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Edward F. Niderost, Individually and as Trustee of the
Edward F. Niderost Revocable Living Trust Dated November 8, 1998

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Superior Court of California
County of Butte
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SUPERIOR COURT OF CALIFORNIA,

COUNTY OF BUTTE

WAYNE A. COOK, TRUSTEE OF THE WAYNE A. COOK 1998 FAMILY TRUST DATED 12/29/98,

Plaintiff,

v.

EDWARD F. NIDEROST, INDIVIDUALLY AND AS TRUSTEE OF THE EDWARD F. NIDEROST REVOCABLE LIVING TRUST DATED NOVEMBER 8, 1998, DOES 1 THROUGH 10,

Defendants.

EDWARD F. NIDEROST, INDIVIDUALLY AND AS TRUSTEE OF THE EDWARD F. NIDEROST REVOCABLE LIVING TRUST DATED NOVEMBER 8, 1998,

Cross-Complainant,

v.

WAYNE A. COOK, INDIVIDUALLY AND AS TRUSTEE OF THE WAYNE A. COOK 1998 FAMILY TRUST DATED 12/29/98; LAWRENCE PATTERSON; GENE CULLEY, MID VALLEY TITLE AND ESCROW COMPANY and ROES 1 through 25, inclusive,

Cross-Defendants.

CASE NO. 20CV00905

CROSS-COMPLAINT FOR ELDER ABUSE, COMMON COUNT, CIVIL CONSPIRACY FOR FRAUD, INVOLUNTARY TRUST, FRAUD, DECLARATORY AND INJUNCTIVE RELIEF, BREACH OF FIDUCIARY DUTY, UNCONSCIONABILITY, PREDATORY LENDING [BUSINESS & PROFESSION CODE §§17200, et. seq.], CANCELLATION OF INSTRUMENTS, AND BREACH OF THE COVENANT OF GOOD FAITH AND FAIR DEALING.

Defendant and Cross-Complainant Edward F. Niderost ("Cross-Complainant"), individually and as Trustee of the Edward F. Niderost Revocable Living Trust Dated November 8, 1998, alleges as follows:

1. Cross-Complainant is an individual who resides within the State of California, County of Butte. Further, the place of administration of the Edward F. Niderost Revocable Living Trust Dated November 8, 1998, of which Cross-Complainant is the trustee, is Butte County, California.

2. Cross-Complainant turned 83 in the month of May 2020. Cross-Complainant suffers from an unknown cognitive disorder or condition and is incapable of managing his own affairs and assets. During the times referenced herein, Cross-Complainant was and still is married to Yolanda Niderost ("Mrs. Niderost"). From December 2019 through April of 2020, Mrs. Niderost was in her country of origin, Chile, and unable to return to the United States due to COVID-19 travel bans. Mrs. Niderost speaks English as a second language. Cross-Complaint, during the times referenced herein, was and is vulnerable to being taken advantage of.

3. Cross-Complainant's assets are subject to a conservatorship, with the appointed conservator being John Denton ("Conservator"). At all times relevant hereto, Conservator was a resident of the State of California, County of Butte.

4. The Conservator brings this suit on behalf and in the name of Cross-Complainant, who is the real party in interest.

5. Cross-Defendant Wayne A. Cook ("Mr. Cook"), individually and as trustee of the Wayne A. Cook 1998 Family Trust Dated 12/29/98, at all times referred to herein resided in Butte County, California. Mr. Cook is a sophisticated real estate developer and investor. By and through his trust and the entities controlled by him, he owns several commercial structures, including college rentals and the Hotel Diamond located in Chico, California.

6. Mr. Cook was the owner of real property known as 2185 Esplanade, Chico, Butte County, California (APN 006-120-003-000), hereinafter referred to as the "Miller Mansion."

7. Cross-Defendant Lawrence Patterson ("Mr. Patterson") is an individual who owns

real property, known as 14174 Racine Circle, Magalia, California, which is located within Butte County, California. At all times herein, Cross-Complainant is informed and believes that Mr. Patterson resided in Butte County, California.

8. Cross-Defendant Gene Culley ("Mr. Culley") is an individual who at all times referred to herein resided in Butte County, California.

9. Cross-Complainant hereby asserts that Defendant Mid Valley Title and Escrow Company ("Mid Valley") is a California corporation having a principal place of business located at 601 Main Street, Chico, California, 95926 and an agent designated for service of process in California as Jennifer L. Mackall at the with same address.

10. Mr. Cook, Mr. Patterson, and Mr. Culley are sometimes hereinafter collectively referred to as "Cross-Defendants."

11. Cross-Complainant does not know the true names of Cross-Defendant ROES 1-25, inclusive, sued herein and, therefore, sues such Cross- Defendants by those fictitious names.

12. Cross-Complainant is informed and believes, and on that basis alleges, that at all times mentioned herein, Cross-Defendants were the agents and/or employees of their co-defendants and, in doing the things alleged in this Complaint, were acting within the course and scope of such agency and/or employment.

13. During Mrs. Niderost's absence, Mr. Culley befriended Cross-Complainant who was, during Mrs. Niderost's absence, living alone. Up to approximately January of 2020, Cross-Complainant had no relationship with Mr. Culley and had never met him. Mr. Culley, on his own accord, started providing "caretaking" services to Cross-Complaint and learned the details of Cross-Complainant's finances.

14. During Mrs. Niderost's absence, Cross-Complainant's cellular phone and land-line ceased to operate. Additionally, during Mrs. Niderost's absence, Cross-Complainant developed a bladder infection which was not immediately treated. This occurred during the period that Mr. Culley was providing caretaking services. It was discovered that Cross-Complainant's landline had been tampered with during the period of time that Mr. Culley was providing caretaking services.

15. Cross-Complainant lives in a frugal manner, reinvesting any money that has been paid to him through his investments and historically keeping ample savings. In 2018, Cross-Complaint's and Mrs. Niderost's joint gross income was less than $30,000. For 2017, their total gross income was less than $85,000.

16. During all times pertinent for purposes of this Cross-Complaint, Mr. Culley represented that he was the personal assistant of Cross-Complainant and, as such, asserted that he had authority to act on behalf of Cross-Complainant. Mr. Culley thus held a position of trust and confidence with Cross-Complainant, an elderly victim. In particular, Mr. Culley assisted with Cross-Complainant's real estate transactions with Mr. Patterson and Mr. Cook as further described herein and, after Cross-Complainant's purchase of the Miller Mansion, Mr. Culley took possession thereof, has resided therein since approximately close of escrow, and has received rents from third persons for their tenancy at the Miller Mansion, without paying such rents to Cross-Complainant. At no time has Mr. Culley provided an accounting to Cross-Complainant or his Conservator or the Successor Trustee of the Edward F. Niderost Revocable Trust. In addition, Mr. Culley has admitted that he did not have a written contract with Cross-Complainant for caretaking services, nor did he have a written rental agreement with Cross-Complainant for the Miller Mansion.

17. On or about February 1, 2020, Mr. Patterson, with Mr. Culley's assistance, induced Cross-Complainant to pay him the sum of $232,000, purporting to sell real property known as 14174 Racine Court, Magalia, CA 95954 ("Real Property"), a 2011 Toyota truck ("Truck") and a 2011 Fleetwood Southwind, VIN: 1F66F5DY1B0A03212 ("RV") to Cross-Complainant.

18. Cross-Complainant did not sign any written agreement to purchase the Real Property or any other items from Mr. Patterson.

19. Mr. Patterson claimed that the Real Property was valued at $170,000, the Truck was valued at $5,000 and the RV was valued at $57,000.

20. The Real Property does not have a fair market value of $170,000 and is likely only worth $120,000. The Truck is worth approximately $1,500. The RV is worth approximately $40,000. In short, Mr. Patterson received the sum of $232,000, purporting to transfer the items

specified above, which are valued at approximately $161,500.

21. Mr. Patterson and Mr. Culley had knowledge of the actual value of the Real Property, Truck and RV prior to the transaction.

22. Title to Real Property has not been transferred to Cross-Complainant.

23. Attached hereto and incorporated herein by reference as Exhibit "A," are true and correct documents which purport to be "Bills of Sale," signed only by Mr. Patterson.

24. Mr. Patterson failed to provide any disclosures provided by law for the transfer of the real property including a real estate transfer disclosure (TDS) as required by Civil Code Section 11002 or any natural hazards report.

25. Despite receiving a demand for rescission and for return of the funds received, Mr. Patterson has failed and refused to return any of the funds received by him to Cross-Complainant.

26. On or about February 13, 2020, Mr. Cook, with the assistance of Mr. Culley, induced Cross-Complainant to purchase the Miller Mansion for the sum of $1,500,000. Mr. Cook purchased the Miller Mansion one year prior, for the sum of $825,000. In approximately July of 2019, Mr. Cook listed the Miller Mansion for sale with Bill Chance, a local real estate broker and agent for the sum of $1,550,000.

27. The Miller Mansion was not worth $1,500,000 at the time of sale, a fact known to Mr. Cook and Mr. Culley.

28. The sale of the Miller Mansion was originally structured, pursuant to the Real Estate Purchase Agreement dated February 12, 2020, with Cross-Complainant providing cash in the sum of $1,000,000 and obtaining a first loan for the sum of $500,000. At the time of the offer, Cross-Complainant did not have access to $1,000,000 in cash, and was not capable of making payments on a loan in the amount of $500,000 based on his income.

