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, a married woman (“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 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. Loan Agreement
3. Security Instrument
4. Arbitration Agreement
5. Certificate of Business and Commercial Purpose of Loan
6. Certification of Borrower Identity Verification (Kun Liu)
7. Compliance Agreement
8. Declaration of Non-Owner Occupancy (Kun Liu)
9. Notice of Right to Receive Appraisal
10. California Hazard Insurance Disclosure
11. California Voluntary Insurance Disclosure
12. California Per Diem Interest Disclosure
13. 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 | $226.56 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 | $0.00 | Held back by Lender |

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

**NOTE**

$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, a married woman. 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 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 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 placed in escrow. I will pay interest on the full amount of the 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). For the avoidance of doubt, I understand that interest will accrue on the entire principal balance of the Loan, including portions of the Loan not yet advanced by Lender. The foregoing interest accrual method is commonly known as “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 monthly interest payment (“Monthly Interest Payment”) will be in the amount of U.S. $6,796.88.

**(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 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 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:**    \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Seal) KUN LIU |  |

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

Borrower’s Initials: \_\_\_\_\_\_\_\_

**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 Loan Agreement (this “Agreement”) and/or the corresponding Loan Documents (as hereinafter defined) are defined below.

(A) “**Borrower**” is KUN LIU, a married woman. 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 Loan 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 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**”).

(J) **“Property”** means the real property described in Exhibit A of the Security Instrument(s), and includes any improvements thereon.

AGREEMENT

This is a 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):

[] A. 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] B. 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.

1. **Intentionally Omitted**.
2. **Application of Payment**. We will determine the method of applying your payments and credits to the loans in your Account.
3. **Security**.All of your loans will be secured by security instruments on your real property collateral and improvements, as evidenced by deeds of trust (the “Security Instrument(s)”). Each 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.
4. **Transfer of Account**. You cannot transfer or assign your Account to any other person.
5. **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.
6. **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.
7. **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.
8. **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.
9. **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.

1. **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. Borrower shall pay and advance lender’s 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.
2. **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 paragraph 11. 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.
3. **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.
4. **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 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.
5. **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.
6. **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.
7. **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 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.

1. **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.
2. **Choice of Law**. California law shall govern this Agreement, all promissory notes you give us, all security instruments you give us, all guarantees you provide to us and all other agreements between us as well as all aspects of our business relationship.
3. **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.
4. **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.
5. **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.
6. **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.
7. **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.

[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:**    \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Seal) KUN LIU |  |

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

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)

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

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

DEFINITIONS

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

(A) “**Borrower**” is KUN LIU, a married woman, whose address is 2151 OAKLAND RD, SPC 567, SAN JOSE, CA 95131. Borrower is the trustor under this 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, plus interest, any prepayment charges and late charges due under the Note, and all sums due under the Security Instrument(s).

(D) **“Loan Agreement”** means that certain 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, Note, 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 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.

**This Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing** (the ''**Security Instrument**'') made September 17, 2022, among KUN LIU, a married woman (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, 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 (collectively, the “Property”). **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 the 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.

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. Borrower further agrees that Borrower will observe and perform said provisions; and that the reference to the Property, obligations, and parties in said provisions shall be construed to refer to the Property, obligations and parties set forth in this Security Instrument.
2. 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.
3. 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 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.
4. 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 attorneys’ 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.
5. 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.
6. 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 and association dues; assessments on appurtenant water stock; 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.

1. 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.
2. 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.
3. 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.
4. 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.
5. 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).
6. 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 attorneys’ fees, upon the 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.
7. 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 as hereinafter defined, may purchase at such sale.

1. 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.
2. 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.
3. 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.
4. 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 in an amount equal to the replacement cost of the Property is required if the collateral is located in a flood zone. At least 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.
5. 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 the Property, 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.
6. 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.
7. 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 three (3) 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.
8. 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 N/A, and the Borrower is organized under the laws of N/A. 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.
9. 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.
10. 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.
11. 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.
12. 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.
13. **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 INSTRUMENTOR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. THE BORROWER ACKNOWLEDGES THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.**
14. Indemnity. The Borrower agrees to indemnify Lender, 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.

[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.

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|  | **BORROWER:**    \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Seal) KUN LIU |

**ACKNOWLEDGMENT**

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| 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.

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| 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 23.1** 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 23.2** Choice of Law. California law shall exclusively govern the enforcement and interpretation of this Security Instrument.

**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:**

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| **BORROWER:**    \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Seal) KUN LIU |  |

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| **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.

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| **BORROWER:**    \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Seal) KUN LIU |  |

**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**

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| **BORROWER:** | KUN LIU, a married woman |
| **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:**    \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Seal) KUN LIU |  |

**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: 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:**    \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Seal) KUN LIU |  |

**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:**    \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Seal) KUN LIU |  |

**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:**    \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Seal) KUN LIU |  |

**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:**    \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Seal) KUN LIU |  |

**CALIFORNIA PER DIEM INTEREST DISCLOSURE**

**Borrower:** KUN LIU, a married woman

**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 $226.56 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:**    \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Seal) KUN LIU |  |

**ACKNOWLEDGMENT OF REVIEW OF LOAN DOCUMENTS**

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| **BORROWER:** | KUN LIU, a married woman |
| **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:**

|  |  |
| --- | --- |
| **BORROWER:**    \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Seal) KUN LIU |  |

**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**

|  |  |  |  |
| --- | --- | --- | --- |
| Name: | Kun Liu | 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**

|  |
| --- |
| 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.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  | |
| **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: $6,796.88. 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. | | | | | | |