Please deliver Broker 1 Fee and Broker 1 Processing Fee to:

Youland Inc.

236 Kingfisher Avenue

Alameda, CA 94501

**RESERVES**

|  |  |  |
| --- | --- | --- |
| **Reserve Type** | **Reserve Amount** | **Instructions** |
| Interest Reserve | $6,796.88 | Held back by Lender |
| Construction Reserve | $50,000.00 | Held back by Lender |

The Interest Reserve and Construction Reserve will be **net deducted from Lender’s wire into escrow.**

**NOTE**

(NON-DUTCH)

$1,125,000.00 Alameda County, CA

**PROPERTY ADDRESS: 37 Country Club Drive, Hayward, CA 94542**

DEFINITIONS

In addition to the capitalized terms defined where used, words used in multiple sections of this Note and/or the corresponding Loan Documents are defined below.

1. **“Borrower”** is KUN LIU LLC, a California limited liability company. Borrower is the trustor under the Security Instrument(s) (as hereinafter defined).
2. “**Lender**” is YOULAND INC., a California corporation, its successors and assigns. Lender’s address is 236 Kingfisher Ave., Alameda, CA 94501. Lender is the beneficiary under the Security Instrument(s).
3. “**Loan**” means the debt evidenced by the Note (as hereinafter defined), plus interest, any prepayment charges and late charges due under the Note, and all sums due under the Security Instrument(s).
4. “**Loan Documents**” means collectively the Loan Agreement (as hereinafter defined), Note, Security Instrument(s) and all other documents executed and/or delivered in connection with the Loan.
5. “**Note**” means this promissory note signed by Borrower and dated September 17, 2022. This Note states that Borrower owes Lender One Million One Hundred Twenty Five Thousand and 0/100 Dollars (U.S. $1,125,000.00) and any additional amounts advanced pursuant to the Loan Documents, plus interest. Borrower has promised to pay this debt in regular monthly payments and to pay the debt in full not later than October 1, 2023 (the “**Maturity Date**”).

**1. BORROWER’S PROMISE TO PAY**

In return for a construction loan that I have received, I promise to pay U.S. $1,125,000.00 (this amount is called “Principal”), plus interest, to the order of the Lender. I will make all payments under this Note in the form of cash, check or money order.

I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the “Note Holder.”

**2. INTEREST**

Interest will be charged on advanced unpaid principal, including protective or future advances as is advanced pursuant to the Loan Documents, until the full amount of Principal has been paid. I will pay interest at a yearly rate of 7.250 %, computed on the basis of a three hundred sixty (360) day year consisting of twelve (12) thirty (30) day months. Interest commences on the day the lender’s funds are advanced to or on behalf of Borrower. I will pay interest on the advanced unpaid principal of this Note even though the Lender may hold some of my cash or other property as collateral for repayment and even if I have prepaid payments in accordance with paragraph 3(A). Lender hereby agrees that interest will only accrue with respect to funds actually advanced to you by Lender pursuant to the Loan Agreement. The foregoing interest accrual method is commonly known as “Non-Dutch Interest.”

The interest rate required by this Section 2 is the rate I will pay before any default. If I default, the above rate shall, at the option of Lender without notice, increase to 18.000 % or the maximum rate permitted under law, whichever is less, and remain at that rate until all defaults are fully cured (the “Default Rate”). Lender and I agree that the Default Rate has been duly and adequately negotiated, and is fair and reasonable considering the costs, burdens, and other impairments foreseeably caused by, or resulting from, events of default under the Loan Documents.

**3. PAYMENTS**

**(A) Time and Place of Payments**

I will pay all interest on this Note from the date of funding through the end of that month at loan closing. Thereafter I will make monthly payments on the first day of each month during the term of this Note starting with the “First Payment Date” of November 1, 2022. If, on the Maturity Date, I still owe amounts under this Note, I will pay those amounts in full on that date. In addition to the monthly payment, if required by the Lender, Borrower shall deposit with Lender, on a monthly basis, an amount equal to one-twelfth (1/12) of the taxes and/or insurance (the “Monthly Escrow Deposit”) that Lender estimates will be payable during the next ensuing twelve (12) months.

I will make my monthly payments payable to YouLand Inc. at 236 Kingfisher Ave., Alameda, CA 94501 or at a different place if required by the Note Holder. I agree to accept payment billings by email.

If I have prepaid payments when the loan was funded, Lender may retain those payments as earned in full and Lender will note in its records that the period covered by the prepaid payments has been paid as agreed. Prepaid payments shall not be applied to principal. If I repay the loan within this period, any unused prepaid funds will be credited on the payoff.

**(B) Amount of Monthly Payments**

My initial monthly interest payment(s) (“Monthly Interest Payment”) are anticipated to be in the amount of U.S. $6,494.79 provided no additional funds are advanced from escrow pursuant to the Loan Agreement. As additional funds are advanced, such additional advances will be charged interest at the same interest rate as set forth above in Section 2.

**(C) Application of Payments.**

At Lender’s sole discretion, my payments under this Note will be applied first to any late charges, fees or penalties then due, next to interest due and finally to unpaid principal. A payment will be deemed made when received at the payment address in subparagraph (A) above or at such other payment address as the Note Holder may designate from time to time.

**4. BORROWER’S RIGHT TO PREPAY**

I have the right to make payments of Principal at any time before they are due subject to the Prepayment Premium (as hereinafter defined), if applicable. A payment of Principal only is known as a “Prepayment.” When I make a Prepayment, I will tell the Note Holder in writing that I am doing so. I may not designate a payment as a Prepayment if I have not made all the monthly payments due under the Note. I may only make one Prepayment of Principal per month.

On the date on which a Prepayment, voluntary or mandatory, is made (including any amounts collected by Note Holder after a default), I shall pay to Note Holder (A) all accrued and unpaid interest on the amount of Principal being prepaid through and including the date of such Prepayment and (B) a prepayment premium equal to $0.00 (such amount being equal to zero (0) Monthly Interest Payments), reduced by any Monthly Interest Payment(s) previously received by Lender, and interest accrued through payoff, if allowable by applicable law (the “Prepayment Premium”). Notwithstanding the foregoing, no Prepayment Premium shall be payable on a Prepayment that is required to be made as a result of a casualty to or the taking by eminent domain of the Property. The Note Holder will use my Prepayments to reduce the amount of Principal that I owe under this Note. However, the Note Holder may apply my Prepayment to any accrued and unpaid interest on the Prepayment amount, before applying my Prepayment to reduce the Principal amount of the Note. Prepayments shall be credited to interest and Principal as of the last day of the month in which the same were received, unless payment in full is made.

**5. LOAN CHARGES**

If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the Principal I owe under this Note or by making a direct payment to me. If a refund reduces Principal, the reduction will be treated as a partial Prepayment.

**6. BORROWER’S FAILURE TO PAY AS REQUIRED**

**(A) Late Charge for Overdue Payments**

If the Note Holder has not received the full amount of any monthly payment by the end of ten (10) calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the late charge will be ten percent (10.00%) of my overdue payment of principal and interest or one-hundred dollars ($100), whichever is more and I agree that such charge is a reasonable estimate of the fair compensation for the loss and damages that Note Holder will suffer for such late payment. I will pay this late charge promptly but only once on each late payment.

**(B) Default**

If I do not pay the full amount of each monthly payment on the date it is due or the amount due on the Maturity Date, I will be in default, and an “Event of Default” will be deemed to have occurred hereunder.

**(C) Notice of Default and Acceleration**

If I am in default and such default is then continuing, the full amount of Principal which has not been paid, any accrued interest, all other amounts payable under this Note and any other Loan Documents, shall at once become due and payable, at the option of the Note Holder, without any prior notice to me (except if notice is required by applicable law or the Security Instrument, then after such notice).

**(D) No Waiver by Note Holder**

Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time. All remedies afforded to the Note Holder shall be cumulative.

**(E) Payment of Note Holder’s Costs and Expenses**

If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, but are not limited to, reasonable attorneys' fees, inspection fees, appraisal fees, returned check fees and other out of pocket costs.

**7. GIVING OF NOTICES**

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at 2151 OAKLAND RD, SPC 567, SAN JOSE, CA 95131 or at a different address if I give the Note Holder a notice of my different address.

Any notice that must be given to the Note Holder under this Note will be given by delivering it or by mailing it by first class mail to the Note Holder at the address stated in Section 3(A) above or at a different address if I am given a notice of that different address.

**8. OBLIGATIONS OF PERSONS UNDER THIS NOTE**

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

**9. WAIVERS**

I and any other person who has obligations under this Note waive the rights of Presentment, Notice of Dishonor and Protest. “Presentment” means the right to require the Note Holder to demand payment of amounts due. “Notice of Dishonor” means the right to require the Note Holder to give notice to other persons that amounts due have not been paid. “Protest” means the right to obtain an official certification of nonpayment.

I AGREE THAT LENDER’S WILLINGNESS TO OFFER TO ME THE INTEREST RATE DESCRIBED ABOVE IS SUFFICIENT AND INDEPENDENT CONSIDERATION, GIVEN INDIVIDUAL WEIGHT BY LENDER, FOR THIS WAIVER. I FURTHER UNDERSTAND THAT LENDER WOULD NOT OFFER SUCH AN INTEREST RATE TO ME ABSENT THIS WAIVER.

I and any other person who has obligations under this Note waive any rights to and under the California Civil Code Section 2954.10 or otherwise to prepay this Note, in whole or in part, without the Prepayment Premium as described above. I further acknowledge that prepayment of this Note may result in Note Holder’s incurring additional losses, costs, expenses, and liabilities, including, but not limited to, lost revenue and lost profits. I, therefore, agree to pay the Prepayment Premium as described above, if any Principal amount is prepaid, whether voluntarily, or by reason of an acceleration of the Maturity Date on default (including, but not limited to, acceleration on any transfer or conveyance of any right, title, or interest in the Property securing the loan giving the Note Holder the right to accelerate the maturity of this Note as provided in the Security Instrument).

**10. SECURED NOTE**

In addition to the protections given to the Note Holder under this Note, this Note is secured by that certain Construction Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing against the Property (the “Security Instrument”), dated the same date as this Note. The Security Instrument protects the Note Holder from possible losses which might result if I do not keep the promises which I make in this Note, and in the event of default by me under this Note, the Security Instrument or other Loan Documents, Note Holder may have the right to exercise certain remedies including, without limitation, foreclosure of my interest in the Property and/or requiring me to make immediate payment in full of all amounts I owe under this Note.

**11. INDEMNIFIED TAXES**.

Any payments by me or on account of any of my obligations under any Loan Document shall be made without deduction or withholding for any tax; provided, however, that if any law requires deduction or withholding of a tax, such tax shall be deducted and withheld from such payment and paid to the relevant governmental authority in accordance with applicable law and the sum payable shall be increased so that after such deduction or withholding (including deductions or withholdings applicable to additional amounts payable hereunder) Note Holder receives an amount equal to the sum it would have received had no such deduction or withholding been made; provided, further, that such additional amounts shall not include any taxes measured by net income (however denominated) or franchise taxes imposed on Note Holder. I shall promptly indemnify Note Holder for all such non-excluded taxes (including interest and additions to tax) and related expenses. I shall promptly deliver evidence satisfactory to Note Holder of any payments made pursuant to this Section 11. I shall also pay all documentary, recording, filing or similar taxes that arise with respect to any of the Loan Documents.

**12. USE OF NOTE PROCEEDS**.

I, the Borrower, represent to the Lender that the proceeds of this Note will not be used for personal, family or household purposes or for the purpose of purchasing or carrying margin stock or margin securities within the meaning of Regulations U and X of the Board of Governors of the Federal Reserve System, 12 C.F.R. Parts 221 and 224.

**13. LOAN AGREEMENT**.

The loan evidenced by this Note is subject to that certain Construction Loan Agreement dated September 17, 2022 (the “Loan Agreement”), the terms of which are incorporated herein by this reference.

**14. CHOICE OF LAW**.

California law shall exclusively govern the interpretation and enforcement of this Note.

**15. NOTICE TO BORROWER.**

DO NOT SIGN THIS NOTE IF IT CONTAINS BLANK SPACES. ALL SPACES SHOULD BE COMPLETED BEFORE YOU SIGN.

THIS NOTE PROVIDES FOR A BALLOON PAYMENT WHICH WILL BE DUE ON THE DATE SPECIFIED IN PARAGRAPH 3 ABOVE, WHETHER OR NOT YOU HAVE OBTAINED A LOAN TO REPAY THIS LOAN. YOU MAY NOT RELY UPON ANY VERBAL ASSURANCES OR AGREEMENTS BY ANY PERSONNEL OF NOTE HOLDER OR ANY MORTGAGE BROKER THAT THEY HAVE OR WILL OBTAIN OR ARRANGE A REPLACEMENT LOAN FOR YOU. OBTAINING A REPLACEMENT LOAN IS YOUR RESPONSIBILITY.

**16. USURY EXEMPTION.**

This loan was arranged by YOULAND INC. licensed by the Department of Business Oversight as a California Finance Lender with License No. 60DBO-45398 and is exempt from usury laws pursuant to Section 1 of Article 15 of the California Constitution.

**17. TIME.**

Time is of the essence in this Note.

**18. USURY.**

It is the intent of Lender and Borrower in the execution of this Note, and all other instruments now or hereafter securing this Note or executed in connection therewith or under any other written or oral agreement by Borrower in favor of Lender to contract in strict compliance with applicable usury law.

**19. SEVERABILITY.**

Wherever possible, each provision of this Note shall be interpreted in such manner as to be effective and valid pursuant to applicable law, but if any provision of this Note shall be prohibited by or invalid pursuant to applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Note.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned Borrower has executed this Note as of the date first written above.

|  |  |
| --- | --- |
| **BORROWER:**  KUN LIU LLC, a California limited liability company  By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Name: Kun Liu Title: Manager |  |

**BY INITIALING BELOW, BORROWER UNDERSTANDS AND AGREES TO THE WAIVERS IN SECTION 9 (“WAIVERS”).**

Borrower’s Initials: \_\_\_\_\_\_\_\_

**Construction Loan Agreement**

**PROPERTY ADDRESS: 37 Country Club Drive, Hayward, CA 94542**

DEFINITIONS

In addition to the capitalized terms defined where used, words used in multiple sections of this Construction Loan Agreement (this “Agreement”) and/or the corresponding Loan Documents (as hereinafter defined) are defined below.

(A) “**Borrower**” is KUN LIU LLC, a California limited liability company, whose address is 2151 OAKLAND RD, SPC 567, SAN JOSE, CA 95131. Borrower is the trustor under the Security Instrument(s) (as hereinafter defined).

(B) “**Environmental Law**” shall mean any present and future federal, State and local laws, statutes, ordinances, rules, regulations, standards, policies and other governmental directives or requirements, as well as common law, relating to the protection of human health or the environment, Hazardous Materials, liability for, or costs of, other actual or threatened danger to human health or the environment.

(C) “**Governmental Authority**” shall mean any court, board, agency, commission, office, central bank or other authority of any nature whatsoever for any governmental unit (federal, State, county, district, municipal, city, country or otherwise) or quasi-governmental unit whether now or hereafter in existence.

(D) “**Hazardous Materials**” shall mean but is not limited to any and all substances (whether solid, liquid or gas) defined, listed, or otherwise classified as pollutants, hazardous wastes, hazardous substances, hazardous materials, extremely hazardous wastes, or words of similar meaning or regulatory effect under any present or future Environmental Laws, any chemical or substance known to the State of California to cause cancer or reproductive toxicity under California Health and Safety Code §§ 25249.5 *et seq*, or that may have a negative impact on human health or the environment, including but not limited to Mold, petroleum and petroleum products, asbestos and asbestos-containing materials, polychlorinated biphenyls, lead, radon, radioactive materials, flammables and explosives, but excluding substances of kinds and in amounts ordinarily and customarily used or stored in similar properties for the purposes of cleaning or other maintenance or operations and otherwise in compliance with all Environmental Laws.