29. When the transaction finally closed, only one week after the execution of the Real Estate Purchase Agreement and on February 20, 2020, Cross-Complainant had emptied his savings accounts and withdrew funds from an equity line of credit secured by Cross-Complainant's residence and put the approximate sum of $332,000 down. Mr. Culley and Mr. Cook structured

the financing for the Miller Mansion by obtaining a loan from Dr. Matthew N. Fine (via a 401K plan), an individual that was not previously known to Cross-Complainant, in the amount of $500,00 (referred to generally as the "Dr. Fine Loan" or "Dr. Fine Note.") A second loan was also issued, from Mr. Cook, in the amount of $674,000. Both loans were secured by Deeds of Trust on the Miller Mansion. Escrow closed only seven days after the execution of the Real Estate Purchase Agreement, despite the fact that Cross-Complainant, as buyer, had 21 days to close escrow. The sale was not made contingent upon any written appraisal (which is contrary to custom in the industry), was not subject to any loan contingency, and Cross-Complainant was provided only one day, after acceptance of the offer, to do any and all inspections, investigations, review any disclosures, reports or other materials. The Real Estate Purchase Agreement also provided for liquidated damages in the amount of $50,000 in the event that Cross-Complainant did not close escrow for any reason. Bill Chance represented both parties as broker and agent.

30. In other words, Cross-Complainant, a then - 82 year old man, alone and without his spouse, was talked into, encouraged and induced to purchase the Miller Mansion, a home originally built in the 1870's which was partially burned and then rebuilt in 1957, consisting of approximately 4,000 square feet on three acres with only one day to conduct any and all inspections

31. Both loans for the Miller Mansion provide that if any amount on the Promissory Notes were not paid when due, that the remaining principal and accrued interest should immediately become due and payable. Both Deeds of Trust contain due on sale clauses, an assignment of rents, and authorize the beneficiary of those Deeds of Trust to commence non-judicial foreclosure proceedings.

32. Attached hereto and incorporated herein by reference as Exhibit "B" through "H" are true and correct copies of the Real Estate Purchase Agreement dated February 13, 2020, Addendum "A" to the Real Estate Purchase Agreement dated February 13, 2020, Seller Financing Addendum dated February 14, 2020, Promissory Notes and Deeds of Trusts by and between Cross-Complainant and Mr. Cook and Dr. Fine.

33. Cross-Complainant was unable to make the first loan payment on either Promissory Note. As a result, on April 3, 2020, two Notices of Default were recorded in the Butte County Recorder's Office as document numbers 2020-014314 and 2020-014315 by Mid Valley at the request of Mr. Cook and Dr. Fine. True and correct copies of these Notices are attached hereto and incorporated herein by reference as Exhibits "I" and "J", respectively.

34. On or about March 31, 2020, Mr. Cook purchased the Dr. Fine Note and the Dr. Fine Deed of Trust was assigned to him. Due to the fact that Mr. Cook was the seller of the Miller Mansion, he was unable, pursuant to his Promissory Note and Deed of Trust to commence a judicial foreclosure subject to the anti-deficiency statutes of the State of California. Assuming that Cross-Complainant did not reside in the Miller Mansion, Dr. Fine, on the other hand, could attempt to judicially foreclose on the Miller Mansion due to non-payment and potentially obtain a deficiency judgment against Cross-Complainant. After the Trustee's Sale (either via judicial or non-judicial foreclosure), on the Dr. Fine Note and Deed of Trust, Mr. Cook would then have the ability to attempt to recover the funds allegedly due him as a 'sold out junior'. Mr. Cooks admits this fact in ¶6, lines 6-7, of his Complaint. The foregoing description of the effect of the two notes and deeds of trust, as well as the assignment of rents and the legal remedies are hereinafter referred to as the "Financing Scheme".

35. Cross-Complainant, through the Conservator, has requested that Mr. Patterson return the funds obtained by Mr. Patterson from Cross-Complainant, acknowledging that Cross-Complainant will not claim any right, title or interest in the undefined Real Property, Truck or RV. Mr. Patterson has failed and refused to honor Conservator's demand. Likewise, despite demand by the Conservator, Mr. Cook has refused to rescind the sale of the Miller Mansion to Cross-Complainant.

FIRST CAUSE OF ACTION
ELDER ABUSE
CALIFORNIA WELFARE & INSTITUTIONS CODE §§ 15610.30, 15657.5 & 15657.6
(AGAINST CROSS-DEFENDANTS COOK, PATTERSON & CULLEY)

36. Cross-Complainant incorporates herein by reference paragraphs 1-35 as if set forth

fully herein.

37. Cross-Defendants, and each of them, wrongfully obtained and misappropriated Cross-Complainant's real and personal property as set forth hereinabove.

38. At the time that Cross-Complainant's real and personal property was wrongfully obtained and misappropriated by Cross-Defendants and each of them, Cross-Complainant was older than 65 years of age.

39. Cross-Defendants, and each of them, wrongfully obtained and misappropriated Cross-Complainant's real and personal property through undue influence and/or with the intent to defraud, although it is notable that California law no longer requires bad faith or intent to defraud in elder abuse cases. As a result of the Cross-Defendants' financial elder abuse, as defined by California Welfare & Institutions Code § 15610.30, Cross-Complainant was harmed in an amount according to proof.

40. The conduct of Cross-Defendants, and each of them, was a substantial factor in causing financial harm to Cross-Complainant. On this subject, it is further notable that, as to Mr, Culley, assisting another in an act of elder abuse suffices to create liability under California law. Cross-Defendants, and each of them, knew or should have known that their wrongful conduct and misappropriation of Cross-Complainant's real and personal property was likely to be harmful to Cross-Complainant.

41. Cross-Complainant is entitled to the remedies afforded by California Welfare & Institution Codes §§ 15657.5 and 15657.6 as a result of the Cross-Defendants' misconduct.

WHEREFORE, Cross-Complainant prays for judgment against Cross-Defendants as set forth hereinbelow.

<u>SECOND CAUSE OF ACTION</u>
COMMON COUNT
(AGAINST CROSS-DEFENDANT PATTERSON)

42. Cross-Complainant incorporates herein by reference paragraphs 1-41 set forth hereinabove as if set forth fully herein

43. Cross-Complainant herein alleges that Mr. Patterson has become indebted to Cross-Complainant within the last two years for money had and received by Mr. Patterson for his use and benefit and for money lent by Cross-Complainant to Mr. Patterson at Mr. Patterson's request and for money paid, laid out, and expended to or for him at his special instance and request.

44. The amount $232,000, which is the reasonable value, is due and unpaid despite Cross-Complainant's demand to Mr. Patterson, plus prejudgment interest at the legal rate, from the date this action was commenced.

WHEREFORE, Cross-Complainant prays for judgment against Cross-Defendants as set forth hereinbelow.

THIRD CAUSE OF ACTION
CIVIL CONSPIRACY TO COMMIT FRAUD
(AGAINST CROSS-DEFENDANTS PATTERSON AND CULLEY)

45. Cross-Complainant incorporates herein by reference paragraphs 1- 44 set forth hereinabove as if set forth fully herein.

46. The Conservator is informed and believes that Mr. Patterson and Mr. Culley (hereinafter collectively referred to as the "Conspirator Cross-Defendants") formed a civil conspiracy to defraud Cross-Complainant, to prevent Cross-Complainant from recouping his investment, and with the intent to unfairly gain from Cross-Complainant's assets given Cross-Complainant's cognitive impairment. As to Mr. Culley, it is notable (as set forth hereinabove) that he engaged in similar misconduct in connection with the transaction involving Mr. Cook.

47. The Conspirator Cross-Defendants either had knowledge of the plan to divest Cross-Complainant of his funds in an effort to commit a fraud as to the Cross-Complainant or created the plan to commit fraud as to Cross-Complainant.

48. The Conspirator Cross-Defendants worked together so that Mr. Patterson could obtain more money than the Real Property, Truck and RV were worth, and to ensure that Cross-Complainant would not receive a fair bargain or any actual title or interest in the undefined Real Property, Truck and/or RV.

49. The Conspirator Cross-Defendants had knowledge of a common plan such that the

knowledge of the other's conduct constituted a breach of duty and gave substantial assistance and encouragement to the others to so act and that such substantial assistance to the other in plan, and their own individual conduct, constitutes a breach of duty to Cross-Complainant.

WHEREFORE, Cross-Complainant prays for judgment against Cross-Defendants as set forth hereinbelow.

FOURTH CAUSE OF ACTION
INVOLUNTARY TRUST
(AGAINST CROSS-DEFENDANTS PATTERSON AND CULLEY)

50. Cross-Complainant incorporates herein by reference paragraphs 1-49 set forth hereinabove as if set forth fully herein.

51. Cross-Complainant is entitled to relief in the form of a constructive trust imposed on property owned by Mr. Patterson for at least the sum of $232,000, for the benefit of Cross-Complainant pursuant to Civil Code Section 2224, on the undefined Real Property and any other property held by Mr. Patterson or held for his benefit.

52. Cross-Complainant is also entitled to a constructive trust imposed on all rents or other forms of income received by Mr. Culley as a result of his possession and/or inhabitation of the Miller Mansion.

53. Cross-Complainant is informed and believes that the Conspirator Cross-Defendants have conspired to circumvent, induce, coerce and encourage Cross-Complainant to give Mr. Patterson and Mr. Cook money which exceeds the value of any items offered to Cross-Complainant.

54. Conspirator Cross-Defendants knew the true facts regarding the value of the Real Property, Truck and RV and knew the vulnerabilities of Cross-Complainant. Conspirator Cross-Defendants deliberately encouraged, promoted and instructed Cross-Complainant in an attempt to take advantage of him in his compromised state.

WHEREFORE, Cross-Complainant prays for judgment against Conspirator Cross-Defendants as set forth hereinbelow.

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FIFTH CAUSE OF ACTION
FRAUD
(AGAINST CROSS-DEFENDANTS PATTERSON AND CULLEY)

55. Cross-Complainants incorporate herein paragraphs 1 through 54 as though fully set forth herein.

56. On or before February 1, 2020, Conspirator Cross-Defendants intentionally made false statements to Cross-Complainant that the undefined Real Property was worth in excess of $170,000, that the Truck was worth in excess of $5,000 and the RV was worth in excess of $57,000. These statements were made by Cross-Defendant Patterson and/or Cross-Defendant Culley, either on their own accord or as an agent acting for the other.

57. Such statements were made by both Conspirator Cross-Defendants with the intent that Cross-Complainant would rely on these statements.