(E) “**Lender**” is YOULAND INC., a California corporation, its successors and assigns. Lender’s address is 236 Kingfisher Ave., Alameda, CA 94501. Lender is the beneficiary under the Security Instrument(s).

(F) “**Loan**” means the debt evidenced by the Note (as hereinafter defined), plus interest, any prepayment charges and late charges due under the Note, and all sums due under the Security Instrument(s).

(G) “**Loan Documents**” means collectively this Agreement, the Note, the Security Instrument(s) and all other documents executed and/or delivered in connection with the Loan.

(H) “**Mold**” shall mean fungi or bacterial matter which reproduces through the release of spores or the splitting of cells, including, but not limited to, mold, mildew, and viruses, whether or not such Mold is living.

(I) “**Note**” means the promissory note signed by Borrower and dated September 17, 2022. The Note states that Borrower owes Lender One Million One Hundred Twenty Five Thousand and 0/100 Dollars (U.S. $1,125,000.00) and any additional amounts advanced pursuant to this Agreement and other Loan Documents, plus interest. Borrower has promised to pay this debt in regular monthly payments and to pay the debt in full not later than October 1, 2023 (the “Maturity Date”).

(J) “**Property**” means the real property described in Exhibit A to this Agreement, and includes any improvements thereon.

AGREEMENT

This is a Construction Loan Agreement dated September 17, 2022 containing the terms that apply to your lending relationship (“Account”) with YOULAND INC., a California corporation. The words “we”, “lender” or “us” refer to the lender named in the previous sentence, together with its successors and assigns. The words “‘you” or “your” mean the person or persons who use or authorize the use of the Account, jointly and severally. “You,” “borrower” and “your” include your affiliates who give us security instruments to secure loans we make to or for such affiliates. The terms of this Agreement preceded by a “[ ]” are part of this Agreement only if the box is checked. This Agreement applies and binds you and us as to all extensions of credit we make to you or your affiliates on or after the date of this Agreement.

**1. Loans We Will Consider**. The following are the types of extensions of credit covered by this Agreement (checked as applicable):

[] Property You Already Own. We may extend credit to you secured by the Property you own. We will ask that you submit information to enable us to determine if your request for a loan meets our underwriting requirements. After you submit all information that we request, we will notify you how much we are prepared to lend, pricing and conditions. If you accept, we will ask you to sign a promissory note, security instrument and other loan documents on the Property in favor of us.

[X] New Acquisitions. We may extend credit to you secured by the Property you wish to acquire. We will ask that you submit information to enable us to determine if your request for a loan meets our underwriting requirements. After you submit all information that we request, we will notify you how much we are prepared to lend, pricing and conditions. If you accept, we will ask you to sign a promissory note, security instrument and other loan documents on the Property in favor of us.

[X] Construction. We may extend credit to you secured by the Property to pay for labor and materials to construct certain improvements (**"**Improvements**"**) on the Property (the **"**Work**"**). We will ask that you submit information to enable us to determine if your request for a loan meets our underwriting requirements. After you submit all information that we request, we will notify you how much we are prepared to lend, pricing and conditions. If you accept, we will ask you to sign a promissory note, security instrument and other loan documents on the Property in favor of us.

The Work is described in the Schedule of Advances attached as Exhibit Bto this Agreement. You have also executed a security instrument granting us a first priority lien on the Property.

**2. Intentionally Omitted**.

**3. Intentionally Omitted.**

**4. Application of Payment**. We will determine the method of applying your payments and credits to the loans in your Account.

**5. Security**. All of your loans will be secured by security instruments on the Property collateral and improvements, as evidenced by deeds of trust (the “Security Instrument(s)”). The Security Instrument allows us to declare a default if you sell or transfer your Property without our prior written consent.

Provided you are not in default under this Agreement, we will reconvey any Security Instrument for an amount equal to all sums due on your Account.

**6. Transfer of Account**. You cannot transfer or assign your Account to any other person.

**7. The Work**.

a. Contractor. You will enter into a written agreement (“Construction Contract”) with KL CONSTRUCTION LLC (“Contractor”) having offices at 123 A Street, Alameda, CA 95401 for all the Work. The Construction Contract will state the total amount that you will pay Contractor for the Work (“Contract Price”), and will include (i) the blueprints, shop drawings, plans and specifications for the Work (“Plans”); (ii) a written itemization of the Work and the Contract Price (“Construction Budget”); and (iii) an itemized description of each segment of the Work (each a “Stage”) that sets the timetable for completing the Work, and the corresponding payments for the Work (“Work and Payment Schedule”). You will give us a copy of the Construction Contract. You will have no other agreements for the Work. The Contractor will give us the name, address and telephone number of each person that has a contract with Contractor to supply materials or labor for the Work (each, a “Supplier”). You will give Contractor a copy of this Agreement.

b. Permits. You will obtain, and keep in force, all approvals of the Work (each, a “Permit”) that are required by any federal, state, county, or local government agency (each, a “Government Authority”). You will comply with all applicable laws of any Government Authority (“Government Regulations”). Contractor will obtain and maintain all licenses required by any Government Authority. You will get from Contractor and give to us copies of all licenses and Permits required by Government Authorities.

c. Change Orders. Any change in the Contract Price, the Work or the Work and Payment Schedule must be in a written agreement signed by you and Contractor and approved by us (“Change Order”).

d. Care of the Property. If we request, you will provide us with a certified report that the Property is free of wood-boring insects. You will provide us with a certified report that the Property is not located in Zone 3 or Zone 4 of the “Seismic Zone Map of the U.S.,” and that the Property is not located in a “Special Studies Zone” as designated pursuant to the Alquist-Priolo Special Studies Zone Act, California Public Resources Code § 2621 et seq. You will comply with all of the recommendations of any engineer making any soil report for the Property. You will notify us immediately of any fire or other casualty relating to the Property or the Work.

e. Completing the Work. The Work will begin promptly after you sign the Loan Documents. The Work will continue diligently and in a good and workmanlike manner in strict accordance with the Construction Contract and all Government Regulations. The Work will not violate any of the conditions, covenants or restrictions on the Property.

You will notify us immediately in writing if (i) you think that the Work does not comply with the Construction Contract or this Agreement; (ii) any notice of lien on the Property is served on Borrower or Contractor; or (iii) any Government Authority issues any notice or claim relating to the Property.

You promise the Work will be completed on or before November 30, 2022 (“Completion Date”). We will accept the Work as completed when you satisfy all of the conditions in Section 13(e)(viii) of this Agreement (“Substantial Completion”).

f. Inspections. We have the right to enter the Property to inspect the Work, without notice to you, during normal business hours, or any other times that we arrange with you. You will pay for all inspections performed at the request of us or any Government Authority. The anticipated cost of each inspection is $200.00, provided that the inspection fees may vary depending on the inspection required.

Our inspections are for our benefit only. Our inspections create no liability or responsibility to you, Contractor, any Suppliers, or any third parties. We are not obligated to inspect the Property or the Work.

g. You Are Responsible for the Work. You have full and sole responsibility to make sure that the Work complies with the Plans and all Government Regulations. We have no liability, obligation or responsibility for the Work. We are not liable for any failure to construct, complete, protect, or insure the Work. We are not liable for any costs of the Work. Nothing we do (including inspecting the Work or making an advance) will be a representation or warranty by us that the Work complies with the Construction Contract, this Agreement, the Permits or any Government Regulations. If we ask, you will repair or replace at your expense any Work that does not comply with the Plans. You have no right to assert or claim any offset, counterclaim or defense against us because of any claim you may have against Contractor or any Suppliers.

h. Liens. You will have any mechanic’s liens or other encumbrances which may be filed against the Property released or bonded off within ten (10) days of the date you receive notice thereof. Alternatively, you shall have the option of satisfying any of these liens or encumbrances.

i. Delivery of Materials to Property. You will cause all materials, supplies and goods to be incorporated as part of the Improvements to be delivered to the Property free and clear of all liens and encumbrances so that no other party shall have an interest therein, whether superior or inferior to the lien of the Security Instrument.

j. Compliance with Construction Lien Law. You and Contractor will comply in all respects whatsoever with California mechanic’s and materialmen’s lien statutes, which can be found at California Civil Code 8000 through 9566 *et* *seq*., as the same may from time to time exist, and we shall not be obligated to disburse any funds to you if, in our opinion or the opinion of our counsel, such disbursement would result in violation of such law.

**8. Costs and Expenses**. You will pay all costs and expenses required to satisfy the conditions of this Agreement, including any Change Orders and attorney’s fees.

**9. No Other Financing**. Until paid in full, the Loan will be your only financing for the Property and the Work.

**10. Title to the Property**.

[X] You will get a title report as described in Section 10(a) of this Agreement.

[X] You will get title insurance as described in Section 10(b) of this Agreement.

a. Title Report. You will get a title report, prepared by a title company or an attorney admitted to practice law in the jurisdiction where the Property is located, certified to us (“Title Report”). The Title Report must show that the lien of the Security Instrument will be a valid first priority lien on your interest in the Property, and that the title to your interest in the Property is free and clear of all defects and encumbrances except those we approve in writing

b. Title Insurance. You will get and keep in force a mortgagee’s or lender’s policy of title insurance (“Title Policy”). The Title Policy will insure: (i) that the total amount of the lien of our Security Instrument is a valid first priority lien on your interest in the Property; and (ii) that the title to your interest in the Property is free and clear of all defects and encumbrances except those we approve in writing.

At or prior to the closing of the Loan, you will provide us with the commitment of the Title Company to issue the Title Policy (“Title Commitment”). When the Work is completed, you will provide us with endorsements to the Title Policy insuring us to the full amount of the Loan disbursed.

**11. Survey; Appraisal**. If we request, you will provide and certify to the Title Company a survey of the Property (a “Survey”). Each Survey must be satisfactory to the Title Company.

If we request, you will get an appraisal of the Property and the Improvements. You will get the appraisal before the final advance of the Loan (“Final Appraisal”). The appraisal will show the value of the Property and the Improvements, using the “as built” method. We will choose the appraiser. Each appraisal shall reflect an appraised value and be in form and substance satisfactory to us.

**12. Hazard Insurance**.

a. The Contractor’s Insurance. The Contractor must get and keep in force the following insurance policies (“Contractor’s Insurance”): (i) a builder’s all risk insurance policy (with a mortgagee’s loss payable clause in favor of us and with a physical loss form endorsement), without co-insurance, in an amount not less than one hundred percent (100%) of the replacement cost of the Improvements, with the standard conditions; (ii) public liability insurance with limits of liability equal to at least $500,000 per occurrence; (iii) workers’ compensation insurance as required by applicable state law; and (iv) automobile liability insurance with limits of liability equal to at least $300,000 per occurrence. The Contractor’s Insurance will be in force until you accept the Improvements.

b. Your Insurance. You will get a standard hazard insurance policy as required by the Security Instrument. This insurance will be effective when the Contractor’s Insurance terminates.

**13. The Loan**.

a. Administration. We shall disburse the Loan proceeds (“Loan Proceeds”) on the date the Loan closes (“Closing Date”), in escrow, to a federally insured interest bearing account (“Escrow Account”), to be disbursed by us, or our escrow agent, as provided in Section 13(e)(iv) of this Agreement.

b. Use of the Loan Funds.

(i) Advances. “Advance” means our advance of any part of the Loan under this Agreement, or your endorsement and delivery of any Loan Proceeds check to Contractor or a Supplier.

(ii) Loan Commitment Amount. As of the Closing Date, we commit to disburse Loan principal in the total amount of the Loan (“Loan Commitment Amount”). After the Closing Date, the Loan Commitment Amount will equal the principal amount of the Loan less the total amount of Advances made to date. Any Loan Commitment Amount that remains after all Advances have been made will be credited as a partial prepayment of the principal amount of the Loan at the time of the final Advance. The partial prepayment will reduce the number of your monthly payments. If, at any time, the Loan Commitment Amount is not enough to pay the amount scheduled for any Advance, you will pay the difference from your own funds.

(iii) No Changes. Unless we agree in writing first, you will not change the Plans or the Construction Contract, or permit any part of any Advance to be paid except as specified in the Schedule of Advances, or in a Request for Advance.

(iv) Trust Fund. You will receive all Advances in trust. You will apply the Advances first to the payment of the cost of the Work before using any part for any other purpose.

c. The Escrow Account. If the Loan will be disbursed from an Escrow Account, all interest on the Escrow Account will be paid to you. If we are a depository institution that offers Escrow Accounts, the Escrow Account must be with us.

d. Construction Reserve. Lender has held back $50,000.00 for improvements (the “Construction Reserve”). In no instance shall the amount for improvements listed in the Schedule of Advances attached hereto as Exhibit B exceed the Construction Reserve. The Construction Reserve shall be disbursed in accordance with this Section 13.

e. Advances; Conditions to Advances. Each of the promises you make in this Agreement shall be considered made again as of the time (i) we receive, or our escrow agent receives, any request from you and Contractor for an Advance (“Request for Advance”); or (ii) you endorse any Loan Proceeds check to Contractor or a Supplier. Advances will be made as shown in the Schedule of Advances attached hereto as Exhibit B, but only if all the following conditions are satisfied:

(i) Plans Approved. You have reviewed the Plans; the Plans are satisfactory and have been approved by all Government Authorities having jurisdiction over the Property and the Work.

(ii) Work Completed; Invoices and Lien Waivers. The Work for which an Advance is requested has been completed in a good and workmanlike manner, and complies with the Construction Contract, the Plans, the Permits, and all Government Regulations.

(iii) Your Financial Condition; No Defaults. There is no material adverse change in your financial condition or employment status since the time you applied for the Loan. You are not in default under any of the Loan Documents or the Construction Contract. You have complied completely with all of your promises about the Work (including the promises in Section 7 of this Agreement).

(iv) Request for Advance; Amount of Advance. If the Loan will be disbursed from an Escrow Account, or directly by us, Contractor will deliver to us or our escrow agent not more often than once every thirty (30) days (i) a Request for Advance, in the form set forth in Exhibit C, properly completed, and signed by you and Contractor; (ii) the invoices for the Work; (iii) unconditional construction lien waivers from Contractor and from Suppliers for all Work covered by the Request for Advance; (iv) a date-down endorsement to the Title Policy in a form reasonably acceptable to us, dated the date of each Advance and showing the recorded Security Instrument as a first lien on your interest in the Property and (v) all other required information described in the Request for Advance. We may rely on your statements and Contractor’s statements in the Request for Advance and on the invoices and lien waivers submitted by Contractor. We do not have to verify any of that information. The funds obtained with the Request for Advance will be used to pay for the Work described in the Request for Advance. Each Advance (other than the final Advance) shall be for an amount not less than fifteen percent (15%) of the amount disbursed to the Escrow Account on the Closing Date.

(v) Interest Reserve. Lender has established an interest reserve in the amount of $6,796.88 (the “Interest Reserve”) for Borrower’s benefit at closing. Provided that no event of default (as herein defined) has occurred, monthly interest payments starting on November 1, 2022, shall be made by payment from the Interest Reserve until the Interest Reserve is depleted.

(vi) Intentionally Omitted.

(vii) Loan Commitment Amount. The Loan Commitment Amount remaining after each Advance will be enough to complete all the Work.

(viii) Completion of Improvements. The Work will be completed as required by this Agreement.

Before the final Advance, you will deliver to us a copy of the final inspection report, the final title endorsement, a completion certificate signed by you and Contractor, and the final, unconditional certificate of occupancy issued by the Governmental Authority, if required by law.

**14. Events of Default**. You will be in default under this Agreement and the other Loan Documents if any of the following events (“Events of Default”) occurs:

a. Nonpayment. You fail to make any payment due under any Loan Document.

b. Other Broken Promises. You fail to keep any promise in this Agreement or any other Loan Document.

c. False Statements. Any statement of fact, representation or warranty you make to us in your loan application, this Agreement or in any other Loan Document is false, inaccurate, or incomplete.

d. Impairment of the Property. The occurrence of any condition or situation which, in our sole determination, constitutes a danger to or impairment of the Property or repayment of the Loan and such condition or situation is not remedied within ten (10) days after written notice to you of such condition or situation.

e. Transfer of Property. The sale, assignment, pledge, transfer, hypothecation, or other disposition of any proprietary or beneficial interest in the Property without our prior written consent.

**15. Lender’s Rights and Remedies**. Subject to your right to notice of default and right to cure the default(s), to the extent required by law, if an Event of Default occurs, we have the following rights and remedies (“Rights and Remedies”):

a. Declare a Default. We may declare the Note, the Security Instrument, or both, in default.

b. Finish the Construction and Protect the Property. We may take possession of the Property. We may do every act and thing you or any subsequent owner of the Property might or could do for the protection, construction, repair, operation, maintenance and leasing of the Property.

You authorize us, as your attorney-in-fact, to exercise any right you may have in or under the Construction Contract or any Permit. You irrevocably authorize and direct each party to any Permits and Construction Contracts to provide us the benefits of the Permits and the Construction Contracts upon our written notice. You agree that any such party shall have the right to rely upon any written notice from us without any obligation or right to inquire as to whether an Event of Default actually exists and notwithstanding any notice from you or claim by you to the contrary. You will have no right or claim against any such party for any benefit provided to us by such party. If you cure the Event of Default, or if we reinstate the Loan in good standing, we will give written notice of reinstatement to each such party and authorize each such party to render such benefits to you.

c. Take the Escrow Account. We may take any funds in the Escrow Account, if any, to apply to any amounts you owe under the Loan Documents.

d. Lender’s Fees, Costs, and Expenses. You shall promptly pay to us all attorney’s fees, costs, and other expenses paid or incurred by us in enforcing or exercising our Rights and Remedies under this Agreement. Interest will accrue on these amounts at the rate in the Note from the date the expense is incurred. The expense plus interest will be secured by our Security Instrument.

e. Remedies Cumulative. We may (but are not required to) exercise any or all of the rights under this Agreement. All of our Rights and Remedies contained in this Agreement are cumulative and are in addition to any other Rights and Remedies created in any other Loan Document or existing at law or in equity.

**16. Change of Address**. You agree to advise us promptly if you change your mailing address. All written notices and statements from us to you will be considered given when placed in the United States mail, postage prepaid, and addressed to you at your current address as it appears in our records.

**17. Irregular Payments**. We may accept late payments or partial payments or checks, drafts or money orders marked “Payment in Full” without losing any of our rights under this Agreement.

**18. Amendments**. We may make insignificant changes to this Agreement at any time or changes that unquestionably benefit you, as long as we give you advance written notice as required by law.

**19. Cancellation**. You can cancel your Account at any time by giving us notice and paying in full all sums due on your loans. Your obligation under this Agreement, including our security interest in your Property, and any changes made under this Agreement prior to cancellation will continue to apply until you have paid you all the money you owe.

**20. Environmental Representations and Covenants**. You represent and warrant that neither the Borrower nor the Property are in violation of any Environmental Law, or subject to any existing, pending, or threatened investigation or inquiry by any Governmental Authority pertaining to an alleged violation of any Environmental Law.

You shall not cause or permit the Property to be in violation of, or do anything which would subject the Borrower or the Property to any remedial obligations under any Environmental Law, and shall promptly notify the Lender in writing of any existing, pending, or threatened investigation or inquiry by any Governmental Authority in connection with any Environmental Law.

You will not install, suffer, or permit in at under or about the Property any substance deemed hazardous toxic, extremely hazardous or petroleum products by federal or state regulations. If any such materials are found to be present in the Property in violation of Environmental Laws, you agree to remove the same promptly upon discovery at its sole cost and expense in accordance with Environmental Laws.

You shall duly file or cause to be duly filed with all Governmental Authorities having jurisdiction such reports and/or information returns as may be required or appropriate under all Environmental Laws.

If any lien or judgment shall be filed with respect to the Property arising from a violation of Environmental Laws, then you shall, within thirty (30) days from the date that you are given notice of such lien or judgment (or within such shorter period of time if any Governmental Authority has commenced steps to have the Property sold), pay the claim and remove the lien from the Property.

If there shall occur any releasing, spilling, leaking, pumping, pouring, emitting, emptying, or dumping of hazardous materials on, from or affecting the Property, or otherwise in violation of Applicable Environmental Laws, you shall promptly clean it up in accordance with the provisions of all Environmental Laws and to the satisfaction of the Lender.

You hereby agree to defend, indemnify and hold harmless Lender, its directors, officers, employees, agents, successors and assigns from and against any and all losses, damages, liabilities, claims, actions, judgments, court costs, and reasonable legal or other expenses (including, without limitation, reasonable attorneys’ fees and expenses) which we may incur as a direct or indirect consequence of the use, generation, manufacture, storage, disposal, threatened disposal, transportation or presence of Hazardous Materials in, on, under or about the Property or Improvements, except to the extent arising from our willful misconduct. You shall immediately pay to us upon demand any amounts owing under this indemnity, together with interest from the date the indebtedness arises until paid at the rate of interest applicable to the principal balance of the Note. Your duty and obligations to defend, indemnify and hold harmless Lender shall survive the cancellation of the Note and the release, reconveyance or partial reconveyance of the Security Instrument.

**21. Indemnification***.* To the full extent allowed by California and Federal law, as applicable, you hereby promise to defend and timely, fully and immediately indemnify us and to hold us harmless from any liability, fine, fee, cost, expense, legal fees (of counsel chosen by us), judgment or other liability or expense arising from: (a) the Property we have financed, (b) your business activities, (c) any claim, lawsuit, demand or other assertion by a borrower, regulatory agency, or third party in any way connected with your business activities, and (d) any liability, claim, loss, cost or legal expenses (including third party lawsuits or claims) arising from or related to the Work. You shall pay and advance our expenses pending the adjudication of the subject of indemnification. Your obligation under this paragraph shall survive the repayment of the Loan you obtain from us.

**22.** **Indemnification Acceleration***.* Within ten (10) days of our written demand, you shall fully repay all amounts owed to us, including, without limitation, the Property, that is the subject of an indemnification claim as defined in Section(s) 20 and 21. Your failure to do so shall be an event of Default under the Loan outstanding between you and us. Any amount that is not paid when due shall bear interest at the rates set forth in the promissory note for the applicable Loan. You shall immediately notify us of any claim that is made or threatened by any borrower, regulatory agency or third party in connection with any real property, including, without limitation, the Property, we have financed.

**23. Other Provisions**. Each of you who signed this Agreement or use the Account is individually and jointly obligated for all payments due under this Agreement. The Account has been applied for, considered, approved and issued in California and all extensions of credit are being made from California. If any part of this Agreement is not valid, all other parts will remain enforceable.

**24. Business Credit**. You hereby confirm your representation to us that no loans under this Agreement are intended to be used or shall be used for anything other than business and/or commercial (non-consumer) purposes). You agree that (1) Borrower, (2) any affiliate of Borrower, (3) Guarantor (as defined in Section 8 of the Note), (4) any holder of a direct or indirect equity interest in Borrower or any such affiliate, (5) any officer, director, executive employee or manager of any person or entity described in the foregoing clauses (1) — (4) or (6) any family member (including spouse, siblings, ancestors and lineal descendants) of any person or entity described in the foregoing clauses (1) — (5) shall not occupy any real property, including, without limitation, the Property, securing any loan we make to you. You may have employees, security personnel and other persons temporarily occupy such property for the purposes of securing it, but no one shall occupy the property as their principal residence or second home while you own it.

**25. Financial Data**. Not more often than annually, you shall provide to us on our request a copy of your federal income tax returns, balance sheet, profit and loss, as applicable for the prior tax year.

**26. Credit Authorization**. You hereby provide a continuing authorization to us to obtain credit reports on your credit. In addition, a photocopy of this Agreement shall constitute your irrevocable authorization and direction to any bank at which you have an account to provide copies of your bank statements, cancelled checks and deposits slips on all accounts you have at that bank.

**27. Loan Extension**. In our absolute discretion we may allow you to extend your loan in up to two (2) three (3) month increments if you request it. If we are inclined to grant an extension, we will notify you. In the absence of such notice you should assume your loan is due on the Maturity Date set forth in your Note. We are very unlikely to consider an extension if:

You have at any time defaulted under the Note, the Security Instrument or any other Loan Document in the payment of principal, interest, taxes, insurance premiums, loan costs, and or you have been consistently late in the making of such payments, or fees, and or in the performance of the terms, conditions, and covenants of the Note, Security Instrument and any other Loan Document.

If we extend your loan we will charge you a loan extension fee equal to 1.00% of the original principal balance of the Loan per extension period, for the negotiation and arrangement of the loan extension. You must also execute a Construction Loan Modification Agreement on our form. As a condition of extension, we may ask you to prepay interest for the entire period of the extension.

**28. Cooperation**. Borrower acknowledges that Lender and its successors and assigns may, in connection with a “securitized transaction” without notice to or consent from Borrower (a) sell this Agreement, the Security Instrument(s), the Note, the other Loan Documents, and any and all servicing rights thereto to one or more investors as a whole loan, (b) participate the Loan to one or more investors, (c) deposit this Agreement, the Note and the other Loan Documents with a trust, which trust may sell certificates to investors evidencing an ownership interest in the trust assets, or (d) otherwise sell the Loan or interests therein to investors (the transactions referred to in clauses (a) through (d) are hereinafter each referred to as a “Secondary Market Transaction”). Borrower shall cooperate with Lender in effecting any such Secondary Market Transaction and shall cooperate to implement all reasonable requirements imposed by any rating agency involved in any Secondary Market Transaction so long as the same does not have a material adverse impact on the operations, use or value of any Property or Borrower. Borrower shall provide such information and documents relating to any Borrower and any Property as Lender may reasonably request in connection with such Secondary Market Transaction, provided such information shall not be more expansive (other than to a de minimis degree) than the information provided to Lender in connection with the closing of the Loan. In addition, Borrower shall make available to Lender all information concerning its business and operations that Lender may reasonably request, provided Lender shall make such parties aware of the confidential nature of such information and such parties shall agree to maintain the confidentiality of such information. Lender shall be permitted to share all such information with the investment banking firms, rating agencies, accounting firms, law firms and other third-party advisory firms involved with the Loan and the Loan Documents or the applicable Secondary Market Transaction. It is understood that the information provided by Borrower to Lender may ultimately be incorporated into the offering documents for the Secondary Market Transaction and thus various investors may also see some or all of the information. Lender and all of the aforesaid third-party advisors and professional firms shall be entitled to rely on the information supplied by or on behalf of Borrower. Borrower also agrees to execute, any amendment of or supplement to this Agreement and the other Loan Documents as Lender may reasonably request in connection with any Secondary Market Transaction, provided that such amendment or supplement does not change any of the economic terms of the Loan or materially increase Borrower’s non-monetary obligations or materially diminish Borrower’s rights under this Agreement and the other Loan Documents.

**29. Choice of Law**. California law shall exclusively govern the interpretation and enforcement of this Note.

**30. State-Specific Provisions**. Intentionally Omitted.

**31. In Balance.** You shall cause the Loan at all times to be “in balance”. The Loan shall be deemed to be “in balance” only at such time and from time to time as we may determine in our sole discretion that the then undisbursed portion of the Loan equals or exceeds the amount necessary for the timely and full payment of (a) all work done and not theretofore paid for or to be done in connection with the completion of the construction of the Improvements in accordance with the Plans, and (b) all other costs (including interest on the Loan) incurred and not theretofore paid for or to be incurred in connection with the Work. You agree that if the Loan is deemed not to be “in balance”, you shall, within twenty (20) days after written request by us, deposit the deficiency with us, which deficiency deposit shall first be exhausted before any further disbursement of the Loan proceeds is made. We shall not be obligated to make any Loan disbursements at any time that the Loan is not in balance. Whenever we have any such deficiency funds on deposit, such funds, together with any interest thereon, shall be additional security for the Loan and you hereby grant us a security interest in such funds.

**32. Patriot Act**. The USA Patriot Act of 2001 (Public Law 107-56) and federal regulations issued with respect thereto require all financial institutions to obtain, verify and record certain information that identifies individuals or business entities which open an “account” with such financial institution. Consequently, we may from time-to-time request, and you shall provide to us, your name, address, tax identification number and/or such other identification information as shall be necessary for us to comply with federal law.

**33. Power of Attorney**. Borrower hereby irrevocably constitutes and appoints Lender and any officer or agent of Lender, with full power of substitution, as its true and lawful attorneys-in-fact with full irrevocable power and authority in the place and stead of Borrower or in Borrower’s own name to execute in Borrower’s name any such documents and otherwise to carry out the purposes of this Agreement, to the extent that Borrower fails or refuses to promptly execute such documents. To the extent permitted by law, Borrower hereby ratifies all acts said attorneys-in-fact have lawfully done in the past or shall lawfully do or cause to be done in the future by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable.

**34. Severability**. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid pursuant to applicable law, but if any provision of this Agreement shall be prohibited by or invalid pursuant to applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

**35. Methods of Communication**. Lender may elect, in its sole and absolute discretion, to communicate with Borrower via telephone, SMS/text messaging, email, mail, or other similar means of communication, whether such messages are issued by individual representatives or automated systems. Lender communications that can be issued in accordance with the foregoing include, but are not limited to, loan status updates, collection efforts, legal notices, and loan modification negotiations. The foregoing notwithstanding, no loan modification or waiver of Lender's rights shall be effective unless evidenced by a separate agreement, mutually executed by Lender, Borrower, and Guarantor (if any). Communications sent under this section shall not be deemed to violate the Fair Credit Reporting Act, the Telephone Consumer Protection Act of 1991, or other related federal, state, or local laws.

**36. Exhibits**. The following exhibits are attached to and a part of this Loan.

Exhibit A - Description of the Property

Exhibit B - Schedule of Advances

Exhibit C - Request for Advance

[SIGNATURE PAGE FOLLOWS]

By signing below, you agree to all of the above terms and conditions and certify that you have received a completed copy of this Agreement.

|  |  |
| --- | --- |
| **BORROWER:**  KUN LIU LLC, a California limited liability company  By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Name: Kun Liu Title: Manager |  |

|  |  |
| --- | --- |
| **LENDER:**  YOULAND INC.,  a California corporation  By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Name: Lin Jia  Title: CEO |  |

**EXHIBIT A**

**LEGAL DESCRIPTION**

Real Property in the City of Hayward, County of Alameda, State of California, described as follows:

LOT 51, AS SHOWN ON THE FINAL MAP OF TRACT NO. 7737, FILED FOR RECORD ON AUGUST 13, 2014,IN BOOK 327 OF MAPS AT PAGES 51 THROUGH 63, INCLUSIVE, IN THE OFFICIAL RECORDS OF THECOUNTY OF ALAMEDA, STATE OF CALIFORNIA.APN: 085A-6434-074

**EXHIBIT B**

**SCHEDULE OF ADVANCES**

**EXHIBIT C**

**REQUEST FOR ADVANCE**

TO: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Disbursing Agent)DATE: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

|  |  |
| --- | --- |
| **LOAN INFORMATION:** | |
| Construction Loan Agreement dated September 17, 2022 | |
| Borrower: | KUN LIU LLC, a California limited liability company |
| Account Number: |  |
| Property Address: | 37 Country Club Drive, Hayward, CA 94542 |
| Contractor: | KL CONSTRUCTION LLC |

|  |  |  |
| --- | --- | --- |
| **DISBURSEMENT INFORMATION:** | | |
| Date of Loan: | September 17, 2022 | Advance #\_\_\_\_ (“Advance”) |
| Original Loan Commitment Amount | | $ |
| Balance of Loan Commitment Amount Before this Advance | | $ |
| Amount of this Request for Advance | | $ |
| Less: Holdback | | $ |
| Net Amount of This Request for Advance | | $ |
| Loan Commitment Amount Remaining after this Request for Advance | | $ |
| Total of Amounts Advanced after this Request for Advance | | $ |
| Total Holdbacks to Date | | $ |

By signing below, Borrower and Contractor represent and agree that:

1. They have reviewed the Plans; the Plans are satisfactory and have been approved by all Governmental Authorities having jurisdiction over the Property and the Work;
2. The Improvements do not violate any of the conditions, covenants or restrictions on the Property;
3. There are no defaults under the terms of the Construction Loan Agreement, any other Loan Document, or under the Construction Contract;
4. The Work for which this Request for Advance is made has been duly completed in a good and workmanlike manner, in accordance with the Plans and in compliance with all Governmental Regulations;
5. The Loan Commitment Amount remaining will be sufficient to complete all Improvements contemplated by the Construction Loan Agreement or the Plans or the Construction Contract;
6. Lender has received invoices, and unconditional construction lien releases from the General Contractor, and each Supplier for all Work covered by this Request for Advance, and for all Requests for Advance previously submitted;
7. The funds obtained with the Request for Advance will be used to pay in full the costs of labor performed or materials supplied as requested in this Request for Advance;
8. There has been no material adverse change in Borrower’s financial condition or employment status since the time Borrower applied for the Loans.