58. Cross-Complainant reasonably relied on these statements and agreed to give Cross-Defendant Patterson the sum of $232,000.

59. Conspirator Cross-Defendants knew such statements were false or had reason to know the statements were false.

60. Conspirator Cross-Defendants acted with malice and bad faith by making the false misrepresentations to Cross-Complainant regarding the value of the undefined Real Property, Truck and RV and by inducing Cross-Complainant to give Mr. Patterson the sum of $232,000, knowing that the Real Property, Truck and RV were not worth $232,000. Conspirator Cross-Defendants knew Cross-Complainant was suffering from cognitive impairment and acted with the intent to defraud Cross-Complainant.

61. As a result, Cross-Complainant has been damaged in an amount according to proof.

WHEREFORE, Cross-Complainant prays for judgment against Conspirator Cross-Defendants as set forth hereinbelow.

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SIXTH CAUSE OF ACTION
DECLARATORY AND INJUNCTIVE RELIEF
(AGAINST ALL CROSS DEFENDANTS)

62. Cross-Complainant incorporates herein by reference paragraphs 1-61 set forth hereinabove as if set forth fully herein.

63. An actual controversy has arisen and exists between Cross-Complainant and the Cross-Defendants concerning their respective rights to the Real Property, the Truck, the RV, the Miller Mansion and the funds held by Mr. Patterson and Mr. Cook which they received from Cross-Complainant.

64. Based on the foregoing allegations, there is a serious likelihood of irreparable harm to Cross-Complainant, and he currently has no adequate remedy at law. In particular, the balance of harm herein favors the Cross-Complainant, in that such matters as Cross-Complainant's credit history, to the pending non-judicial and judicial foreclosures, as well as Cross-Complainant's very ability to support himself in light of his limited income may be further damaged, whereas Cross Defendants are in a position to further wait until the resolution of this matter.

65. There is a reasonable likelihood, based upon the aforementioned facts that the Cross-Complainant will succeed on the merits of this action.

66. Based on the foregoing, and the need to protect against elder abuse, especially in light of the current economic situation in light of COVID-19, the public interest will be served by this Court if it grants a temporary restraining order and preliminary injunction if so requested by Cross-Complainant, or the Conservator acting on behalf of the Cross-Complainant, until the claims herein are resolved and to enjoin Mid Valley from taking further action as to the non-judicial foreclosure of the Dr. Fine Note and Deed of Trust

67. Cross-Complainant further seeks a judicial determination and declaration of his rights to the undefined Real Property, the Truck, the RV, the Miller Mansion and the funds held by Mr. Patterson and Mr. Cook.

68. A judicial declaration is necessary and appropriate at this time under the circumstances in order that Cross-Complainant may recover funds paid out by him, and to avoid

unfair financial gain by the Cross-Defendants, and each of them.

WHEREFORE, Cross-Complainant prays for judgment against Cross-Defendants and Mid Valley as set forth hereinbelow.

SEVENTH CAUSE OF ACTION
BREACH OF FIDUCIARY DUTY
(AGAINST CROSS-DEFENDANT CULLEY)

69. Cross-Complainant incorporates herein by reference paragraphs 1-68 set forth hereinabove as if set forth fully herein.

70. During all times pertinent for purposes of this Cross-Complaint, Mr. Culley represented that he was the personal assistant of Cross-Complainant and, as such, represented that he had authority to act on behalf of Cross-Complainant. Mr. Culley thus held a position of trust and confidence with Cross-Complainant, the elderly victim. As such, Mr. Culley owed a fiduciary duty to Cross Complainant.

71. During period of time when Mr. Culley was providing services to Cross-Complainant he failed and refused to provide adequate care and intentionally alienated and restricted Cross-Complainant's access to others, all with the intent to take advantage of Cross-Complainant.

72. Mr. Culley breached his fiduciary duty to Cross-Complainant by assisting with, encouraging and promoting Cross-Complainant's real estate transactions with Mr. Patterson and Mr. Cook while knowing that the purchase prices for the real and personal properties involved in such transactions were inflated, and that Cross-Complainant lacked the ability to control, operate or manage either property. Furthermore, after Cross Complainant's purchase of the Miller Mansion, Mr. Culley took possession thereof, has resided therein since close of escrow, and has received rents from third persons for their tenancies in the Miller Mansion, without paying such rents to Cross-Complainant.

73. Cross-Complainant has been damaged in an amount according to proof as a result of Mr. Culley's breach.

WHEREFORE, Cross-Complainant prays for judgment against Cross-Defendant Mr.

Culley as set forth hereinbelow.

EIGHTH CAUSE OF ACTION
UNCONSCIONABILITY - UCC-2-3202
(AGAINST CROSS-DEFENDANTS COOK, PATTERSON & CULLEY)

74. Cross-Complainant incorporates herein by reference paragraphs 1-73 set forth hereinabove as if set forth fully herein.

75. If the Court as a matter of law finds that the contracts for the purchase and sale of the Real Property, the Truck, the RV and the Miller Mansion, or any clauses thereof, were unconscionable at the time they were made, the Court may refuse to enforce the contracts, or it may enforce the remainder of the contracts without the unconscionable clause, or it may so limit the application of any unconscionable clause so as to avoid any unconscionable result.

76. When it is claimed or appears to the Court that the contracts in question, or any clause thereof, may be unconscionable, the parties shall be afforded a reasonable opportunity to present evidence as to its commercial setting, purpose and effect to aid the court in making the determination.

77. Here, based upon the deception of Mr. Patterson, Mr. Culley and Mr. Cook, as well as the cognitive disorder and vulnerability of Cross-Complainant, coupled with the windfalls that Mr. Patterson and Mr. Cook reaped and will continue reap financially from their predatory practices upon Cross-Complainant, the Court may find that the loan agreements which are the subject of the underlying complaint in this matter, as well as the Deeds of Trust, are unconscionable and therefore have no force or effect.

WHEREFORE, Cross-Complainant prays for judgment against Cross-Defendant Mr. Cook as set forth hereinbelow.

NINTH CAUSE OF ACTION
PREDATORY LENDING
CALIFORNIA BUSINESS AND PROFESSIONS CODE §§17200, et. seq.
(AGAINST CROSS-DEFENDANTS PATTERSON AND COOK)

78. Cross-Complainant incorporates herein by reference paragraphs 1-77 set forth hereinabove as if set forth fully herein.

79. The Office of Controller of the Currency defines "Predatory Lending" as any lien secured by real estate which shares well-known common characteristics that result in unfair and deceptive business act under California Business and Professions Code §§ 17200, et seq.

80. The acts undertaken by the Mr. Patterson and Mr. Cook herein, especially with respect to the Financing Scheme, are consistent with the Office of the Comptroller's definition of an unfair and/or deceptive business act. They include the fact that the loans delineated in the underlying Complaint were made at a time when Mr. Patterson and Mr. Cook knew or should have known that Cross-Complainant, at 82 years of age, was suffering from a cognitive disorder and/or condition and was vulnerable to being taken advantage of.

81. In addition, Mr. Cook failed to comply with the Fair Debt Collection Practices Act prior to commencing any collection activities.

82. Mr. Cook and Dr. Fine, by and through their lending practice, failed to comply with the Ability to Pay and Qualified Mortgage Standards Under the Truth in Lending Act (12 CFR Part 1026), the Truth in Lending Act (15 USC 1601 et. seq.), the Dodd Frank Wall Street Reform and Consumer Protection Act, the Higher-Priced Mortgage Loan (Section 35 of Regulations Z) and the Real Estate Settlement Procedure Act of 1974 (12 USC 2601 et seq.) by failing to determine if Cross-Complainant could repay the notes, failure to create an escrow account for property taxes and homeowner's insurance, the failure to obtain a third party appraisal, and failure to provide adequate disclosures, good faith settlement/estimate statements, an accounting of the settlement transaction, or information booklet.

83. The conduct of the Cross-Defendants thus constituted unfair business acts within the meaning of California Business and Professions Code §§ 17200, et seq.

84. As a direct and proximate result of Mr. Patterson and Mr. Cook's conduct, such Cross-Defendants have received ill-begotten gains, principally inflated value for the real and personal property purportedly transferred.

WHEREFORE, Cross-Complainant prays for judgment against Cross-Defendant as set forth hereinbelow.

TENTH CAUSE OF ACTION
CANCELLATION OF INSTRUMENTS
(AGAINST ALL CROSS-DEFENDANTS AND MID VALLEY)

85. Cross-Complainant incorporates herein by reference paragraphs 1 - 84 set forth hereinabove as if set forth fully herein.

86. If the invalid Promissory Notes in favor of Dr. Fine and Mr. Cook, as well as the corresponding Deeds of Trust, are left outstanding, Cross-Complainant will continue to suffer loss and damages.

87. Cross-Complainant therefore seeks cancellation of the invalid Promissory Notes in favor of Dr. Fine and Mr. Cook, as well as the corresponding Deeds of Trust and Notices of Default as identified hereinabove.

88. As alleged, the conduct of Cross-Defendant Cook, Patterson & Culley, and each of them, constituted both financial elder abuse and/or predatory lending practices, causing the invalid Promissory Notes and the corresponding Deeds of Trust to be prepared and recorded without an appropriate or legal basis for doing so.

89. By virtue of the Cross-Defendants willful and wrongful conduct is herein alleged, Cross-Complainant is entitled to general and special damages according to proof, as well as punitive and exemplary damages as determined by this Court.

WHEREFORE, Cross-Complainant prays for judgment against Cross-Defendants as set forth hereinbelow.

ELEVENTH CAUSE OF ACTION
BREACH OF THE COVENANT OF GOOD FAITH AND FAIR DEALING
(AGAINST CROSS-DEFENDANTS PATTERSON AND COOK)

90. Cross-Complainant incorporates herein by reference paragraphs 1 - 89, set forth herein above as if set forth fully herein.

91. The conduct of Mr. Patterson and Mr. Cook, as alleged above, constitutes a breach of the covenant of good faith and fair dealing implied in every contract under California law. The covenant creates an obligation in Cross-Defendants not to hinder or prevent Cross-Complainant's ability to perform under contract.