By signing below Borrower and Contractor request Lender to pay the following payee(s) in the following amount(s):

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in the amount of $ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in the amount of $ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in the amount of $ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in the amount of $ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in the amount of $ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in the amount of $ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**BORROWER:**

KUN LIU LLC,   
a California limited liability company  
  
By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
Name: Kun Liu  
Title: Manager

**CONTRACTOR:**

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

KL CONSTRUCTION LLC

[LENDER SIGNATURE PAGE FOLLOWS]

By signing below the authorized YOULAND INC., a California corporation representative named below approves the disbursement requested in this Request for Advance but, to the extent permitted by applicable law, makes no warranty or representation as to the quality of work completed and/or materials delivered thus far.

**LENDER:**

YOULAND INC.,

a California corporation

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
Name: Lin Jia

Title: CEO

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

PREPARED BY AND RECORDING REQUESTED BY:

Lin Jia

YOULAND INC.  
236 Kingfisher Ave.  
Alameda, CA 94501

AND WHEN RECORDED MAIL TO:

YOULAND INC.  
236 Kingfisher Ave.  
Alameda, CA 94501

(Space Above for Recorder’s Use)

**Construction Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing**

This Security Instrument serves as a Fixture Filing under the California Uniform Commercial Code (the “Uniform Commercial Code”).

**THIS Construction Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing SECURES FUTURE ADVANCES IN ACCORDANCE WITH THE TERMS OF THE LOAN AGREEMENT (AS HEREINAFTER DEFINED).**

DEFINITIONS

In addition to the capitalized terms defined where used, words used in multiple sections of this Security Instrument (as hereinafter defined) and/or the corresponding Loan Documents (as hereinafter defined) are defined below.

(A) “**Borrower**” is KUN LIU LLC, a California limited liability company, whose address is 2151 OAKLAND RD, SPC 567, SAN JOSE, CA 95131. Borrower is the trustor under the Security Instrument.

(B) “**Lender**” is YOULAND INC., a California corporation, its successors and assigns. Lender’s address is 236 Kingfisher Ave., Alameda, CA 94501. Lender is the beneficiary under this Security Instrument.

(C) **“Loan**” means the debt evidenced by the Note (as hereinafter defined), plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument(s).

(D) **“Loan Agreement”** means that certain Construction Loan Agreement dated September 17, 2022, between Borrower and Lender, the terms of which are incorporated herein by this reference.

(E) “**Loan Documents**” means collectively the Loan Agreement, the Note, the Security Instrument(s) and all other documents executed and/or delivered in connection with the Loan.

(F) “**Note**” means the promissory note signed by Borrower and dated September 17, 2022. The Note states that Borrower owes Lender One Million One Hundred Twenty Five Thousand and 0/100 Dollars (U.S. $1,125,000.00) and any additional amounts advanced pursuant to this Security Instrument and the other Loan Documents, plus interest. Borrower has promised to pay this debt in regular monthly payments and to pay the debt in full not later than October 1, 2023 (the “**Maturity Date**”).

(G) **“Property”** means the real property described in Exhibit A to this Security Instrument, and includes any improvements thereon.

(H) **“Trustee”** is NORTH AMERICAN TITLE COMPANY, having an address at 689 Portola Drive, San Francisco, CA 94127.

Capitalized terms used but not expressly defined herein shall have the same meanings when used herein as set forth in the Loan Agreement and/or Note.

**This Construction Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing** (the ''**Security Instrument**'') made September 17, 2022, among KUN LIU LLC, a California limited liability company (the ''**Borrower**''), as trustor, whose address is 2151 OAKLAND RD, SPC 567, SAN JOSE, CA 95131, and YOULAND INC., a California corporation (together with its successors and assigns, collectively, the ''**Lender**''), as beneficiary, whose address is 236 Kingfisher Ave., Alameda, CA 94501, and NORTH AMERICAN TITLE COMPANY (the “**Trustee**”), as trustee, whose address is 689 Portola Drive, San Francisco, CA 94127.

WITNESSETH:

THAT BORROWER IRREVOCABLY GRANTS, CONVEYS, BARGAINS, TRANSFERS AND ASSIGNS TO TRUSTEE IN TRUST, WITH POWER OF SALE, THAT PROPERTY IN Alameda County, CA, DESCRIBED AS:

See Legal Description attached as Exhibit A and incorporated herein by reference.

APN: 085A-6434-074

Street Address: 37 Country Club Drive, Hayward, CA 94542

TOGETHER WITH the rents, issues and profits thereof, all plans, specifications, shop drawings and other technical descriptions prepared for construction, repair or alteration of the Property and any improvements thereon, and all amendments and modifications thereof, and all other construction related agreements in any way relating to the development, construction or use of the Property, SUBJECT HOWEVER, to the right, power and authority given to and conferred upon Lender by the provisions set forth below to collect and apply such rents, issues and profits. **For the Purpose of Securing:** 1.  Performance of each agreement of Borrower incorporated by reference or contained herein.  2. Payment of the indebtedness evidenced by a promissory note of even date herewith, and any extension or renewal thereof, in the principal sum of $1,125,000.00 executed by Borrower in favor of Lender.  3. Payment of such further sums as the then record owner of such Property hereafter may borrow from Lender, when evidenced by another note (or notes) reciting it is so secured.  4. All obligations under the Loan Agreement.

This Security Instrument constitutes a fixture filing under Sections 9313 and 9402 of the California Uniform Commercial Code, as amended or recodified from time to time (“California UCC”), and is acknowledged and agreed to be a “construction mortgage” under the California UCC. This Security Instrument covers the personal property that is or is to become fixtures (hereinafter defined) on the Property. “Fixtures” include all articles of personal property now or hereafter attached to, placed upon or used for an indefinite term or used in connection with the Property, together with all property that is or at any time becomes so related to the subject property that an interest in them arises under real estate law.

A default under any other security instrument securing the above-referenced promissory note shall constitute a default under this Security Instrument as well.

To protect the security of this Security Instrument, Borrower agrees:

(1) That Borrower is lawfully seised of the estate hereby conveyed and has the right to mortgage, grant and hypothecate the Property and that such 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.

(2) That Borrower will observe and perform said provisions; and that the reference to Property, obligations, and parties in said provisions shall be construed to refer to the Property, obligations and parties set forth in this Security Instrument.

(3) To keep the Property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefore; to comply with all applicable governmental regulations, ordinances, zoning and building laws, and any other applicable law affecting the Property or requiring any alterations or improvements to be made thereon, not to commit or permit waste thereof; not to commit, suffer or permit any act upon the Property in violations of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of the Property may be reasonably necessary, the specific enumerations herein not excluding the general. Additionally, the Borrower shall keep all licenses, permits, consents, and approvals (including certificates of occupancy) required by applicable law as it relates to Borrower’s business operations or the Property. If the Borrower is an entity, the Borrower is and shall remain in good standing in each and every jurisdiction where the same is required by applicable law.

(4) To provide, maintain and deliver to Lender fire insurance satisfactory to and with loss payable to Lender and Lender listed as additional insured, as more particularly set forth in this Security Instrument.  The amount collected under any fire or other insurance policy may be applied by Lender upon any indebtedness secured herein and in such order as Lender may determine or, at the option of Lender, the entire amount so collected or any part hereof may be released to Borrower.  Such application or release shall not cure or waive any default or notice of default herein under or invalidate any act done pursuant to such notice.

(5) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of the Lender or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney’s fees in a reasonable sum, in any such action or proceeding in which Lender or Trustee may appear, and in any suit brought by Lender to enforce this Security Instrument.

(6) To not allow any additional liens (including but not limited to PACE or HERO liens) to attach to the Property, regardless if the liens are junior to this Security Instrument, unless Borrower obtains prior written consent from Lender. Borrower must provide Lender with an inter-creditor or subordination agreement satisfactory to Lender, in Lender’s sole and absolute discretion, evidencing that any approved junior debt is subordinate to this Security Instrument.

(7) To pay at least ten (10) days before delinquency all taxes, dues and assessments affecting the Property, including, but not limited to, condominium, planned unit development association and appurtenant water stock assessments; when due, all encumbrances, charges and liens, with interest, on the Property or a part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Security Instrument.

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

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

(9) That any award of damages in connection with any condemnation for public use of or injury to the Property or any part thereof is hereby assigned and shall be paid to Lender, who may apply or release such monies received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

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

(11) That at any time or from time to time, without liability therefore and without notice, upon written request of Lender and presentation of this Security Instrument and said Note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may; reconvey any part of the Property; consent to the making of any map or plat thereof; join in granting any easement therein; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

(12) That upon written request of Lender stating that all sums secured hereby have been paid, and upon surrender of this Security Instrument and said Note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the Property held hereunder. The recitals in such RECONVEYANCE of any matters or facts shall be conclusive proof of the truthfulness thereof. The Trustee in such reconveyance may be described as “The person or persons legally entitled thereto”. Five years after issuance of such full RECONVEYANCE, Trustee may destroy said Note and this Security Instrument (unless directed in such request to retain them).

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

(14) That upon default by Borrower in payment of any indebtedness secured hereby or in performance of any agreement hereunder, under the Note secured hereby, or under the Loan Agreement, Lender may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold the Property, which notice Trustee shall cause to be filed for record. Lender also shall post with Trustee this Security Instrument, said Note and all documents evidencing expenditures secured hereby.

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

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

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

(17) That Trustee accepts this trust when this Security Instrument, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other security instrument or of any action or proceeding in which Borrower, Lender or Trustee shall be a party unless brought by Trustee.

(18) Borrower shall, at Borrower’s expense, maintain in force fire and extended coverage insurance in any amount of not less than the full replacement value of any building which may exist on the Property, with loss payable to Lender.  Borrower shall provide fire insurance protection on Borrower’s furniture, fixtures and personal property on the Property in an amount equal to the full replacement value thereof, and promises that any insurance coverage in this regard will contain a waiver of the insurers’ right of subrogation against Lender.  In addition, Borrower shall, at Borrower’s expense, maintain in force policies of liability insurance and, if applicable, flood insurance, with Lender as loss payee and as an additional insured thereunder, insuring Borrower against all claims resulting from the injury to or the death of any person or the damage to or the destruction of any property belonging to any person by reason of Lender’s interest hereunder or the use and occupancy of the Property by Borrower.  Such insurance shall be in the following amounts: (1) $1,000,000.00 combined single limit liability insurance covering property damage and bodily injury; and (2) flood insurance is required if the collateral is located in a flood zone equal to the replacement cost of the Property. At least thirty (30) days prior to the expiration of a policy, Borrower shall deliver to Lender a renewal policy in a form satisfactory to Lender. If Borrower obtains any other insurance on the Property, such insurance shall name the Lender as additional insured and loss payee thereunder. Additionally, if the Loan term is 360 months or longer, and the Property is located within twenty-five (25) miles of the coast of the Gulf of Mexico or the Atlantic coast of Florida, Georgia, South Carolina, or North Carolina, Borrower shall maintain coverage on the Property for windstorm and/or windstorm related perils and/or “named storms” issued, such coverage to be in form and substance satisfactory to Lender. For all Loans with a term of 360 months or longer, the Property shall also be covered by rent loss insurance that covers a period of not less than six (6) months. All such insurance policies required hereunder (other than commercial liability policies) shall require at least ten (10) days’ prior notice to the Lender of termination or cancellation arising because of nonpayment of a premium and at least thirty (30) days’ prior notice to the Lender of termination or cancellation (or such lesser period, not less than ten (10) days, as may be required by Applicable Law) arising for any reason other than non-payment of a premium and no such notice has been received by the Seller.

(19) If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person), or a lien or encumbrance is created upon such, voluntarily or involuntarily, or if Borrower shall file or have filed against it and/or the Property any proceeding for relief of debtors under the United States Bankruptcy Code, in each case without Lender’s prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument.  However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.  If Lender exercises this option, Lender shall give Borrower notice of acceleration.  The notice shall provide a period of not less than thirty (30) days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument.  If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

(20) Lender may make or cause to be made reasonable entries upon and inspections of the Property securing this Security Instrument. In addition to any rights Lender may have under California Civil Code Section 2929.5, Lender may make, or authorize other persons, including, but not limited to, appraisers and prospective purchasers at any foreclosure sale commenced by Lender, to enter on or inspect the real Property securing this Security Instrument at reasonable times and for reasonable durations.

(21) Borrower shall promptly notify Lender of any action or proceeding relating to any condemnation or other taking, whether direct or indirect, of the Property securing this Security Instrument or any part thereof and Borrower shall appear in and prosecute any such action or proceeding unless otherwise directed by Lender in writing. Borrower authorizes Lender, at Lender’s option, as attorney‑in‑fact for Borrower, to commence, appear in and prosecute, in Lender’s or Borrower’s name, any action or proceeding relating to any condemnation or other taking of the Property, whether direct or indirect, and to settle or compromise any claim in connection with such condemnation or other taking. The proceeds of any award, payment or claim for damages, direct or consequential, in connection with any condemnation or other taking, whether direct or indirect, of the Property, or part thereof, or for conveyances in lieu of condemnation, are hereby assigned to and shall be paid to Lender. Borrower authorizes Lender to apply such awards, payments, proceeds or damages, after the deduction of Lender’s expenses incurred in the collection of such amounts, at Lender’s option, to restoration or repair of the Property or to payment of the sums secured by this Security Instrument, whether or not then due, in the order of application set forth in paragraph four (4) hereof, with the balance, if any, to Borrower. Unless Borrower and Lender otherwise agree in writing, any application of proceeds to Principal (as defined in the Note) shall not extend or postpone the due date of the monthly installments referred to in Section 3 of the Note or change the amount of such installments. Borrower agrees to execute such further evidence of assignment of any awards, proceeds, damages or claims arising in connection with such condemnation or taking as Lender may require. Borrower hereby unconditionally and irrevocably waives all right of a property owner granted under California Code of Civil Procedure Section 1265.225(a) which provides for allocation of condemnation proceeds between a property owner and a lienholder and any other law or successor statute of similar import.