92. Pursuant to the respective Deeds of Trust, the holder of the respective Promissory Notes (Mr. Patterson and Mr. Cook) have the implicit obligation not to hinder or prevent Cross-Complainant's ability to perform under the loan or hinder Cross-Complainant's ability to benefit from the loan. Likewise, Mr. Patterson and Mr. Cook had an obligation to deal thoroughly and in good faith with Cross-Complainant, rather than taking advantage of him due to his advanced age and due to his cognitive disorder and/or condition.

93. In every contract there is an implied covenant of good faith and fair dealing that neither party will do anything that injures the right of the other to receive the benefits of the agreement. In this instance, Mr. Patterson and Mr. Cook understood, or should have known, that they were taking advantage of an elderly purchaser that was compromised.

94. Mr. Patterson and Mr. Cook's conduct, as alleged above, constitutes a breach of the covenant of good faith and fair dealing implied in every contract under California law.

95. Mr. Cook's actions in devising, creating and implementing the Financing Scheme constitutes a breach of the covenant of good faith and fair dealing.

96. Cross-Defendant's wrongful misconduct interfered with Cross-Complainant's contractual rights and has resulted in various harms including, but not limited to the pending judicial and non-judicial foreclosures on the Miller Mansion, the prospective loss of both the undefined Real Property and the Miller Mansion, the destruction of Cross-Complainant's credit rating, the accumulation of excessive arears on the promissory loans, on the Promissory Notes, expenditure of attorneys' fees and other contract damages. This harm was intentional and foreseeable as a result of Mr. Patterson and Mr. Cook's misconduct and their failure to abide by the covenant of good faith and fair dealing.

WHEREFORE, Cross-Complainant prays for judgment against Cross-Defendants as set forth hereinbelow.

PRAYER FOR RELIEF

Cross-Complainant prays for the following:

1. That Cross-Defendants and/or their agents and/or their successors-in-interest, pay to

Cross-Complainant monetary damages for all harm suffered by Cross-Complainant due to Cross-Defendants' wrongful conduct in an amount according to proof;

2. For rescission of all contracts involving real and/or personal property.

3. For treble or double damages due to financial elder abuse.

4. For the imposition of an involuntary constructive trust imposed on property owned by Cross-Defendant Patterson for at least the sum of $232,000, for the benefit of Cross-Complainant pursuant to Civil Code § 2224, on the undefined Real Property and any other property held by Cross-Defendant Patterson or held for his benefit;

5. For the imposition of an involuntary constructive trust imposed on all rents or other forms of income received by Mr. Culley as a result of his possession and/or inhabitation of the Miller Mansion;

6. For a judicial determination via declaratory and/or injunctive relief pertaining to Cross-Complainant and the Cross-Defendants' rights and interests in the Real Property, the Truck, the RV, the Miller Mansion and the funds held by Mr. Patterson and Mr. Cook as paid them by Cross-Complainant in connection with the aforementioned real and personal property;

7. For a judgment, as a matter of law, that the contracts for the purchase and sale of the Real Property, the Truck, the RV and the Miller Mansion or, alternatively, any clauses contained in any contracts for the purchase and sale of the Miller Mansion and Deeds of Trust attendant thereto, were unconscionable at the time such agreements were made and/or that the Court, as a result, order that such contracts and/or Deeds of Trust are unenforceable as unconscionable.

8. For restitution under Business & Professions Code §§17200, et. seq.

9. For a preliminary and permanent injunction rescinding all purchase and sale transactions involving the Real Property, the Truck, the RV and the Miller Mansion and ordering a return of all funds held by Mr. Patterson and Mr. Cook to Cross-Complainant, along with injunctions to enjoin and all no-judicial foreclosure actions to foreclose or the Fine Note and Deed of Trust commenced by Mid Valley.

10. For attorney's fees pursuant to California Welfare and Institutions Code § 15657.5

and/or Business & Professions Code §§ 17200;

11. For punitive damages

12. For costs to suit herein; and

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

Respectfully submitted,

LELAND, MORRISSEY & KNOWLES LLP

Dated: June 12, 2020 by Sara M. Knowles

Sara M. Knowles
Attorneys for Defendant and Cross-Complainant Edward F. Niderost, Individually and as the former Trustee of the Edward F. Niderost Revocable Living Trust Dated November 8, 1998 by and through John Denton as Conservator of Estate of Edward F. Niderost and Successor Trustee of the Edward F. Niderost Revocable Living Trust Dated November 8, 1998.

Exhibit "A"

2/1/20

I Laurence A Patterson
sold my Home at
14174 Racine cr
Magalia, Calif. 95954 to
Edward Videost for
170,000.00 cash basis.

Laurence A Patterson

Motor
Home
2/1/20

I Laurence R Patterson
sold my 2011 Terra motor home
to Edward Nederost for 57,000.00
Vin# 1F66F5DY1B0A03212
Lic # 7FVFF827 as is.

Laurence R Patterson

Exhibit "B"

CALIFORNIA ASSOCIATION OF REALTORS®

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

(C.A.R. Form RPA-CA, Revised 12/18)

Date Prepared: *02/13/2020*

1. **OFFER:**
   A. **THIS IS AN OFFER FROM** *Edward Niderost* ("Buyer").
   B. **THE REAL PROPERTY** to be acquired is *2185 Esplanade, Chico, CA 95926*, situated in *Chico* (City), *Butte* (County), California, *95926* (Zip Code), Assessor's Parcel No. *006-120-003* ("Property").
   C. **THE PURCHASE PRICE** offered is *One Million, Five Hundred Thousand* Dollars $ *1,500,000.00*
   D. **CLOSE OF ESCROW** shall occur on [ ] ____ (date)(or [X] *21* Days After Acceptance).
   E. Buyer and Seller are referred to herein as the "Parties." Brokers are not Parties to this Agreement.
2. **AGENCY:**
   A. **DISCLOSURE:** The Parties each acknowledge receipt of a [X] "Disclosure Regarding Real Estate Agency Relationships" (C.A.R. Form AD).
   B. **CONFIRMATION:** The following agency relationships are confirmed for this transaction:
   Seller's Brokerage Firm *Bill Chance Realty* License Number *01215913*
   Is the broker of (check one): [ ] the seller; or [ ] both the buyer and seller. (dual agent)
   Seller's Agent *Bill Chance* License Number *00969209*
   Is (check one): [ ] the Seller's Agent. (salesperson or broker associate) [ ] both the Buyer's and Seller's Agent. (dual agent)
   Buyer's Brokerage Firm *Bill Chance Realty* License Number *01215913*
   Is the broker of (check one): [ ] the buyer; or [ ] both the buyer and seller. (dual agent)
   Buyer's Agent *Bill Chance* License Number *00969209*
   Is (check one): [ ] the Buyer's Agent. (salesperson or broker associate) [ ] both the Buyer's and Seller's Agent. (dual agent)
   C. **POTENTIALLY COMPETING BUYERS AND SELLERS:** The Parties each acknowledge receipt of a [X] "Possible Representation of More than One Buyer or Seller - Disclosure and Consent" (C.A.R. Form PRBS).
3. **FINANCE TERMS:** Buyer represents that funds will be good when deposited with Escrow Holder.
   A. **INITIAL DEPOSIT:** Deposit shall be in the amount of .... $ *50,000.00*
   (1) Buyer Direct Deposit: Buyer shall deliver deposit directly to Escrow Holder by electronic funds transfer, [ ] cashier's check, [ ] personal check, [ ] other ____ within 3 business days after Acceptance (or ____);
   OR (2) [ ] Buyer Deposit with Agent: Buyer has given the deposit by personal check (or ____) to the agent submitting the offer (or to ____), made payable to ____. The deposit shall be held uncashed until Acceptance and then deposited with Escrow Holder within 3 business days after Acceptance (or ____).
   Deposit checks given to agent shall be an original signed check and not a copy.
   (Note: Initial and increased deposits checks received by agent shall be recorded in Broker's trust fund log.)
   B. **INCREASED DEPOSIT:** Buyer shall deposit with Escrow Holder an increased deposit in the amount of .... $ ____
   within ____ Days After Acceptance (or ____).
   If the Parties agree to liquidated damages in this Agreement, they also agree to incorporate the increased deposit into the liquidated damages amount in a separate liquidated damages clause (C.A.R. Form RID) at the time the increased deposit is delivered to Escrow Holder.
   C. [ ] **ALL CASH OFFER:** No loan is needed to purchase the Property. This offer is NOT contingent on Buyer obtaining a loan. Written verification of sufficient funds to close this transaction IS ATTACHED to this offer or [ ] Buyer shall, within 3 (or ____) Days After Acceptance, Deliver to Seller such verification.
   D. **LOAN(S):**
   (1) **FIRST LOAN:** in the amount of .... $ *500,000.00*
   This loan will be conventional financing OR [ ] FHA, [ ] VA, [X] Seller financing (C.A.R. Form SFA), [ ] assumed financing (C.A.R. Form AFA), [ ] Other ____. This loan shall be at a fixed rate not to exceed *7.000* % or, [ ] an adjustable rate loan with initial rate not to exceed ____ %.
   Regardless of the type of loan, Buyer shall pay points not to exceed ____ % of the loan amount.
   (2) [ ] **SECOND LOAN** in the amount of .... $ ____
   This loan will be conventional financing OR [ ] Seller financing (C.A.R. Form SFA), [ ] assumed financing (C.A.R. Form AFA), [ ] Other ____. This loan shall be at a fixed rate not to exceed ____ % or, [ ] an adjustable rate loan with initial rate not to exceed ____ %.
   Regardless of the type of loan, Buyer shall pay points not to exceed ____ % of the loan amount.
   (3) **FHA/VA:** For any FHA or VA loan specified in 3D(1), Buyer has 17 (or ____) Days After Acceptance to Deliver to Seller written notice (C.A.R. Form FVA) of any lender-required repairs or costs that Buyer requests Seller to pay for or otherwise correct. Seller has no obligation to pay or satisfy lender requirements unless agreed in writing. A FHA/VA amendatory clause (C.A.R. Form FVAC) shall be a part of this Agreement.
   E. **ADDITIONAL FINANCING TERMS:** ____
   F. **BALANCE OF DOWN PAYMENT OR PURCHASE PRICE** in the amount of .... $ *950,000.00*
   to be deposited with Escrow Holder pursuant to Escrow Holder instructions.
   G. **PURCHASE PRICE (TOTAL):** .... $ *1,500,000.00*

Buyer's Initials (EN) ( ) Seller's Initials (WC) ( )

H. **VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS:** Buyer (or Buyer's lender or loan broker pursuant to paragraph 3J(1)) shall, within 3 (or ____) Days After Acceptance, Deliver to Seller written verification of Buyer's down payment and closing costs. (☐ Verification attached.)