(22) This Security Instrument is intended to be a security agreement pursuant to the Uniform Commercial Code for any of the items specified above as part of the Property which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code, and Borrower hereby grants Lender a security interest in said items. Borrower agrees that Lender may file this Security Instrument, or a reproduction thereof, in the real estate records or other appropriate index, as a financing statement for any of the items specified above as part of the Property. Any reproduction of this Security Instrument or of any other security agreement or financing statement shall be sufficient as a financing statement. In addition, Borrower agrees to execute and deliver to Lender, upon Lender’s request, any financing statements, as well as extensions, renewals and amendments thereof, and reproductions of this Security Instrument in such form as Lender may require to perfect a security interest with respect to said items. Borrower shall pay all costs of filing such financing statements and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements Lender may reasonably require. Without the prior written consent of Lender, Borrower shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said items, including replacements and additions thereto.  For purposes of filing and recording this Security Instrument in, among other places, the real estate records of the county in which the Property is located, the following information is included: (i) the Borrower shall be deemed the “Debtor” with the address set forth for the Borrower on the first page of this Security Instrument which the Borrower certifies is accurate, (ii) the Lender shall be deemed to be the “Secured Party” with the address set forth for the Lender on the first page of this Security Instrument and shall have all of the rights of a secured party under the Uniform Commercial Code, (iii) this Security Instrument covers goods which are or are to become fixtures, (iv) the name of the record owner of the land is Borrower, and (v) if Borrower is an entity, the organizational identification number of Borrower is 123456789, and the Borrower is organized under the laws of California.  Upon Borrower’s breach of any covenant, representation, warranty or agreement of Borrower contained in this Security Instrument, including the covenants to pay when due all sums secured by this Security Instrument, Lender shall have the remedies of a secured party under the Uniform Commercial Code and, at Lender’s option, may also invoke the remedies provided in this Security Instrument as to such items. In exercising any of said remedies, Lender may proceed against the items of real Property and any items of personal property specified above as part of the Property separately or together and in any order whatsoever, without in any way affecting the availability of Lender’s remedies under the Uniform Commercial Code or of the remedies provided in this Security Instrument.

(23) Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower’s knowledge or consent gave intentionally or materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower’s use of the Property solely for business and/or commercial purposes.

(24) Future Advances.  This Security Instrument is given for the purpose of securing loan advances and other extensions of credit which Lender has made and may make to or for the benefit of Borrower pursuant and subject to the terms and provisions of the Loan Agreement and the other Loan Documents.  The parties hereto intend that, in addition to any other debt or obligation secured hereby, this Security Instrument shall secure unpaid balances of loan advances, other extensions of credit made after this Security Instrument is recorded, whether made pursuant to an obligation of Lender or otherwise, and in such event, such advances shall be secured to the same extent as if such future advances were made on the date hereof, although there may be no advance made at the time of execution hereof, although there may be no indebtedness outstanding at the time any advance is made and although such advances may from time to time be repaid to a zero balance and thereafter readvanced.  Such loan advances may or may not be evidenced by guarantees or notes executed pursuant to the other Loan Documents.

(25) Intentionally Omitted.

(26) Indemnity. The Borrower agrees to indemnify each of the Lenders, each legal entity, if any who controls the Lender and each of their respective directors, officers and employees (each an “Indemnified Party”, collectively the “Indemnified Parties”), and to hold each Indemnified Party harmless from and against, any and all claims, damages, losses, liabilities and expenses (including all reasonable fees and charges of internal or external counsel with whom any Indemnified Party may consult and all expenses of litigation and preparation therefor) which any Indemnified Party may incur or which may be asserted against any Indemnified Party by any person, entity or governmental authority (including any person or entity claiming derivatively on behalf of the Borrower), in connection with or arising out of the matters referred to in this Security Instrument or in the other Loan Documents, whether (a) arising from or incurred in connection with any breach of a representative, warranty or covenant by the Borrower, or (b) arising out of or resulting from any suit, action, claim, proceeding or governmental investigation, pending or threatened, whether based on statute, regulation or order, or tort, or contract or otherwise, before any court or governmental authority; provided, however, that the foregoing indemnity agreement shall not apply to any claims, damages, losses, liabilities and expenses solely attributable to an Indemnified Party’s willful misconduct. The indemnity agreement contained in this Section shall survive the termination of this Security Instrument, payment of any Loan and assignment of any rights hereunder.

(27) State-Specific Provisions.  State specific provisions, if any, are outlined on Exhibit B attached hereto and incorporated herein. In the event of any inconsistencies between the terms and conditions of this Section and any other terms and conditions of this Security Instrument, the terms of this Section shall control and be binding.

(28) **WAIVER OF JURY TRIAL. THE BORROWER IRREVOCABLY WAIVES ANY AND ALL RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE RELATING TO THIS SECURITY INSTRUMENT, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS SECURITY INSTRUMENT OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. THE BORROWER ACKNOWLEDGES THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.**

(29) Wherever possible, each provision of this Security Instrument shall be interpreted in such manner as to be effective and valid pursuant to applicable law, but if any provision of this Security Instrument shall be prohibited by or invalid pursuant to applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Security Instrument.

(30) In the event of any default under this Security Instrument or the obligation secured hereby, or if this Security Instrument becomes the subject of, or is involved in, any proceeding or action for any reason whatsoever, whether administrative hearing, arbitration, mediation, or civil, bankruptcy, or appellate litigation, the Lender shall recover its expenses, costs and reasonable attorneys’ fees incurred in such proceeding or action from the Borrower including, without limitation, all appellate and bankruptcy fees and all paralegal fees.

[SIGNATURE PAGE FOLLOWS]

The undersigned Borrower requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to him/her at his/her address hereinbefore set forth.

|  |  |
| --- | --- |
|  | **BORROWER:**  KUN LIU LLC, a California limited liability company  By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Name: Kun Liu Title: Manager |

**ACKNOWLEDGMENT**

|  |  |  |
| --- | --- | --- |
| 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 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | ) |  |
|  | ) | ss |
| COUNTY OF \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | ) |  |

On \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, before me, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, a Notary Public, personally appeared \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Insert name and title exactly as they appear on signature page)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 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 \_\_\_\_\_\_\_\_\_\_\_\_\_\_ that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

|  |  |
| --- | --- |
|  |  |
| Notary Public | (Seal) |

**MAIL TAX STATEMENTS AS DIRECTED ABOVE**

**EXHIBIT A**

**(DESCRIPTION OF PROPERTY)**

Real Property in the City of Hayward, County of Alameda, State of California, described as follows:

LOT 51, AS SHOWN ON THE FINAL MAP OF TRACT NO. 7737, FILED FOR RECORD ON AUGUST 13, 2014,IN BOOK 327 OF MAPS AT PAGES 51 THROUGH 63, INCLUSIVE, IN THE OFFICIAL RECORDS OF THECOUNTY OF ALAMEDA, STATE OF CALIFORNIA.APN: 085A-6434-074

**EXHIBIT B**

**CALIFORNIA STATE-SPECIFIC PROVISIONS**

**Section 27.1** Inconsistencies. In the event of any inconsistencies between the terms and conditions of this Section and the terms and conditions of this Security Instrument, the terms of this Section shall control and be binding.

**Section 27.2** Fixture Filing. This Security Instrument constitutes a fixture filing under Sections 9313 and 9402 of the California Uniform Commercial Code, as amended or recodified from time to time ("UCC"), and is acknowledged and agreed to be a "construction mortgage" under the UCC. This Security Instrument covers the personal property that is or is to become Fixtures (hereinafter defined) on the Property. "Fixtures" include all articles of personal property now or hereafter attached to, placed upon or used for an indefinite term or used in connection with said Property, together with all property that is or at any time becomes so related to the Property that an interest in them arises under real estate law.

**Section 27.3** Choice of Law. California law shall exclusively govern the enforcement and interpretation of this Security Instrument.

**GUARANTY**

**PROPERTY ADDRESS: 37 Country Club Drive, Hayward, CA 94542**

This GUARANTY dated as of September 17, 2022 (this “Guaranty”), is made by Kun Liu, an individual resident of California (“Guarantor”), in favor of YOULAND INC., a California corporation, as lender under the Note (as defined below) (together with its successors and assigns, collectively, “Lender”).

W I T N E S S E T H:

WHEREAS, Lender is making a loan to KUN LIU LLC, a California limited liability company (the ''**Borrower**'') in the original principal amount of One Million One Hundred Twenty Five Thousand and 0/100 Dollars ($1,125,000.00) (the “Loan”) as evidenced by (i) that certain promissory note dated the date hereof, executed by Borrower and made payable to the order of Lender in the amount of the Loan (as amended, restated, replaced, supplemented or otherwise modified from time to time, the “Note”) and (ii) that certain Construction Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated the date hereof, by Borrower in favor of Lender (as amended, restated, replaced, supplemented or otherwise modified from time to time, the “Security Instrument”). The Note and the Security Instrument, together with all riders thereto and related certificates and ancillary documents, are collectively referred to herein as the “Loan Documents”.

WHEREAS, pursuant to the Security Instrument, Borrower’s obligations under the Loan Documents will be secured by, among other things, the real property described in the Security Instrument (collectively, the “Property”).

WHEREAS, Guarantor is a direct or indirect owner of an equity interest in Borrower, and accordingly will derive material direct and indirect financial and other benefits from the transactions contemplated by the Note and the other Loan Documents.

WHEREAS, to induce Lender to make the Loan, Guarantor has agreed to execute and deliver this Guaranty.

NOW, THEREFORE, in consideration of the covenants set forth in this Guaranty, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree, represent and warrant as follows:

ARTICLE 1

NATURE AND SCOPE OF GUARANTY

Section 1.1 Guaranty of Obligation. Guarantor hereby irrevocably and unconditionally guarantees the due and prompt payment and performance in full when due, whether at maturity or earlier, by reason of acceleration or otherwise, and at all times thereafter, of the following (the “Guaranteed Obligations”), such that my failure to perform same as set forth herein shall constitute an “Event of Default” hereunder:

(a) the principal of, interest on, and all other amounts due at any time under the Note or any other Loan Document, including prepayment penalties, late payment charges, interest charged at the default rate (if applicable), and accrued interest as provided in the Loan Documents (including interest that may accrue during the pendency of any proceeding under Bankruptcy Laws as described below), advances, costs and expenses to perform the obligations of Borrower or to protect the Property or the security of the Security Instrument;

(b) all other covenants, agreements, liabilities, obligations (including indemnity obligations and any other monetary obligations) of Borrower under the Loan Documents; and

(c) all expenses and costs, including reasonable attorneys’ fees and expenses, fees and out-of-pocket expenses of expert witnesses and costs of investigation, incurred by Lender as a result of any default under the Loan Documents or in connection with efforts to collect any amount due under the Loan Documents, or to enforce the provisions of the Loan Documents, including those incurred in post-judgment collection efforts and in any bankruptcy or insolvency proceeding or any judicial or non-judicial foreclosure proceeding or other exercise by Lender of its rights and remedies under any Loan Document or any transfer in lieu of foreclosure (a “Foreclosure Event”), including any action for relief from the automatic stay of any bankruptcy proceeding or Foreclosure Event, to the extent permitted by law.

Without limiting the generality of the foregoing, Guarantor’s liability shall extend to all amounts that constitute part of the Guaranteed Obligations and would be owed by Borrower to Lender under the Loan Documents but for the fact that they are unenforceable or not allowable due to the existence of a proceeding under Title 11 of the United States Code, 11 U.S.C. § 101 et seq., as the same may be amended from time to time, and any successor statute or statutes and all rules and regulations from time to time promulgated thereunder, and any comparable foreign laws relating to bankruptcy, insolvency or creditors’ rights or any other Federal or state bankruptcy or insolvency law (collectively, “Bankruptcy Laws”).

Section 1.2 Nature of Guaranty. Guarantor hereby irrevocably and unconditionally covenants and agrees that it is liable for the Guaranteed Obligations as a primary obligor. This Guaranty is an irrevocable, absolute, unconditional, continuing guaranty of payment and performance and not merely a guaranty of collection. This Guaranty may not be revoked by Guarantor and shall continue to be effective with respect to any Guaranteed Obligations arising or created after any attempted revocation by Guarantor. If Guarantor is a married person, and the state of residence of Guarantor or Guarantor’s spouse is a community property jurisdiction, Guarantor agrees that Lender may satisfy Guarantor’s obligations under this Guaranty to the extent of all of Guarantor’s separate property and Guarantor’s interest in any community property.

Section 1.3 Survival of Guaranty. This Guaranty is a continuing guaranty and shall remain in full force and effect until the repayment and performance in full of the Guaranteed Obligations (subject to Section 1.8). The obligations of Guarantor under this Guaranty shall survive any Foreclosure Event, and any release or reconveyance of the Security Instrument or any release of any other security or guaranty for the Loan.

Section 1.4 Obligations Unsecured. The obligations of Guarantor under this Guaranty shall not be secured by the Security Instrument or the other Loan Documents and shall not be obligations of Borrower notwithstanding anything to the contrary in any other Loan Document.

Section 1.5 Payment by Guarantor. If all or any part of the Guaranteed Obligations is or shall give rise to a monetary obligation, and such monetary obligation shall not be punctually paid when due, Guarantor shall, immediately upon demand by Lender, and without presentment, protest, notice of protest, notice of non-payment, notice of intention to accelerate the maturity, notice of acceleration of the maturity, or any other notice whatsoever, pay in lawful money of the United States, the amount due on the Guaranteed Obligations to Lender at Lender’s address as set forth in such demand. Such demand(s) may be made at any time coincident with or after the time for payment of the Guaranteed Obligations.

Section 1.6 No Duty to Pursue Others. It shall not be necessary for Lender (and Guarantor hereby waives any rights which it may have to require Lender), in order to enforce the obligations of Guarantor hereunder, first to (a) make any demand upon or institute suit or exhaust its remedies against Borrower or others liable for amounts due under the Guaranteed Obligations or any other person or entity, (b) institute suit or exhaust its remedies with respect to the Guaranteed Obligations or any person or entity, (c) enforce Lender’s rights against any collateral which shall ever have been given to secure any of the Guaranteed Obligations, (d) enforce Lender’s rights against any other guarantor of the Guaranteed Obligations, (e) join Borrower or any others liable on the Guaranteed Obligations in any action seeking to enforce this Guaranty or (f) resort to any other means of obtaining payment of the Guaranteed Obligations. Lender shall not be required to mitigate damages or take any other action to reduce, collect or enforce the Guaranteed Obligations.

Section 1.7 Payment of Expenses. Guarantor shall, immediately upon demand by Lender, pay all reasonable costs and out-of-pocket expenses (including court costs and attorneys’ fees, disbursements, costs and expenses) incurred by Lender in the enforcement hereof or the preservation of Lender’s rights hereunder and any and all damages, losses, claims, liabilities and related reasonable costs and out-of-pocket expenses, including court costs and attorneys’ fees, disbursements, costs and expenses incurred by Lender arising from any breach or failure to timely perform any provisions of this Guaranty by Guarantor.

Section 1.8 Reinstatement. In the event that, pursuant to any 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 (collectively, “Applicable Law”), including any Bankruptcy Law, or any judgment, order or decision thereunder, Lender must rescind or restore any payment, or any part thereof, received by Lender in satisfaction of the Guaranteed Obligations (including pursuant to any settlement entered into by Lender in its discretion), or if Lender elects to do so upon the advice of its counsel, then all obligations under this Guaranty in respect of such payment shall automatically be reinstated as though such payment had been due but not made and shall remain in full force and effect and any prior release or discharge from the terms of this Guaranty given to Guarantor shall be without effect. It is the intention of Lender and Guarantor that Guarantor’s obligations hereunder shall not be discharged except by its performance of such obligations and then only to the extent of such performance.