I. **APPRAISAL CONTINGENCY AND REMOVAL:** This Agreement is (or ☒ is NOT) contingent upon a written appraisal of the Property by a licensed or certified appraiser at no less than the purchase price. Buyer shall, as specified in paragraph 14B(3), in writing, remove the appraisal contingency or cancel this Agreement within 17 (or ____) Days After Acceptance.

J. **LOAN TERMS:**

(1) **LOAN APPLICATIONS:** Within 3 (or ___) Days After Acceptance, Buyer shall Deliver to Seller a letter from Buyer's lender or loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any NEW loan specified in paragraph 3D. If any loan specified in paragraph 3D is an adjustable rate loan, the prequalification or preapproval letter shall be based on the qualifying rate, not the initial loan rate. (☐ Letter attached.)

(2) **LOAN CONTINGENCY:** Buyer shall act diligently and in good faith to obtain the designated loan(s). Buyer's qualification for the loan(s) specified above is a contingency of this Agreement unless otherwise agreed in writing. If there is no appraisal contingency or the appraisal contingency has been waived or removed, then failure of the Property to appraise at the purchase price does not entitle Buyer to exercise the cancellation right pursuant to the loan contingency if Buyer is otherwise qualified for the specified loan. Buyer's contractual obligations regarding deposit, balance of down payment and closing costs are not contingencies of this Agreement.

(3) **LOAN CONTINGENCY REMOVAL:**
Within 21 (or ____) Days After Acceptance, Buyer shall, as specified in paragraph 14, in writing, remove the loan contingency or cancel this Agreement. If there is an appraisal contingency, removal of the loan contingency shall not be deemed removal of the appraisal contingency.

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

(5) **LENDER LIMITS ON BUYER CREDITS:** Any credit to Buyer, from any source, for closing or other costs that is agreed to by the Parties ("Contractual Credit") shall be disclosed to Buyer's lender. If the total credit allowed by Buyer's lender ("Lender Allowable Credit") is less than the Contractual Credit, then (i) the Contractual Credit shall be reduced to the Lender Allowable Credit, and (ii) in the absence of a separate written agreement between the Parties, there shall be no automatic adjustment to the purchase price to make up for the difference between the Contractual Credit and the Lender Allowable Credit.

K. **BUYER STATED FINANCING:** Seller is relying on Buyer's representation of the type of financing specified (including but not limited to, as applicable, all cash, amount of down payment, or contingent or non-contingent loan). Seller has agreed to a specific closing date, purchase price and to sell to Buyer in reliance on Buyer's covenant concerning financing. Buyer shall pursue the financing specified in this Agreement. Seller has no obligation to cooperate with Buyer's efforts to obtain any financing other than that specified in the Agreement and the availability of any such alternate financing does not excuse Buyer from the obligation to purchase the Property and close escrow as specified in this Agreement.

4. **SALE OF BUYER'S PROPERTY:**

A. This Agreement and Buyer's ability to obtain financing are NOT contingent upon the sale of any property owned by Buyer.

OR B. ☐ This Agreement and Buyer's ability to obtain financing are contingent upon the sale of property owned by Buyer as specified in the attached addendum (C.A.R. Form COP).

5. **ADDENDA AND ADVISORIES:**

A. ADDENDA:

	☒ Addendum # *A* (C.A.R. Form ADM)
☐ Back Up Offer Addendum (C.A.R. Form BUO)	☐ Court Confirmation Addendum (C.A.R. Form CCA)
☐ Septic, Well and Property Monument Addendum (C.A.R. Form SWPI)	
☐ Short Sale Addendum (C.A.R. Form SSA)	☒ Other *Seller's Intent to Exchange*

B. BUYER AND SELLER ADVISORIES:

	☒ Buyer's Inspection Advisory (C.A.R. Form BIA)
☐ Probate Advisory (C.A.R. Form PA)	☐ Statewide Buyer and Seller Advisory (C.A.R. Form SBSA)
☐ Trust Advisory (C.A.R. Form TA)	☐ REO Advisory (C.A.R. Form REO)
☐ Short Sale Information and Advisory (C.A.R. Form SSIA)	☐ Other

6. **OTHER TERMS:** ***1. Buyer acknowledges that the $50,000 deposit is NONREFUNDABLE upon receipt by Mid Valley Title. 2. Any work/repairs performed from 2/17/2020 through close of escrow shall be reimbursed to Seller by Buyer at close of escrow. Seller shall provide invoices to Buyer to document those costs.***

7. **ALLOCATION OF COSTS**

A. **INSPECTIONS, REPORTS AND CERTIFICATES:** Unless otherwise agreed in writing, this paragraph only determines who is to pay for the inspection, test, certificate or service ("Report") mentioned; it **does not determine who is to pay for any work recommended or identified in the Report.**

(1) ☐ Buyer ☒ Seller shall pay for a natural hazard zone disclosure report, including tax ☐ environmental ☐ Other: ________ prepared by *Seller's choice*

(2) ☐ Buyer ☐ Seller shall pay for the following Report ________ prepared by ________

(3) ☐ Buyer ☐ Seller shall pay for the following Report ________ prepared by ________

B. **GOVERNMENT REQUIREMENTS AND RETROFIT:**

(1) ☐ Buyer ☒ Seller shall pay for smoke alarm and carbon monoxide device installation and water heater bracing, if required by Law. Prior to Close Of Escrow ("COE"), Seller shall provide Buyer written statement(s) of compliance in accordance with state and local Law, unless Seller is exempt.

(2) (i) ☐ Buyer ☒ Seller shall pay the cost of compliance with any other minimum mandatory government inspections and reports if required as a condition of closing escrow under any Law.
(ii) ☐ Buyer ☐ Seller shall pay the cost of compliance with any other minimum mandatory government retrofit standards required as a condition of closing escrow under any Law, whether the work is required to be completed before or after COE.
(iii) Buyer shall be provided, within the time specified in paragraph 14A, a copy of any required government conducted or point-of-sale inspection report prepared pursuant to this Agreement or in anticipation of this sale of the Property.

C. ESCROW AND TITLE:
(1) (a) ☒ Buyer ☒ Seller shall pay escrow fee *Cost shall be split 50/50*.
(b) Escrow Holder shall be *Mid Valley Title*.
(c) The Parties shall, within 5 (or ___) Days After receipt, sign and return Escrow Holder's general provisions.
(2) (a) ☒ Buyer ☒ Seller shall pay for owner's title insurance policy specified in paragraph 13E *Cost shall be split 50/50*.
(b) Owner's title policy to be issued by *Mid Valley Title*.
(Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)

D. OTHER COSTS:
(1) ☒ Buyer ☒ Seller shall pay County transfer tax or fee *Tax shall be split 50/50*.
(2) ☐ Buyer ☐ Seller shall pay City transfer tax or fee
(3) ☐ Buyer ☐ Seller shall pay Homeowners' Association ("HOA") transfer fee
(4) Seller shall pay HOA fees for preparing documents required to be delivered by Civil Code §4525.
(5) ☐ Buyer ☐ Seller shall pay HOA fees for preparing all documents other than those required by Civil Code §4525.
(6) Buyer to pay for any HOA certification fee.
(7) ☐ Buyer ☐ Seller shall pay for any private transfer fee
(8) ☐ Buyer ☐ Seller shall pay for
(9) ☐ Buyer ☐ Seller shall pay for
(10) ☐ Buyer ☐ Seller shall pay for the cost, not to exceed $ _____, of a standard (or ☐ upgraded) one-year home warranty plan, issued by _____, with the following optional coverages: ☐ Air Conditioner ☐ Pool/Spa ☐ Other:
Buyer is informed that home warranty plans have many optional coverages in addition to those listed above. Buyer is advised to investigate these coverages to determine those that may be suitable for Buyer.
OR ☒ Buyer waives the purchase of a home warranty plan. Nothing in this paragraph precludes Buyer's purchasing a home warranty plan during the term of this Agreement.