ARTICLE 2

EVENTS AND CIRCUMSTANCES NOT REDUCING

OR DISCHARGING GUARANTOR’S OBLIGATIONS

Section 2.1 Events and Circumstances. Guarantor hereby consents and agrees to each of the following, and agrees that Guarantor’s obligations under this Guaranty shall not be released, diminished, impaired, reduced or adversely affected by any of the following, and waives any common law, equitable, statutory or other rights (including rights to notice) that Guarantor might otherwise have as a result of or in connection with any of the following:

(a) Modifications. Any renewal, extension, increase, modification, alteration or rearrangement of all or any part of the Guaranteed Obligations, the Loan Documents, or any other document, instrument, contract or understanding between Borrower or Guarantor and Lender, or any other person or entity, pertaining to the Guaranteed Obligations or any failure of Lender to notify Guarantor of any such action.

(b) Adjustment. Any adjustment, indulgence, forbearance or compromise that might be granted or given by Lender to Borrower or Guarantor.

(c) Financial Condition. The commencement, filing or continuation of any voluntary or involuntary bankruptcy, insolvency, reorganization, arrangement, readjustment, assignment for the benefit of creditors, composition, receivership, liquidation, marshaling of assets and liabilities or similar events or proceedings with respect to Borrower, Guarantor or any other person or entity, or any of their respective property or creditors or any action taken by any trustee or receiver or by any court in such proceeding; or the making of a general assignment for the benefit of creditors by Borrower, Guarantor or any other person or entity; or any sale, lease or transfer of any or all of the assets of Borrower, Guarantor or any other person or entity.

(d) Invalidity of Guaranteed Obligations. The invalidity, illegality or unenforceability of all or any part of the Guaranteed Obligations, or any document or agreement executed in connection with the Guaranteed Obligations, for any reason whatsoever, including the fact that (a) the Guaranteed Obligations, or any part thereof, exceeds the amount permitted by law, (b) the act of creating the Guaranteed Obligations or any part thereof is ultra vires, (c) the officers or representatives executing the Loan Documents or otherwise creating the Guaranteed Obligations acted in excess of their authority, (d) the Guaranteed Obligations violate applicable usury laws, (e) Borrower has valid defenses, claims or offsets (whether at law, in equity or by agreement) which render the Guaranteed Obligations wholly or partially unenforceable or uncollectible from Borrower, other than payment and performance in full of the Guaranteed Obligations, (f) the creation, performance or repayment of the Guaranteed Obligations (or the execution, delivery and performance of any document or instrument representing part of the Guaranteed Obligations or that was executed in connection with the Guaranteed Obligations, or given to secure the repayment of the Guaranteed Obligations) is illegal, uncollectible or unenforceable, or (g) the Loan Documents have been forged or otherwise are irregular or not genuine or authentic, it being agreed that Guarantor shall remain liable hereon regardless of whether Borrower or any other person or entity be found not liable on the Guaranteed Obligations or any part thereof for any reason.

(e) Release of Liability. Any full or partial release of the liability of Borrower on the Guaranteed Obligations, or any part thereof, or of any co-guarantors, or any other person or entity now or hereafter liable therefor, whether directly or indirectly, jointly, severally, or jointly and severally, to pay, perform, guarantee or assure the payment of the Guaranteed Obligations, or any part thereof, it being acknowledged and agreed by Guarantor that (a) Guarantor may be required to pay the Guaranteed Obligations in full without assistance or support of Borrower or any other person or entity and (b) Guarantor has not been induced to enter into this Guaranty on the basis of a contemplation, belief, understanding or agreement that any other person or entity will be liable to pay or perform the Guaranteed Obligations, or that Lender will look to any other person or entity to pay or perform the Guaranteed Obligations.

(f) Other Collateral. The taking or accepting of any other security, collateral or guaranty, or other assurance of payment, for all or any part of the Guaranteed Obligations.

(g) Release of Collateral. Any release, surrender, exchange, subordination, deterioration, waste, loss or impairment (including negligent, willful, unreasonable or unjustifiable impairment) of any collateral, property or security at any time existing in connection with, or assuring or securing payment of, all or any part of the Guaranteed Obligations, or any failure to perfect a lien in any collateral.

(h) Care and Diligence. The failure of Lender or any other person or entity to exercise diligence or reasonable care in the enforcement of its rights under the Loan Documents or the preservation, protection, enforcement, sale or other handling or treatment of all or any part of any collateral, property or security, including but not limited to any neglect, delay, omission, failure or refusal of Lender (a) to take or prosecute any action for the enforcement or collection of any of the Guaranteed Obligations or (b) to foreclose, or initiate any action to foreclose, or, once commenced, prosecute to completion any action to foreclose upon any security therefor, or (c) to take or prosecute any action in connection with any instrument or agreement evidencing or securing all or any part of the Guaranteed Obligations.

(i) Unenforceability. The fact that any collateral, security, security interest or lien contemplated or intended to be given, created or granted as security for the repayment of the Guaranteed Obligations, or any part thereof, shall not be properly perfected or created, or shall prove to be unenforceable or subordinate to any other security interest or lien, it being acknowledged and agreed by Guarantor that it is not entering into this Guaranty in reliance on, or in contemplation of the benefits of, the validity, enforceability, collectability or value of any of the collateral for the Guaranteed Obligations or the priority of any security interest or lien therein.

(j) Offset. Any existing or future offset, claim or defense of Borrower, Guarantor or any other person or entity, against Lender, Borrower or any other person or entity or against payment or performance of the Guaranteed Obligations, whether such offset, claim or defense arises in connection with the Guaranteed Obligations (or the transactions creating the Guaranteed Obligations) or otherwise, other than the payment and performance of the Guaranteed Obligations in full.

(k) Compliance with Loan Documents. Any failure, omission or delay on the part of Borrower, Guarantor, any other guarantor of the Guaranteed Obligations or Lender to conform or comply with any term of any of the Loan Documents.

(l) Corporate Events. The reorganization, merger or consolidation of Borrower into or with any other person or entity; or any dissolution of Borrower or any other entity; or any changes in the shareholders, partners or members of Borrower or any other person or entity; or any reorganization of Borrower or any other person or entity; or any other change in the relationship between Borrower, Guarantor or any other guarantor of the Guaranteed Obligations, or any termination of such relationship.

(m) Preference. Any payment by Guarantor to Lender that is held to constitute a preference under Bankruptcy Laws, or for any reason Lender is required to refund such payment or pay such amount to any other person or entity.

(n) Other Actions Taken or Omitted. Any other action taken or omitted to be taken with respect to the Loan Documents, the Guaranteed Obligations, or the security and collateral therefor, whether or not such action or omission prejudices Guarantor or any other person or entity or increases the likelihood that Guarantor will be required to pay the Guaranteed Obligations pursuant to the terms hereof.

It is the unambiguous and unequivocal intention of Guarantor that it shall be obligated to pay the Guaranteed Obligations when due, notwithstanding any occurrence, circumstance, event, action, or omission whatsoever, whether contemplated or not contemplated, and whether or not otherwise or particularly described herein, which obligation shall be deemed satisfied only upon the full and final payment and performance of the Guaranteed Obligations.

ARTICLE 3

GUARANTOR WAIVERS

Section 3.1 Waiver of Applicable Laws. Guarantor hereby irrevocably waives the benefit of all principles and provisions of law, statutory or otherwise, which are or might be in conflict with the terms of this Guaranty (and agrees that Guarantor’s obligations shall not be affected by any circumstances, whether or not referred to in this Guaranty, which might otherwise constitute a legal or equitable discharge of a surety or a guarantor) and the benefits of any right of discharge under any and all statutes or other laws relating to guarantors or sureties and any other rights of sureties and guarantors.

Section 3.2 Waiver of Notice. Guarantor hereby waives all notices with respect to the Loan Documents and this Guaranty that may be required by statute, rule of law or otherwise to preserve Lender’s rights against Guarantor under this Guaranty, including notice of (a) any loan or other indebtedness of Borrower, (b) acceptance of this Guaranty, (c) the execution and delivery by Borrower of any documents or instruments relating to the Loan or in connection with the Property or any collateral, (d) Lender’s transfer or disposition of the Guaranteed Obligations, or any part thereof, (e) the occurrence of any default under the Loan Documents, (f) dishonor, (g) notice of intent to accelerate, notice of acceleration, (h) sale or foreclosure (or posting or advertising for sale or foreclosure) of any collateral under the Loan Documents, (i) protest, proof of non-payment or default by Borrower or any other guarantor of the Guaranteed Obligations and (j) any other action at any time taken or omitted by Lender, and, generally, all demands and notices of every kind in connection with this Guaranty or the other Loan Documents.

Section 3.3 Changes in the Guaranteed Obligations. At any time or from time to time and any number of times, without notice to Guarantor and without releasing, discharging or affecting the liability of Guarantor hereunder: (a) the time for payment of the principal of, interest on or other amounts payable under the Loan may be extended or the Loan may be renewed in whole or in part; (b) the rate of interest on or period of amortization of the Loan or the amount of the monthly principal payments payable under the Loan Documents may be modified; (c) the time for Borrower’s performance of or compliance with any covenant or agreement contained in any Loan Document, whether presently existing or hereinafter entered into, may be extended or such performance or compliance may be waived; (d) the maturity of the Loan may be accelerated as provided in the Loan Documents; (e) any or all payments due under the Loan Documents may be reduced; (f) any Loan Document may be modified or amended by Lender and Borrower in any respect, including an increase in the principal amount of the Loan; (g) any amounts held under the Loan Documents may be released; (h) the payment of the principal of, interest on or other amounts payable under Loan or any security for the Loan, or both, may be subordinated to the right to payment or the security, or both, of any other present or future creditor of Borrower; (i) any payments made by Borrower to Lender may be applied to the principal of; interest on or other amounts payable under the Loan in such order and priority as Lender determines; (j) Lender may foreclose on any collateral securing the Loan by one or more judicial or non-judicial sales, accept an assignment of any such collateral in lieu of foreclosure; and (k) any other terms of the Loan Documents may be modified as required by Lender.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES

Section 4.1 Representations and Warranties. To induce Lender to enter into the Loan Documents and extend credit to Borrower, Guarantor represents and warrants to Lender as of the date hereof as follows:

(a) This Guaranty constitutes a legal, valid and binding obligation of Guarantor and is enforceable against Guarantor in accordance with its terms, subject only to applicable bankruptcy, insolvency and similar laws affecting rights of creditors generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(b) The execution, delivery and performance of this Guaranty by Guarantor (i) will not result in any violation of the provisions of any Applicable Laws, (ii) will not conflict with or result in a breach of any of the terms or provisions of, or constitute a default under the terms of any indenture, mortgage, deed of trust, deed to secure debt, loan agreement, management agreement or other agreement or instrument to which Guarantor is a party or to which any of Guarantor’s property or assets is subject, and (iii) will not result in or require the creation or imposition of any lien upon or with respect to any of the assets of Guarantor.

(c) Any consent, approval, authorization, order, registration or qualification of or with a governmental authority or other person or entity required for the execution, delivery and performance by Guarantor of this Guaranty has been obtained and is in full force and effect.

(d) Guarantor is an affiliate of Borrower, is the owner of a direct or indirect equity interest in Borrower, and has received, or will receive, direct and indirect material financial and other benefits from the making of this Guaranty.

(e) Guarantor is familiar with, and has independently reviewed books and records regarding, the financial condition of Borrower and is familiar with the value of any and all collateral intended to be created as security for the payment of the Guaranteed Obligations; provided, however, Guarantor is not relying on such financial condition or the collateral as an inducement to enter into this Guaranty.

(f) Neither Lender nor any of its representatives has made any representation, warranty or statement to Guarantor in order to induce Guarantor to execute this Guaranty and Guarantor has not relied on Lender for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by this Guaranty or any other Loan Document or otherwise relied on Lender in any manner in connection with interpreting, entering into or otherwise in connection with this Guaranty, any other Loan Document or any of the matters contemplated hereby or thereby.

(g) Guarantor has received a copy of each of the Loan Documents and this Guaranty. Guarantor has read this Guaranty and each of the other Loan Documents and understands the nature and structure of the transactions contemplated by this Guaranty and the other Loan Documents. Guarantor understands the risks inherent in such transactions, including the risk of loss of all or any part of the Property or of the assets of Guarantor. Guarantor has had the opportunity to consult with its legal counsel prior to entering into the Guaranty and Guarantor availed himself or herself of such opportunity to the extent he or she desired.

(h) There are no actions, suits or proceedings at law or in equity by or before any governmental authority, arbitrator or other entity now pending or, to Guarantor’s knowledge, threatened against or affecting Guarantor.

(i) Guarantor has (i) not entered into the transaction contemplated by this Guaranty with the actual intent to hinder, delay or defraud any creditor and (ii) received reasonably equivalent value in exchange for its obligations under this Guaranty. After giving effect to this Guaranty, (x) the fair saleable value of Guarantor’s assets will exceed its total liabilities, (y) Guarantor’s assets will not constitute unreasonably small capital to carry out its business as conducted or as proposed to be conducted and (z) Guarantor will be able to pay its liabilities as they mature. In the last ten years, Guarantor has not been the subject of or a party to any pending bankruptcy, reorganization, receivership or other insolvency proceeding or any dissolution or liquidation (each, an “Event of Bankruptcy”). Guarantor is not contemplating an Event of Bankruptcy and to Guarantor’s knowledge no other person or entity is contemplating an Event of Bankruptcy in respect of Guarantor.

ARTICLE 5

AGREEMENT TO PAY, SUBROGATION AND SUBORDINATION

Section 5.1 Subordination of All Guarantor Claims.

(a) Without limiting any other right that Lender has at law or in equity against Guarantor, if Borrower fails to pay any Guaranteed Obligation when and as due, whether at maturity, by acceleration, after notice of prepayment or otherwise, Guarantor agrees to promptly pay the amount of such unpaid Guaranteed Obligations to Lender in cash. Upon payment by Guarantor of any sums to Lender as provided herein, all of Guarantor’s rights of subrogation, exoneration, contribution, reimbursement, indemnity or otherwise arising therefrom against Borrower with respect to such sum shall be subordinate and junior in right of payment to the prior indefeasible payment in full in cash of all monetary Guaranteed Obligations. If any payment shall be paid to Guarantor in violation of the immediately preceding sentence on account of such subrogation, exoneration, contribution, reimbursement, indemnity or similar right, such amount shall be held in trust for the benefit of Lender, segregated from other funds of Guarantor, and promptly paid or delivered to Lender in the same form as so received (with any necessary endorsement or assignment) to be credited against the payment of the Guaranteed Obligations, whether due or to become due, in accordance with the terms of the Loan Documents or to be held as collateral for the Guaranteed Obligations.

(b) Guarantor hereby subordinates any and all debts, liabilities and obligations owed to it by Borrower (including all rights and claims of Guarantor against Borrower as a result of Guarantor’s payment of all or part of the Guaranteed Obligations) (the “Subordinated Obligations”) to the Guaranteed Obligations as follows:

(i) Guarantor shall not accept, demand or take any action to collect any payment on the Subordinated Obligations without the prior written consent of Lender.

(ii) Guarantor agrees that Lender shall be entitled to receive full payment in cash of all Guaranteed Obligations (including interest accruing during the pendency of any proceeding under Bankruptcy Laws, regardless of whether allowed or allowable in such proceeding (“Post-Petition Interest”)) in any proceeding under Bankruptcy Laws against Borrower before Guarantor receives any payment on account of any Subordinated Obligations.

(iii) After the occurrence and during the continuance of any default under the Loan Documents (including the commencement and continuation of any proceeding against Borrower or Guarantor under Bankruptcy Laws), Guarantor shall collect, enforce and receive payments on the Subordinated Obligations as trustee for Lender and deliver such payments to Lender on account of the Guaranteed Obligations (including Post-Petition Interest), together with any necessary endorsements or other instruments of transfer, without reducing or affecting the liability of Guarantor under this Guaranty in any respect.

(iv) After the occurrence and during the continuance of any default under the Loan Documents (including the commencement and continuation of any proceeding against Borrower or Guarantor under Bankruptcy Laws), Lender is authorized and empowered (but not obligated), in its discretion, (x) in the name of Guarantor, to collect and enforce, and to submit claims in respect of, Subordinated Obligations and to apply any amount so received to the Guaranteed Obligations (including Post-Petition Interest), and (y) to require Guarantor (A) to collect and enforce and to submit claims in respect of, Subordinated Obligations and (B) to pay any amounts received on such obligations to Lender for application to the Guaranteed Obligations (including Post-Petition Interest).

Section 5.2 Payments Held in Trust. In the event that, notwithstanding anything to the contrary in this Guaranty, Guarantor should receive any funds, payments, claims and/or distributions which are prohibited by this Guaranty, Guarantor agrees to hold in trust for Lender an amount equal to the amount of all funds, payments, claims or distributions so received, and agrees that it shall have absolutely no dominion over the amount of such funds, payments, claims and/or distributions so received except to pay such funds, payments, claims and/or distributions promptly to Lender, and Guarantor covenants promptly to pay the same to Lender.

Section 5.3 Liens Subordinate. Guarantor agrees that no liens, security interests, judgment liens, charges or other encumbrances shall exist upon Borrower’s assets securing payment of the Subordinated Obligations and any such liens, security interests, judgment liens, charges or other encumbrances which may exist shall be and remain inferior and subordinate to any liens, security interests, judgment liens, charges or other encumbrances upon Borrower’s assets securing payment of the Guaranteed Obligations, regardless of whether such encumbrances in favor of Guarantor or Lender presently exist or are hereafter created or attach. Without the prior written consent of Lender, Guarantor shall not (a) exercise or enforce any creditor’s right it may have against Borrower, or (b) foreclose, repossess, sequester or otherwise take steps or institute any action or proceedings (judicial or otherwise, including the commencement of, or joinder in, any proceeding under Bankruptcy Laws) to enforce any liens, mortgages, deeds of trust, deeds to secure debt, security interests, collateral rights, judgments or other encumbrances on assets of Borrower held by Guarantor.

ARTICLE 6

MISCELLANEOUS

Section 6.1 Waiver; Amendment. No failure to exercise, and no delay in exercising, on the part of Lender, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right. The rights of Lender hereunder shall be in addition to all other rights provided by law. No modification, amendment, extension, discharge, termination or waiver of any provision of this Guaranty, nor consent to any departure by Guarantor or Lender therefrom, shall in any event be effective unless the same shall be in a writing signed by the party or parties against whom enforcement is sought, and then any such waiver or consent shall be effective only in the specific instance, and for the purpose, for which given. No notice or demand given in any case shall constitute a waiver of the right to take other action in the same, similar or other instances without such notice or demand.

Section 6.2 Notices. All notices given by Guarantor or Lender in connection with this Guaranty must be in writing. Any notice to Guarantor in connection with this Guaranty shall be deemed to have been given to Guarantor when mailed by first class mail or when actually delivered to Guarantor’s notice address if sent by other means. Guarantor’s notice address shall be the address set forth on the signature page hereto unless Guarantor has designated a substitute notice address by notice to Lender. Guarantor shall promptly notify Lender of Guarantor’s change of address. If Lender specifies a procedure for reporting Guarantor’s change of address, then Guarantor shall only report a change of address through that specified procedure. There may be only one designated notice address under this Guaranty at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender’s address stated in the Definitions Section of the Note unless Lender has designated another address by notice to Guarantor. Any notice in connection with this Guaranty shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Guaranty is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Guaranty.

Section 6.3 Governing Law. This Guaranty shall be governed by federal law and the law of California without regard to the application of choice of law principles that would result in the application of the laws of another jurisdiction.

Section 6.4 Venue. Guarantor agrees that any controversy arising under or in relation to this Guaranty shall be litigated exclusively in California. The state and federal courts and authorities with jurisdiction in California shall have exclusive jurisdiction over all controversies that arise under or in relation to this Guaranty or any other Loan Document with respect to the subject matter hereof. Guarantor irrevocably consents to service, jurisdiction and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise.

Section 6.5 WAIVER OF JURY TRIAL. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, GUARANTOR (A) AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS GUARANTY OR ANY LOAN DOCUMENT OR THE RELATIONSHIP BETWEEN THE PARTIES AS GUARANTOR AND LENDER THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY GUARANTOR, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

Section 6.6 Severability. Wherever possible, each provision of this Guaranty shall be interpreted in such manner as to be effective and valid pursuant to Applicable Law, but if any provision of this Guaranty shall be prohibited by or invalid pursuant to Applicable Law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Guaranty.

Section 6.7 Prior Agreements. THIS GUARANTY REPRESENTS THE FINAL AGREEMENT OF GUARANTOR WITH RESPECT TO THE SUBJECT MATTER HEREOF AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES. All prior or contemporaneous agreements, understandings, representations and statements, oral or written, relating to the subject matter hereof are superseded by this Guaranty.

Section 6.8 Defined Terms; Construction.

(a) Capitalized terms used herein without definition shall have the meanings ascribed thereto in the other Loan Documents.

(b) Any reference in this Guaranty to a “Section” shall, unless otherwise explicitly provided, be construed as referring to a Section of this Guaranty.

(c) The Article and Section headings in this Guaranty are included herein for convenience of reference only and shall not constitute a part of this Guaranty for any other purpose.

(d) Any reference in this Guaranty to a statute or regulation shall be construed as referring to that statute or regulation as amended from time to time.

(e) Use of the singular in this Guaranty includes the plural and use of the plural includes the singular.

(f) As used in this Guaranty, the term “including” means “including, but not limited to” or “including, without limitation,” and is for example only, and not a limitation.

(g) Whenever Guarantor’s knowledge is implicated in this Guaranty or the phrase “to Guarantor’s knowledge” or a similar phrase is used in this Guaranty, Guarantor’s knowledge or such phrase(s) shall be interpreted to mean to the best of Guarantor’s knowledge after reasonable and diligent inquiry and investigation.

(h) Unless otherwise provided in this Guaranty, if Lender’s approval, consent, designation, determination, selection, estimate, action or decision is required, permitted or contemplated hereunder, such approval, consent, designation, determination, selection, estimate, action or decision shall be made in Lender’s sole and absolute discretion.

(i) All references in this Guaranty to a separate instrument or agreement shall include such instrument or agreement as the same may be amended or supplemented from time to time pursuant to the applicable provisions thereof.

(j) The term “Borrower” as used herein shall include any new or successor corporation, association, partnership (general or limited), limited liability company, joint venture, trust or other individual or organization formed as a result of any merger, reorganization, sale, transfer, devise, gift or bequest of Borrower or any interest in Borrower.

Section 6.9 Recitals. The recital and introductory paragraphs hereof are a part hereof, form a basis for this Guaranty and shall be considered prima facie evidence of the facts and documents referred to therein.

Section 6.10 Rights and Remedies. If Guarantor becomes liable for any indebtedness owing by Borrower to Lender, by endorsement or otherwise, other than under this Guaranty, such liability shall not be in any manner impaired or affected hereby and the rights of Lender hereunder shall be cumulative of any and all other rights that Lender may ever have against Guarantor. The exercise by Lender of any right or remedy hereunder or under any other instrument, or at law or in equity, shall not preclude the concurrent or subsequent exercise of any other right or remedy.

Section 6.11 Taxes. Any payments by or on account of any obligation of Guarantor under this Guaranty shall be made without deduction or withholding for any tax; provided, however, that if any law requires deduction or withholding of a tax, such tax shall be deducted and withheld from such payment and paid to the relevant governmental authority in accordance with Applicable Law and the sum payable hereunder shall be increased so that after such deduction or withholding (including deductions or withholdings applicable to additional amounts payable hereunder) Lender receives an amount equal to the sum it would have received had no such deduction or withholding been made; provided, further, that such additional amounts shall not include any taxes measured by net income (however denominated) or franchise taxes imposed on Lender. Guarantor shall promptly indemnify Lender for all such non-excluded taxes (including interest and additions to tax) and related expenses. Guarantor shall promptly deliver evidence satisfactory to Lender of any payments made pursuant to this Section 6.11.

Section 6.12 Assignment. Lender may assign its rights under this Guaranty in whole or in part and, upon any such assignment, all the terms and provisions of this Guaranty shall inure to the benefit of and may be enforced by such assignee to the extent so assigned. Guarantor may not assign its rights, duties and obligations under this Guaranty, in whole or in part, without Lender’s prior written consent, and any such assignment shall be deemed void ab initio. The terms used to designate any of the parties herein shall be deemed to include the heirs, legal representatives, successors and assigns of such parties.

Section 6.13 Time is of the Essence. Guarantor agrees that, with respect to each and every obligation and covenant contained in this Guaranty, time is of the essence.

Section 6.14 Credit Report. Guarantor acknowledges and agrees that Lender is authorized, no more frequently than once in any twelve (12) month period, to obtain a credit report (if applicable) on Guarantor, the cost of which shall be paid for by Guarantor. Guarantor acknowledges and agrees that Lender is authorized to obtain a credit score (if applicable) for Guarantor at any time at Lender’s expense.

Section 6.15 State-Specific Provisions. To the extent any special California provision in this Section is inconsistent with any other section of this Guaranty, the provision set forth below will control.

(a) Guarantor understands that the exercise by Lender of certain rights and remedies contained in the Security Instrument (such as a nonjudicial foreclosure sale) may affect or eliminate Guarantor’s right of subrogation against Borrower and that Guarantor may therefore incur a partially or totally non-reimburseable liability under this Guaranty. Nevertheless, Guarantor hereby authorizes and empowers Lender to exercise, in its sole and absolute discretion, any right or remedy, or any combination thereof, which may then be available, since it is the intent and purpose of Guarantor that the obligations under this Guaranty will be absolute, independent and unconditional under any and all circumstances. Guarantor expressly waives any and all of the following:

(i) Guarantor waives any defense (which defense, if Guarantor had not given this waiver, Guarantor might otherwise have) to a judgment against Guarantor by reason of a nonjudicial foreclosure.

(ii) Guarantor waives any and all benefits under

(A) California Code of Civil Procedure Section 580a (which Section, if Guarantor had not given this waiver, would otherwise limit Guarantor’s liability after a nonjudicial foreclosure sale to the difference between the obligations of Guarantor under this Guaranty and the fair market value of the Property or interests sold at such nonjudicial foreclosure sale).

(B) California Code of Civil Procedure Sections 580b and 580d (which Sections, if Guarantor had not given this waiver, would otherwise limit Lender’s right to recover a deficiency judgment with respect to purchase money obligations and after a nonjudicial foreclosure sale, respectively).

(C) California Code of Civil Procedure Section 726 (which Section, if Guarantor had not given this waiver, among other things, would otherwise require Lender to exhaust all of its security before a personal judgment could be obtained for a deficiency).

(b) Notwithstanding any foreclosure of the lien of the Security Instrument, whether by the exercise of the power of sale contained in the Security Instrument, by an action for judicial foreclosure or by Lender’s acceptance of a deed in lieu of foreclosure, Guarantor will remain bound under this Guaranty.

(c) In accordance with Section 2856 of the California Civil Code, Guarantor also waives any right or defense based upon an election of remedies by Lender, even though such election (e.g., nonjudicial foreclosure with respect to any collateral held by Lender to secure repayment of the indebtedness) destroys or otherwise impairs the subrogation rights of Guarantor or the right of Guarantor (after payment of the obligations guaranteed by Guarantor under this Guaranty) to proceed against Borrower for reimbursement, or both, by operation of Section 580d of the Code of Civil Procedure or otherwise.

(d) In accordance with Section 2856 of the California Civil Code, Guarantor waives any and all other rights and defenses available to Guarantor by reason of Sections 2787 through 2855, inclusive, of the California Civil Code, including any and all rights or defenses Guarantor may have by reason of protection afforded to Borrower with respect to any of the obligations of Guarantor under this Guaranty pursuant to the anti-deficiency or other laws of the State of California limiting or discharging Borrower’s indebtedness, including Sections 580a, 580b, 580d, and 726 of the California Code of Civil Procedure.

(e) In accordance with Section 2856 of the California Civil Code, Guarantor agrees to withhold the exercise of any and all subrogation and reimbursement rights against Borrower, against any other person, and against any collateral or security for the indebtedness, including any such rights pursuant to Sections 2847 and 2848 of the California Civil Code, until the indebtedness has been indefeasibly paid and satisfied in full, all obligations owed to Lender under the Loan Documents have been fully performed, and Lender has released, transferred or disposed of all of its right, title and interest in such collateral or security.

Section 6.16 Community Property Provision. Guarantor is a married individual residing in California. Guarantor acknowledges that this Guaranty is with recourse against the separate property and assets of such individual and against the marital community property and assets of such individual and his or her spouse.

The parties executing this Guaranty intend to create an instrument executed under seal.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, Guarantor has signed and delivered this Guaranty as of the date first written above, under seal (where applicable). Where Applicable Law so provides, Guarantor intends that this Guaranty shall be deemed to be signed and delivered as a sealed instrument.

GUARANTOR:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (SEAL)

KUN LIU

Address for Notices to Guarantor:

2151 OAKLAND RD, SPC 567

SAN JOSE, CA 95131

Guarantor represents and warrants that Guarantor is:

[\_\_\_\_] single  
[X] married  
[\_\_\_\_] an entity

Guarantor represents and warrants that Guarantor is a resident of California.

**ARBITRATION AGREEMENT**

**PROPERTY ADDRESS: 37 Country Club Drive, Hayward, CA 94542**

*MUTUAL AGREEMENT TO ARBITRATE DISPUTES:* Borrower has or will obtain a mortgage loan (the “Loan”) made or arranged by YOULAND INC., a California corporation (the “Lender”). Borrower and Lender agree that any Dispute involving the Loan, including, but not limited to claims arising from the origination, documentation, disclosure, servicing, collection or any other aspect of the Loan transaction or the coverage or enforceability of this Agreement, shall be resolved exclusively by binding arbitration under the terms of this Agreement. This Agreement shall also be binding on the agents, successors and assigns of the parties and the Loan.

“Dispute” shall include, but not be limited, to:

1. Any claimed wrongdoing, such as misrepresentation, negligence, breach of contract, breach of fiduciary duty, unconscionability, fraud in the inducement, rescission, breach of the covenant of good faith and fair dealing and unfair business practices.

2. Any claimed violation of state or federal laws, including, but not limited to consumer credit, truth-in-lending, civil rights, equal opportunity, real estate settlement, housing discrimination laws, fair lending acts, licensing, loan regulation and unfair business practices acts.

“Dispute” shall not include:

1. Actions by the Lender to judicially or non-judicially foreclose upon or otherwise enforce the note, security instrument or guaranty for the Loan, to enjoin waste, to collect rents, interpleader actions or actions for a receiver, to recover possession, ejectment or relief from the automatic stay in bankruptcy, to obtain relief through governmental agencies or for a deficiency judgment following non-judicial foreclosure.

2. Actions for provisional remedies such as a temporary restraining order or preliminary injunction or for a permanent injunction based upon an arbitration award.

*ARBITRATION OF DISPUTES:* Arbitration shall be conducted under the rules of the American Arbitration Association (“AAA”). Arbitration shall be filed at the office of the AAA nearest to the Company’s principal office. Each party shall bear their own attorney’s fees and arbitration costs. Judgment on the award may be entered in any court of competent jurisdiction.

***WAIVERS****:*

THE PARTIES HEREBY FREELY WAIVE THE RIGHT TO TRIAL BY JUDGE OR JURY, THE RIGHT TO APPEAL, PRETRIAL DISCOVERY AND APPLICATION OF THE RULES OF EVIDENCE.