8. ITEMS INCLUDED IN AND EXCLUDED FROM SALE:
A. NOTE TO BUYER AND SELLER: Items listed as included or excluded in the MLS, flyers or marketing materials are not included in the purchase price or excluded from the sale unless specified in paragraph 8 B or C.
B. ITEMS INCLUDED IN SALE: Except as otherwise specified or disclosed,
(1) All EXISTING fixtures and fittings that are attached to the Property;
(2) EXISTING electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fans, fireplace inserts, gas logs and grates, solar power systems, built-in appliances, window and door screens, awnings, shutters, window coverings, attached floor coverings, television antennas, satellite dishes, air coolers/conditioners, pool/spa equipment, garage door openers/remote controls, mailbox, in-ground landscaping, trees/shrubs, water features and fountains, water softeners, water purifiers, security systems/alarms and the following if checked: ☑ all stove(s), except _____; ☑ all refrigerator(s) except _____; ☑ all washer(s) and dryer(s), except _____;
(3) The following additional items:
(4) Existing integrated phone and home automation systems, including necessary components such as intranet and Internet-connected hardware or devices, control units (other than non-dedicated mobile devices, electronics and computers) and applicable software, permissions, passwords, codes and access information, are (☐ are NOT) included in the sale.
(5) LEASED OR LIENED ITEMS AND SYSTEMS: Seller shall, within the time specified in paragraph 14A, (i) disclose to Buyer if any item or system specified in paragraph 8B or otherwise included in the sale is leased, or not owned by Seller, or specifically subject to a lien or other encumbrance, and (ii) Deliver to Buyer all written materials (such as lease, warranty, etc.) concerning any such item. Buyer's ability to assume any such lease, or willingness to accept the Property subject to any such lien or encumbrance, is a contingency in favor of Buyer and Seller as specified in paragraph 14B and C.
(6) Seller represents that all items included in the purchase price, unless otherwise specified, (i) are owned by Seller and shall be transferred free and clear of liens and encumbrances, except the items and systems identified pursuant to 8B(5) and _____, and (ii) are transferred without Seller warranty regardless of value.
C. ITEMS EXCLUDED FROM SALE: Unless otherwise specified, the following items are excluded from sale: (i) audio and video components (such as flat screen TVs, speakers and other items) if any such item is not itself attached to the Property, even if a bracket or other mechanism attached to the component or item is attached to the Property; (ii) furniture and other items secured to the Property for earthquake purposes; and (iii)

EJM _____. **Brackets attached to walls, floors or ceilings for any such component, furniture or item shall remain with the Property (or ☐ will be removed and holes or other damage shall be repaired, but not painted).**

9. CLOSING AND POSSESSION:
A. Buyer intends (or ~~does not intend~~) to occupy the Property as Buyer's primary residence.
B. Seller-occupied or vacant property: Possession shall be delivered to Buyer: (i) at 6 PM or (___ ☐ AM/ ☐ PM) on the date of Close Of Escrow; (ii) ☐ no later than ___ calendar days after Close Of Escrow; or (iii) ☐ at ___ ☐ AM/ ☐ PM on _____.

Buyer's Initials (EJM) (___) Seller's Initials (WC) (___)

C. **Seller remaining in possession After Close Of Escrow:** If Seller has the right to remain in possession after Close Of Escrow, (i) the Parties are advised to sign a separate occupancy agreement such as ☐ C.A.R. Form SIP, for Seller continued occupancy of less than 30 days, ☐ C.A.R. Form RLAS for Seller continued occupancy of 30 days or more; and (ii) the Parties are advised to consult with their insurance and legal advisors for information about liability and damage or injury to persons and personal and real property; and (iii) Buyer is advised to consult with Buyer's lender about the impact of Seller's occupancy on Buyer's loan.

D. **Tenant-occupied property: Property shall be vacant** at least 5 (or) Days Prior to Close Of Escrow, unless otherwise agreed in writing. **Note to Seller: If you are unable to deliver Property vacant in accordance with rent control and other applicable Law, you may be in breach of this Agreement.**

OR ☐ **Tenant to remain in possession** (C.A.R. Form TIP).

E. At Close Of Escrow: Seller assigns to Buyer any assignable warranty rights for items included in the sale; and Seller shall Deliver to Buyer available Copies of any such warranties. Brokers cannot and will not determine the assignability of any warranties.

F. At Close Of Escrow, unless otherwise agreed in writing, Seller shall provide keys, passwords, codes and/or means to operate all locks, mailboxes, security systems, alarms, home automation systems and intranet and Internet-connected devices included in the purchase price, and garage door openers. If the Property is a condominium or located in a common interest subdivision, Buyer may be required to pay a deposit to the Homeowners' Association ("HOA") to obtain keys to accessible HOA facilities.

10. **STATUTORY AND OTHER DISCLOSURES (INCLUDING LEAD-BASED PAINT HAZARD DISCLOSURES) AND CANCELLATION RIGHTS:**

A. (1) Seller shall, within the time specified in paragraph 14A, Deliver to Buyer: (i) if required by Law, a fully completed: Federal Lead-Based Paint Disclosures (C.A.R. Form FLD) and pamphlet ("Lead Disclosures"); and (ii) unless exempt, fully completed disclosures or notices required by sections 1102 et. seq. and 1103 et. seq. of the Civil Code ("Statutory Disclosures"). Statutory Disclosures include, but are not limited to, a Real Estate Transfer Disclosure Statement ("TDS"), Natural Hazard Disclosure Statement ("NHD"), notice or actual knowledge of release of illegal controlled substance, notice of special tax and/or assessments (or, if allowed, substantially equivalent notice regarding the Mello-Roos Community Facilities Act of 1982 and Improvement Bond Act of 1915) and, if Seller has actual knowledge, of industrial use and military ordnance location (C.A.R. Form SPQ or ESD).

(2) Any Statutory Disclosure required by this paragraph is considered fully completed if Seller has answered all questions and completed and signed the Seller section(s) and the Seller's Agent, if any, has completed and signed the Seller's Brokerage Firm section(s), or, if applicable, an Agent Visual Inspection Disclosure (C.A.R. Form AVID). Nothing stated herein relieves a Buyer's Brokerage Firm, if any, from the obligation to (i) conduct a reasonably competent and diligent visual inspection of the accessible areas of the Property and disclose, on Section IV of the TDS, or an AVID, material facts affecting the value or desirability of the Property that were or should have been revealed by such an inspection or (ii) complete any sections on all disclosures required to be completed by Buyer's Brokerage Firm.

(3) **Note to Buyer and Seller:** Waiver of Statutory and Lead Disclosures is prohibited by Law.

(4) Within the time specified in paragraph 14A, (i) Seller, unless exempt from the obligation to provide a TDS, shall, complete and provide Buyer with a Seller Property Questionnaire (C.A.R. Form SPQ); (ii) if Seller is not required to provide a TDS, Seller shall complete and provide Buyer with an Exempt Seller Disclosure (C.A.R. Form ESD).

(5) Buyer shall, within the time specified in paragraph 14B(1), return Signed Copies of the Statutory, Lead and other disclosures to Seller.

(6) In the event Seller or Seller's Brokerage Firm, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items. **However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies** of which Buyer is otherwise aware, or which are **disclosed in reports provided to or obtained by Buyer or ordered and paid for by Buyer.**

(7) If any disclosure or notice specified in paragraph 10A(1), or subsequent or amended disclosure or notice is Delivered to Buyer after the offer is Signed, Buyer shall have the right to cancel this Agreement within 3 Days After Delivery in person, or 5 Days After Delivery by deposit in the mail, or by an electronic record satisfying the Uniform Electronic Transactions Act (UETA), by giving written notice of cancellation to Seller or Seller's agent.

B. **NATURAL AND ENVIRONMENTAL HAZARD DISCLOSURES AND OTHER BOOKLETS:** Within the time specified in paragraph 14A, Seller shall, if required by Law: (i) Deliver to Buyer earthquake guide(s) (and questionnaire), environmental hazards booklet, and home energy rating pamphlet; (ii) disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; and Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.

C. **WITHHOLDING TAXES:** Within the time specified in paragraph 14A, to avoid required withholding, Seller shall Deliver to Buyer or qualified substitute, an affidavit sufficient to comply with federal (FIRPTA) and California withholding Law (C.A.R. Form AS or QS).

D. **MEGAN'S LAW DATABASE DISCLOSURE:** Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at **www.meganslaw.ca.gov.** Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Seller nor Brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's inspection contingency period. Brokers do not have expertise in this area.)

E. **NOTICE REGARDING GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES:** This notice is being provided simply to inform you that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) Internet Web site maintained by the United States Department of Transportation at **http://www.npms.phmsa.dot.gov/.** To seek further information about possible transmission pipelines near the Property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP Code and county on the NPMS Internet Web site.

F. **CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES:**

(1) **SELLER HAS: 7 (or) Days** After Acceptance to disclose to Buyer if the Property is a condominium, or is located in a planned development or other common interest subdivision (C.A.R. Form SPQ or ESD).

Buyer's Initials (EA) ( ) Seller's Initials (NC) ( )

(2) If the Property is a condominium or is located in a planned development or other common interest subdivision, Seller has 3 (or) Days After Acceptance to request from the HOA (C.A.R. Form HOA1): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the HOA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of HOA minutes for regular and special meetings; and (v) the names and contact information of all HOAs governing the Property (collectively, "CI Disclosures"). (vi) private transfer fees; (vii) Pet fee restrictions; and (viii) smoking restrictions. Seller shall itemize and Deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 14B(3). The Party specified in paragraph 7, as directed by escrow, shall deposit funds into escrow or direct to HOA or management company to pay for any of the above.

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

A. Seller shall, within the time specified in paragraph 14A, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, and make any and all other disclosures required by law.

B. Buyer has the right to conduct Buyer Investigations of the Property and, as specified in paragraph 14B, based upon information discovered in those investigations: (i) cancel this Agreement; or (ii) request that Seller make Repairs or take other action.

C. **Buyer is strongly advised to conduct investigations of the entire Property in order to determine its present condition. Seller may not be aware of all defects affecting the Property or other factors that Buyer considers important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.**

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

A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 14B. Within the time specified in paragraph 14B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to: (i) a general physical inspection; (ii) an inspection specifically for wood destroying pests and organisms. Any inspection for wood destroying pests and organisms shall be prepared by a registered Structural Pest Control company; shall cover the main building and attached structures; may cover detached structures; shall NOT include water tests of shower pans on upper level units unless the owners of property below the shower consent; shall NOT include roof coverings; and, if the Property is a unit in a condominium or other common interest subdivision, the inspection shall include only the separate interest and any exclusive-use areas being transferred, and shall NOT include common areas; and shall include a report ("Pest Control Report") showing the findings of the company which shall be separated into sections for evident infestation or infections (Section 1) and for conditions likely to lead to infestation or infection (Section 2); (iii) inspect for lead-based paint and other lead-based paint hazards; (iv) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA); (v) review the registered sex offender database; (vi) confirm the insurability of Buyer and the Property including the availability and cost of flood and fire insurance; and (vii) review and seek approval of leases that may need to be assumed by Buyer. Without Seller's prior written consent, Buyer shall neither make nor cause to be made: invasive or destructive Buyer Investigations, except for minimally invasive testing required to prepare a Pest Control Report; or inspections by any governmental building or zoning inspector or government employee, unless required by Law.