**We have read, fully understand and agree to the above as of September 17, 2022:**

|  |  |
| --- | --- |
| **BORROWER:**  KUN LIU LLC, a California limited liability company  By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Name: Kun Liu Title: Manager |  |

|  |  |
| --- | --- |
| **LENDER:**  YOULAND INC.,  a California corporation  By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Name: Lin Jia  Title: CEO |  |

**CERTIFICATE OF BUSINESS AND COMMERCIAL PURPOSE OF LOANS**

Borrower certifies to YOULAND INC., a California corporation, and its successors and assigns (''Lender'') as follows:

1. I have applied to Lender, directly or through a real estate broker, for a loan of $1,125,000.00 (the “Loan”) secured by the following real property:

37 Country Club Drive, Hayward, CA 94542

2. Lender has stressed to me the importance of knowing the primary purpose of the Loan. I know that the legal responsibilities of Lender vary considerably depending upon whether the Loan is a consumer loan (for personal, household or family purposes), or a business and/or commercial loan.

3. I have represented to Lender and again represent to Lender that all of the purposes of the Loan, exclusive of commissions and loan expenses incurred to obtain the Loan, are to fund real property I or an affiliate will own for investment and business and/or commercial purposes and without any intention of ever occupying such property. No Property is used or will be used as a residence or second home of any direct or indirect holder of equity interests in Borrower or any family member (ancestors, spouse, or lineal descendants) thereof and the Property is an investment to be held for future appreciation.

4. No part of the Loan proceeds are intended to be used or will be used for a nonbusiness (i.e., consumer) purpose except (if none, so indicate):

N/A

The lender, broker, assignees and successors of the Lender may rely upon this Certificate. I declare under penalty of perjury under the laws of California that the foregoing Certificate is true and correct as of September 17, 2022.

|  |  |
| --- | --- |
| **BORROWER:**  KUN LIU LLC, a California limited liability company  By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Name: Kun Liu Title: Manager |  |

**CERTIFICATION OF BORROWER IDENTITY VERIFICATION**

(To be completed by Notary)

I, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, hereby certify to YOULAND INC., a California corporation, and its successors and assigns (''Lender'') that Kun Liu, an individual, who is identified as either the Borrower(s) under the loan documents or the manager or other authorized agent of the entity identified as borrower under the loan documents (''Borrower'') personally appeared before me when executing the documents associated with this loan. I hereby certify that I reviewed a photo identification in the form of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (a copy of which is attached hereto) in order to positively identify that the person appearing before me was in fact the person listed in the loan documents.

Notary Signature Date

Property Address: 37 Country Club Drive, Hayward, CA 94542



**ALL NOTARIES MUST COMPLETE THIS FORM.**

**THIS IS NOT AN ACKNOWLEDGEMENT.**

**COMPLIANCE AGREEMENT**

|  |  |
| --- | --- |
| **BORROWER:** | KUN LIU LLC, a California limited liability company |
| **LENDER:** | YOULAND INC., a California corporation |
| **PROPERTY ADDRESS:** | 37 Country Club Drive, Hayward, CA 94542 |
| **DATE:** | September 17, 2022 |

The undersigned Borrower for and in consideration of the above referenced Loan agrees, if requested by Lender, its successors and/or assigns or Closing Agent for Lender, to fully cooperate and adjust for errors or omissions, on any or all loan closing documentation if deemed necessary or desirable in the reasonable discretion of Lender, or to re-execute any and all loan closing documentation that has been lost or misplaced.

The undersigned Borrower do hereby so agree and covenant in order to assure that this loan documentation executed this date will conform and be acceptable in the marketplace in the instance of transfer, sale or conveyance by Lender of its interest in and to said loan documentation.

If the undersigned Borrower fails, after 15 days following Lender's request, to execute said documents correcting errors or omissions or replacing lost loan closing documentation or Borrower fails to cooperate with Lender's request, Lender may: (a) institute any action or proceeding against the borrower relating to the provisions herein and modifying or reforming the closing documents as described herein or (b) declare the Loan in default and proceed to collection, foreclosure, and pursue any other remedies available at law or equity. In either event, Lender shall be entitled to recover from the Borrower its reasonable costs, expenses and attorneys’ fees.

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| **BORROWER:**  KUN LIU LLC, a California limited liability company  By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Name: Kun Liu Title: Manager |  |

**DECLARATION OF NON-OWNER OCCUPANCY**

Borrower certifies to YOULAND INC., a California corporation, and its successors and assigns (''Lender'') as follows:

1. I have applied to originator for a loan in the amount of $1,125,000.00 (the ''Loan''), secured by the real property located at:

37 Country Club Drive, Hayward, CA 94542 (the ''Property'')

2. Lender has stressed to me the importance of knowing that the Property is not my primary residence. I understand that Lender would not make this Loan if the following statements were incorrect.

3. My true and only principal residence is located at: Kun Liu - 2151 OAKLAND RD, SPC 567, SAN JOSE, CA 95131

4. The Property is NOT my principal address.

5. The Property will not be my principal address during the term of the Loan.

6. I have no intention of ever making the Property my principal residence.

I declare under penalty of perjury under the laws of California that the foregoing statements are true and correct as of September 17, 2022.

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| **BORROWER:**  KUN LIU LLC, a California limited liability company  By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Name: Kun Liu Title: Manager |  |

**NOTICE OF RIGHT TO RECEIVE APPRAISAL**

**PROPERTY ADDRESS: 37 Country Club Drive, Hayward, CA 94542**

We may order an appraisal or other document to determine the property's value and charge you for this appraisal. We will promptly give you a copy of any appraisal, even if your loan does not close. You can pay for an additional appraisal for your own use at your own cost. **You are entitled to receive and review a copy of any report concerning valuation that we obtain on your behalf, concerning your subject property, at least three (3) business days prior to the closing of your loan.**

**To avoid the possible postponement of your loan closing date due to delays in the delivery of your appraisal report(s) you may waive your right to receive and review a copy of your appraisal report(s) prior to the appraisal delivery deadline by signing and returning the waiver provision below.** Please note that by signing the waiver below, you do not relinquish your right to receive a copy of your appraisal report(s), you will still receive a copy of any report at or prior to closing.

**WAIVER/NON-WAIVER OF DELIVERY DEADLINE**

☐ I/we the undersigned hereby acknowledge that I/we choose to receive a copy of any and all appraisal reports concerning the property listed above, no less than three business days prior to the closing of my/our loan. I/we choose NOT to waive said deadline. I/we understand that closing may be delayed in order to accommodate this delivery.

☐ I/we hereby acknowledge that I/we wish to waive the requirement to receive a copy of any appraisal report concerning the property listed above no less than three business days prior to the closing of my/our loan. I/we are waiving the requirement of receipt at least three days prior to the closing of the loan. I/we understand that by selecting this option I/we will still receive a copy of any appraisal report before or at the time of closing.

Dated: September 17, 2022

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| **BORROWER:**  KUN LIU LLC, a California limited liability company  By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Name: Kun Liu Title: Manager |  |

**CALIFORNIA HAZARD INSURANCE DISCLOSURE**

Pursuant to Cal. Civ. Code § 2955.5, we are writing to inform you of the following:

A lender may not require a borrower, as a condition of receiving or maintaining a loan secured by real property, to provide hazard insurance coverage against risks to the improvements on that real property in an amount exceeding the replacement value of the improvements on the property.

I/We acknowledge receipt of this disclosure prior to the execution of any note or security documents:

Dated: September 17, 2022

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| **BORROWER:**  KUN LIU LLC, a California limited liability company  By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Name: Kun Liu Title: Manager |  |

**CALIFORNIA VOLUNTARY INSURANCE DISCLOSURE**

Lender is required by Cal. Ins. Code § 770 and 772 to inform you of the following:

The lender may not require, as an extension of the loan, that the borrower obtain property insurance through a particular insurance agent or broker.

The borrower hereby declares that the borrower voluntarily chooses the insurance agent or broker through whom the insurance or its renewal is transacted, and that the choice of such insurance agent, or broker was not made a condition precedent to such purchase, loan, extension, renewal. The borrower chooses the following insurance agent or broker for insurance or its renewals:

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

Name of Insurance Agent or Broker

Dated: September 17, 2022

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| **BORROWER:**  KUN LIU LLC, a California limited liability company  By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Name: Kun Liu Title: Manager |  |

**CALIFORNIA PER DIEM INTEREST DISCLOSURE**

**Borrower:** KUN LIU LLC, a California limited liability company

**Property:** 37 Country Club Drive, Hayward, CA 94542

In this disclosure, the terms "I", "me" and "my" mean the above-named borrower(s), and the terms "you" and "your" mean the Lender.

I understand and acknowledge that pursuant to applicable California law:

1. You may not commence to accrue, and I will not be required to pay, per diem interest on my loan on a day that is more than one (1) day prior to the date that the loan proceeds are disbursed from escrow. (the "Security Instrument")

2. Notwithstanding the foregoing, I may affirmatively request that you arrange for my funds to be disbursed on a Monday or on a day immediately following a bank holiday.

3. If you agree to my request to arrange for my funds to be disbursed on a Monday or on a day immediately following a bank holiday:

a. Per diem interest will commence to accrue on the business day immediately preceding the day of disbursement;

b. This may result in additional per diem interest charges that I will be required to pay; and

c. You must disclose to me in writing (i) the amount of additional per diem interest charge to accommodate disbursement on a Monday or on a day immediately following a bank holiday, and (ii) that it may be possible to avoid the additional per diem charge by disbursing my loan proceeds on a day immediately following a business day.

My choice is indicated below:

(\_\_\_) Please arrange for the recording of the Security Instrument on a day immediately following a business day.

(\_\_\_) Please arrange for my funds to be disbursed on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, a date that is either a Monday or a day immediately following a bank holiday. I understand that in order to accommodate disbursing my funds on that date, I will be charged, and I agree to pay, additional per diem interest for \_\_\_\_\_ days at $216.49 per day, for a total additional per diem interest charge of $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. I also understand that it may be possible to avoid this additional per diem interest charge by disbursing my loan proceeds on a day immediately following a business day.

[SIGNATURE PAGE FOLLOWS]

By signing below, I acknowledge that I have received and read this disclosure. This disclosure is neither a contract nor a commitment to lend.

Dated: September 17, 2022

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| **BORROWER:**  KUN LIU LLC, a California limited liability company  By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Name: Kun Liu Title: Manager |  |

**ACKNOWLEDGMENT OF REVIEW OF LOAN DOCUMENTS**

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| **BORROWER:** | KUN LIU LLC, a California limited liability company |
| **LENDER:** | YOULAND INC., a California corporation |
| **PROPERTY ADDRESS:** | 37 Country Club Drive, Hayward, CA 94542 |
| **DATE:** | September 17, 2022 |

The undersigned Borrower confirms and acknowledges to YOULAND INC., a California corporation, and its successors and assigns (“Lender”) as follows:

1. I have reviewed the terms and provisions of the Note, Security Instrument and all other documents delivered in connection with the Loan (collectively, the “Loan Documents”), and have made such reasonable inquiries as I have deemed necessary to confirm that there are no errors in the Loan Documents and that I agree to all the terms and conditions of such Loan Documents.
2. Lender has not made any representation or warranty to me that the Loan Documents have been accurately completed nor are free from error.
3. In the event I discover any errors in the Loan Documents, I shall promptly notify Lender and shall fully cooperate in a timely manner to correct such errors, if such corrections are deemed necessary in the Lender’s sole and absolute discretion, whether requested before or after either signing or closing.
4. My use of the Loan Documents provided by Lender does not constitute legal services, and Lender is not, and does not represent to be, a legal services entity.
5. I have had a full and fair opportunity to consult with legal counsel of my own choosing in the relevant jurisdiction before executing the Loan Documents.
6. Except as otherwise set forth in the Loan Documents, the Loan Documents are provided “as is” with no warranty of any kind, either express or implied, including but not limited to the implied warranties of merchantability, fitness for a particular purpose, and non-infringement.

**By signing below, I have read, fully understand and agree to the above Acknowledgment of Review of Loan Documents:**

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| **BORROWER:**  KUN LIU LLC, a California limited liability company  By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Name: Kun Liu Title: Manager |  |

**AUTOMATED PAYMENTS (ACH) - CUSTOMER AUTHORIZATION**

**NOTE: This service is only available for (i) newly originated loans or (ii) pre-maturity, current and performing loans. This service may not be activated unless this form is fully completed and timely submitted.**

Your monthly payment can be automatically deducted from your checking or savings account on the same day each month using the Federal Banking System’s ACH program. Simply complete the information below and return by email to richard@youland.com or by mail to YOULAND INC., a California corporation ISAOA/ATIMA at 236 Kingfisher Ave., Alameda, CA 94501.

**Borrower Contact Information**

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| Name: | Kun Liu LLC | E-mail: | amyliu943@yahoo.com |
| Address: | 2151 OAKLAND RD, SPC 567, SAN JOSE, CA 95131 | Phone:  Property Address: | 4088582818  37 Country Club Drive, Hayward, CA 94542 |

**Bank Account Information**

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| Bank Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Branch Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Account Holder Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Routing Number: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Account Number: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Account Type (Checking or Savings): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

**PLEASE ATTACH A VOIDED CHECK OR A LETTER ON BANK LETTERHEAD INDICATING YOUR BANK ACCOUNT NUMBER AND BANK’S ABA NUMBER.**

I/We hereby authorize a monthly ACH electronic debit from the account designated above to be paid to Lender, and its successors, assigns and/or servicers, in payment of my/our monthly loan obligation, not to exceed the amount agreed to by me/us below. Provided however, if the required scheduled loan payment changes for any account related reason, including but not limited to change in principal balance, interest rate, or in required escrow/impounds, I/we authorize the debit amount to be adjusted accordingly. The amount due on my/our payment statement will notify me/us of changes in the amount to be debited from my/our account. I/We acknowledge that this authorization is transferrable to Lender’s successors, assigns and/or servicers.

In the event the Lender makes an assignment of the note to a new holder of the note, the new holder and its servicer are authorized, in the same manner as the Lender, to initiate a debit entry, or credit to my/our account at my/our bank.

I/We acknowledge that to be eligible for automated payments, my/our loan must be current and performing. If my/our loan is delinquent, automated payments will not begin or resume until my/our loan is brought current.

I/We understand that should my/our bank dishonor my/our automated payment for insufficient or uncollected funds, the original amount, plus an additional non-sufficient funds (NSF) fee, as allowed by law, may be electronically debited from my/our account. Lender, its successors, assigns and/or servicers may represent such dishonored payment to my/our bank up to 2 times (NSF fees apply).

I/We authorize Lender, and its successors, assigns and/or servicers, to debit my/our account consistent with the authorization until such time as I/we provide 10 days written notice to Lender, its successors, assigns and/or servicers, of withdrawal of this authorization.

I/We am/are aware that in the event the ACH transfer fails for any reason, that I/we shall remain responsible for making the contractual payment(s) in a timely manner. It is further understood that Lender, and its successors, assigns, and/or servicers, shall not be liable for any damages or losses resulting from the failure of any ACH transfer.

I/We acknowledge that Lender, its successors, assigns and/or servicers may not process automated payments after the maturity date of my/our loan, unless the maturity date is extended and maintained by my/our Lender.

**NOTE:** The electronic **debit date** **cannot be changed less than 10 days** prior to the next scheduled debit date. Debit date change requests must be submitted in writing. BALLOON MATURITY PAYMENTS CANNOT BE PROCESSED BY ACH AND MUST BE MADE SEPARATELY.

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| **Signature** |  | **Date** |  | **Signature** |  | **Date** | |
| **Agreed Upon Amount and Terms**  My/our account will be debited on the \_\_\_ day of each month, or the next business day if debit date falls on a weekend or holiday, starting on the first such day following the November 1, 2022 payment and until the loan matures. Monthly payment amount to be debited: $6,494.79. Balloon maturity payments will **not** be debited pursuant to this service. I/We hereby confirm receipt of a copy of this Authorization for my/our records. | | | | | | |