B. Seller shall make the Property available for all Buyer Investigations. Buyer shall (i) as specified in paragraph 14B, complete Buyer Investigations and either remove the contingency or cancel this Agreement, and (ii) give Seller, at no cost, complete Copies of all such Investigation reports obtained by Buyer, which obligation shall survive the termination of this Agreement.

C. Seller shall have water, gas, electricity and all operable pilot lights on for Buyer's Investigations and through the date possession is made available to Buyer.

D. **Buyer indemnity and seller protection for entry upon property:** Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer Investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-Responsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination of this Agreement.

13. TITLE AND VESTING:

A. Within the time specified in paragraph 14, Buyer shall be provided a current preliminary title report ("Preliminary Report"). The Preliminary Report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the Preliminary Report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 14B. The company providing the Preliminary Report shall, prior to issuing a Preliminary Report, conduct a search of the General Index for all Sellers except banks or other institutional lenders selling properties they acquired through foreclosure (REOs), corporations, and government entities. Seller shall within 7 Days After Acceptance, give Escrow Holder a completed Statement of Information.

B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except for: (i) monetary liens of record (which Seller is obligated to pay off) unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.

C. Within the time specified in paragraph 14A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.

D. At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.

E. Buyer shall receive a CLTA/ALTA "Homeowner's Policy of Title Insurance", if applicable to the type of property and buyer. If not, Escrow Holder shall notify Buyer. A title company can provide information about the availability, coverage, and cost of other title policies and endorsements. If the Homeowner's Policy is not available, Buyer shall choose another policy, instruct Escrow Holder in writing and shall pay any increase in cost.

Buyer's Initials (EZ) ( ) Seller's Initials (WC) ( )

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

A. **SELLER HAS: 7 (or ___) Days After Acceptance** to Deliver to Buyer all Reports, disclosures and information for which Seller is responsible under paragraphs 5, 6, 7, 8B(5), 10A, B, C, and F, 11A and 13A. If, by the time specified, Seller has not Delivered any such item, Buyer after first Delivering to Seller a Notice to Seller to Perform (C.A.R. Form NSP) may cancel this Agreement.

B. (1) **BUYER HAS: 17 (or *1*) Days After Acceptance**, unless otherwise agreed in writing, to: (i) complete all Buyer Investigations; review all disclosures, reports, lease documents to be assumed by Buyer pursuant to paragraph 8B(5), and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property; and (ii) Deliver to Seller Signed Copies of Statutory and Lead Disclosures and other disclosures Delivered by Seller in accordance with paragraph 10A.

(2) Within the time specified in paragraph 14B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to (C.A.R. Form RRRR) Buyer's requests.

(3) By the end of the time specified in paragraph 14B(1) (or as otherwise specified in this Agreement), Buyer shall Deliver to Seller a removal of the applicable contingency or cancellation (C.A.R. Form CR or CC) of this Agreement. However, if any report, disclosure or information for which Seller is responsible is not Delivered within the time specified in paragraph 14A, then Buyer has **5 (or ___) Days After Delivery** of any such items, or the time specified in paragraph 14B(1), whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement.

(4) **Continuation of Contingency:** Even after the end of the time specified in paragraph 14B(1) and before Seller cancels, if at all, pursuant to paragraph 14D, Buyer retains the right, in writing, to either (i) remove remaining contingencies, or (ii) cancel this Agreement based on a remaining contingency. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to paragraph 14D(1).

(5) **Access to Property:** Buyer shall have access to the Property to conduct inspections and investigations for **17 (or ___) Days After Acceptance**, whether or not any part of the Buyer's Investigation Contingency has been waived or removed.

good

C. ☐ **REMOVAL OF CONTINGENCIES WITH OFFER: Buyer removes the contingencies specified in the attached Contingency Removal form (C.A.R. Form CR). If Buyer removes any contingency without an adequate understanding of the Property's condition or Buyer's ability to purchase, Buyer is acting against the advice of Broker.**

D. **SELLER RIGHT TO CANCEL:** Contingencies don't go away unless "C. Removal form"

(1) **Seller right to Cancel; Buyer Contingencies:** If, by the time specified in this Agreement, Buyer does not Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement, then Seller, after first Delivering to Buyer a Notice to Buyer to Perform (C.A.R. Form NBP), may cancel this Agreement. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer. given by Buyer (weigh heavy before sign)

(2) **Seller right to Cancel; Buyer Contract Obligations:** Seller, after first delivering to Buyer a NBP, may cancel this Agreement if, by the time specified in this Agreement, Buyer does not take the following action(s): **(i)** Deposit funds as required by paragraph 3A, or 3B or if the funds deposited pursuant to paragraph 3A or 3B are not good when deposited; **(ii)** Deliver a notice of FHA or VA costs or terms as required by paragraph 3D(3) (C.A.R. Form FVA); **(iii)** Deliver a letter as required by paragraph 3J(1); **(iv)** Deliver verification, or a satisfactory verification if Seller reasonably disapproves of the verification already provided, as required by paragraph 3C or 3H; **(v)** In writing assume or accept leases or liens specified in 8B5; **(vi)** Return Statutory and Lead Disclosures as required by paragraph 10A(5); or **(vii)** Sign or initial a separate liquidated damages form for an increased deposit as required by paragraphs 3B and 21B; or **(viii)** Provide evidence of authority to sign in a representative capacity as specified in paragraph 19. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.

E. **NOTICE TO BUYER OR SELLER TO PERFORM:** The NBP or NSP shall: (i) be in writing; (ii) be signed by the applicable Buyer or Seller; and (iii) give the other Party at least **2 (or ___) Days After Delivery** (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A NBP or NSP may not be Delivered any earlier than **2 Days Prior** to the expiration of the applicable time for the other Party to remove a contingency or cancel this Agreement or meet an obligation specified in paragraph 14.

F. **EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES:** If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in writing, Buyer shall conclusively be deemed to have: (i) completed all Buyer Investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections pertaining to that contingency or cancellation right, or for the inability to obtain financing.

G. **CLOSE OF ESCROW:** Before Buyer or Seller may cancel this Agreement for failure of the other Party to close escrow pursuant to this Agreement, Buyer or Seller must first Deliver to the other Party a demand to close escrow (C.A.R. Form DCE). The DCE shall: (i) be signed by the applicable Buyer or Seller; and (ii) give the other Party at least **3 (or ___) Days After Delivery** to close escrow. A DCE may not be Delivered any earlier than **3 Days Prior** to the scheduled close of escrow.

H. **EFFECT OF CANCELLATION ON DEPOSITS:** If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, the Parties agree to Sign mutual instructions to cancel the sale and escrow and release deposits, if any, to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Except as specified below, **release of funds will require mutual Signed release instructions from the Parties, judicial decision or arbitration award.** If either Party fails to execute mutual instructions to cancel escrow, one Party may make a written demand to Escrow Holder for the deposit. (C.A.R. Form BDRD or SDRD). Escrow Holder, upon receipt, shall promptly deliver notice of the demand to the other Party. If, within 10 Days After Escrow Holder's notice, the other Party does not object to the demand, Escrow Holder shall disburse the deposit to the Party making the demand. If Escrow Holder complies with the preceding process, each Party shall be deemed to have released Escrow Holder from any and all claims or liability related to the disbursal of the deposit. Escrow Holder, at its discretion, may nonetheless require mutual cancellation instructions. **A Party may be subject to a civil penalty of up to $1,000 for refusal to sign cancellation instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).**

don't put value on furniture

Buyer's Initials (CA) (___) Seller's Initials (WE) (___)

all in writing / email items put onto Addendum into the Contract.

15. FINAL VERIFICATION OF CONDITION: Buyer shall have the right to make a final verification of the Property within 5 (or ___) **Days** Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: **(i)** the Property is maintained pursuant to paragraph 11; **(ii)** Repairs have been completed as agreed; and **(iii)** Seller has complied with Seller's other obligations under this Agreement (C.A.R. Form VP).

16. REPAIRS: Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all Repairs may not be possible. Seller shall: **(i)** obtain invoices and paid receipts for Repairs performed by others; **(ii)** prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and **(iii)** provide Copies of invoices and paid receipts and statements to Buyer prior to final verification of condition.

17. PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS: Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, HOA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are now a lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: **(i)** for periods after Close Of Escrow, by Buyer; and **(ii)** for periods prior to Close Of Escrow, by Seller (see C.A.R. Form SPT or SBSA for further information). TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.

18. BROKERS:

A. COMPENSATION: Seller or Buyer, or both, as applicable, agree to pay compensation to Broker as specified in a separate written agreement between Broker and that Seller or Buyer. Compensation is payable upon Close Of Escrow, or if escrow does not close, as otherwise specified in the agreement between Broker and that Seller or Buyer.

B. SCOPE OF DUTY: Buyer and Seller acknowledge and agree that Broker: **(i)** Does not decide what price Buyer should pay or Seller should accept; **(ii)** Does not guarantee the condition of the Property; **(iii)** Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; **(iv)** Does not have an obligation to conduct an inspection of common areas or areas off the site of the Property; **(v)** Shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Broker; **(vi)** Shall not be responsible for inspecting public records or permits concerning the title or use of Property; **(vii)** Shall not be responsible for identifying the location of boundary lines or other items affecting title; **(viii)** Shall not be responsible for verifying square footage, representations of others or information contained in Investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; **(ix)** Shall not be responsible for determining the fair market value of the Property or any personal property included in the sale; **(x)** Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and **(xi)** Shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.

19. REPRESENTATIVE CAPACITY: If one or more Parties is signing this Agreement in a representative capacity and not for him/herself as an individual then that Party shall so indicate in paragraph 31 or 32 and attach a Representative Capacity Signature Disclosure (C.A.R. Form RCSD). Wherever the signature or initials of the representative identified in the RCSD appear on this Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. The Party acting in a representative capacity (i) represents that the entity for which that party is acting already exists and (ii) shall Deliver to the other Party and Escrow Holder, within 3 Days After Acceptance, evidence of authority to act in that capacity (such as but not limited to: applicable portion of the trust or Certification Of Trust (Probate Code §18100.5), letters testamentary, court order, power of attorney, corporate resolution, or formation documents of the business entity).

20. JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:

A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: paragraphs 1, 3, 4B, 5A, 6, 7, 10C, 13, 14G, 17, 18A, 19, 20, 26, 29, 30, 31, 32 and paragraph D of the section titled Real Estate Brokers on page 10. If a Copy of the separate compensation agreement(s) provided for in paragraph 18A, or paragraph D of the section titled Real Estate Brokers on page 10 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions, if any, directly from Escrow Holder and will execute such provisions within the time specified in paragraph 7C(1)(c). To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow and, as directed by Escrow Holder, within 3 (or ___) **Days**, shall pay to Escrow Holder or HOA or HOA management company or others any fee required by paragraphs 7, 10 or elsewhere in this Agreement.

B. A Copy of this Agreement including any counter offer(s) and addenda shall be delivered to Escrow Holder within **3 Days** After Acceptance (or ___). Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement. Escrow Holder shall provide Seller's Statement of Information to Title company when received from Seller. If Seller delivers an affidavit to Escrow Holder to satisfy Seller's FIRPTA obligation under paragraph 10C, Escrow Holder shall deliver to Buyer a Qualified Substitute statement that complies with federal Law.

Buyer's Initials (EA) (___) Seller's Initials (WC) (___)

C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraph 18A and paragraph D of the section titled Real Estate Brokers on page 10. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraph 18A, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Buyer and Seller shall release and hold harmless Escrow Holder from any liability resulting from Escrow Holder's payment to Broker(s) of compensation pursuant to this Agreement.

D. Upon receipt, Escrow Holder shall provide Seller and Seller's Broker verification of Buyer's deposit of funds pursuant to paragraph 3A and 3B. Once Escrow Holder becomes aware of any of the following, Escrow Holder shall immediately notify all Brokers: (i) if Buyer's initial or any additional deposit or down payment is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder; or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.

E. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 3 Days after mutual execution of the amendment.

21. REMEDIES FOR BUYER'S BREACH OF CONTRACT:

A. Any clause added by the Parties specifying a remedy (such as release or forfeiture of deposit or making a deposit non-refundable) for failure of Buyer to complete the purchase in violation of this Agreement shall be deemed invalid unless the clause independently satisfies the statutory liquidated damages requirements set forth in the Civil Code.

B. LIQUIDATED DAMAGES: If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. If the Property is a dwelling with no more than four units, one of which Buyer intends to occupy, then the amount retained shall be no more than 3% of the purchase price. Any excess shall be returned to Buyer. Except as provided in paragraph 14H, release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award. AT THE TIME OF ANY INCREASED DEPOSIT BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION INCORPORATING THE INCREASED DEPOSIT AS LIQUIDATED DAMAGES (C.A.R. FORM RID).

Buyer's Initials EY / ______ Seller's Initials WC

22. DISPUTE RESOLUTION:

A. **MEDIATION:** The Parties agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action through the C.A.R. Real Estate Mediation Center for Consumers (www.consumermediation.org) or through any other mediation provider or service mutually agreed to by the Parties. The Parties also agree to mediate any disputes or claims with Broker(s), who, in writing, agree to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. Mediation fees, if any, shall be divided equally among the Parties involved. If, for any dispute or claim to which this paragraph applies, any Party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that Party shall not be entitled to recover attorney fees, even if they would otherwise be available to that Party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED. **Exclusions from this mediation agreement are specified in paragraph 22C.**

B. ARBITRATION OF DISPUTES:

The Parties agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration. The Parties also agree to arbitrate any disputes or claims with Broker(s), who, in writing, agree to such arbitration prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of residential real estate Law experience, unless the parties mutually agree to a different arbitrator. The Parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this agreement to arbitrate shall be governed by the Federal Arbitration Act. Exclusions from this arbitration agreement are specified in paragraph 22C.

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

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

Buyer's Initials ____ / ____ Seller's Initials ____ / ____

C. **ADDITIONAL MEDIATION AND ARBITRATION TERMS:**

(1) EXCLUSIONS: The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; and (iii) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court.

(2) PRESERVATION OF ACTIONS: The following shall not constitute a waiver nor violation of the mediation and arbitration provisions: (i) the filing of a court action to preserve a statute of limitations; (ii) the filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies; or (iii) the filing of a mechanic's lien.

(3) BROKERS: Brokers shall not be obligated nor compelled to mediate or arbitrate unless they agree to do so in writing. Any Broker(s) participating in mediation or arbitration shall not be deemed a party to this Agreement.

23. SELECTION OF SERVICE PROVIDERS: Brokers do not guarantee the performance of any vendors, service or product providers ("Providers"), whether referred by Broker or selected by Buyer, Seller or other person. Buyer and Seller may select ANY Providers of their own choosing.

24. MULTIPLE LISTING SERVICE ("MLS"): Brokers are authorized to report to the MLS a pending sale and, upon Close Of Escrow, the sales price and other terms of this transaction shall be provided to the MLS to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS.

25. ATTORNEY FEES: In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorney fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 22A.

26. ASSIGNMENT: Buyer shall not assign all or any part of Buyer's interest in this Agreement without first having obtained the separate written consent of Seller to a specified assignee. Such consent shall not be unreasonably withheld. Any total or partial assignment shall not relieve Buyer of Buyer's obligations pursuant to this Agreement unless otherwise agreed in writing by Seller. (C.A.R. Form AOAA).

27. EQUAL HOUSING OPPORTUNITY: The Property is sold in compliance with federal, state and local anti-discrimination Laws.

28. TERMS AND CONDITIONS OF OFFER: This is an offer to purchase the Property on the above terms and conditions. The liquidated damages paragraph or the arbitration of disputes paragraph is incorporated in this Agreement if initialed by all Parties or if incorporated by mutual agreement in a counter offer or addendum. If at least one but not all Parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. The Parties have read and acknowledge receipt of a Copy of the offer and agree to the confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing.

29. TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES: Time is of the essence. All understandings between the Parties are incorporated in this Agreement. Its terms are intended by the Parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Except as otherwise specified, this Agreement shall be interpreted and disputes shall be resolved in accordance with the Laws of the State of California. **Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.**

30. DEFINITIONS: As used in this Agreement:

A. **"Acceptance"** means the time the offer or final counter offer is accepted in writing by a Party and is delivered to and personally received by the other Party or that Party's authorized agent in accordance with the terms of this offer or a final counter offer.

B. **"Agreement"** means this document and any counter offers and any incorporated addenda, collectively forming the binding agreement between the Parties. Addenda are incorporated only when Signed by all Parties.

C. **"C.A.R. Form"** means the most current version of the specific form referenced or another comparable form agreed to by the parties.

D. **"Close Of Escrow"**, including "COE", means the date the grant deed, or other evidence of transfer of title, is recorded.

E. **"Copy"** means copy by any means including photocopy, NCR, facsimile and electronic.

F. **"Days"** means calendar days. However, after Acceptance, the last Day for performance of any act required by this Agreement (including Close Of Escrow) shall not include any Saturday, Sunday, or legal holiday and shall instead be the next Day.

G. **"Days After"** means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59 PM on the final day.

H. **"Days Prior"** means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.

I. **"Deliver", "Delivered" or "Delivery"**, unless otherwise specified in writing, means and shall be effective upon: personal receipt by Buyer or Seller or the individual Real Estate Licensee for that principal as specified in the section titled Real Estate Brokers on page 10, regardless of the method used (i.e., messenger, mail, email, fax, other).

J. **"Electronic Copy" or "Electronic Signature"** means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either Party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other Party.

K. **"Law"** means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.

L. **"Repairs"** means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.

M. **"Signed"** means either a handwritten or electronic signature on an original document, Copy or any counterpart.

31. EXPIRATION OF OFFER: This offer shall be deemed revoked and the deposit, if any, shall be returned to Buyer unless the offer is Signed by Seller and a Copy of the Signed offer is personally received by Buyer, or by ______________________, who is authorized to receive it, by 5:00 PM on the third Day after this offer is signed by Buyer (or by ☐ ______ ☐AM/ ☐PM, on ______________ (date)).

☐ One or more Buyers is signing this Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD-B) for additional terms.

Date *2-13-20* BUYER *Edward Nidarost*

(Print name) *Edward Nidarost*

Date ______ BUYER ______________________

(Print name) ______________________

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

Seller's Initials (*WC*) (______)

32. **ACCEPTANCE OF OFFER:** Seller warrants that Seller is the owner of the Property, or has the authority to execute this Agreement. Seller accepts the above offer, and agrees to sell the Property on the above terms and conditions. Seller has read and acknowledges receipt of a Copy of this Agreement, and authorizes Broker to Deliver a Signed Copy to Buyer.

☐ (If checked) SELLER'S ACCEPTANCE IS SUBJECT TO ATTACHED COUNTER OFFER (C.A.R. Form SCO or SMCO) DATED:

☐ One or more Sellers is signing this Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD-S) for additional terms.

Date 2-13-20 SELLER Wayne A. Cook

(Print name) Wayne Cook

Date ________ SELLER ________________________

(Print name) ________________________

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

(_____/_____) (Initials) **(Do not initial if making a counter offer.) CONFIRMATION OF ACCEPTANCE:** A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date) ________ at ________ ☐AM/ ☐PM. **A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.**

REAL ESTATE BROKERS:

A. **Real Estate Brokers are not parties to the Agreement between Buyer and Seller.**
B. **Agency relationships are confirmed as stated in paragraph 2.**
C. If specified in paragraph 3A(2), Agent who submitted the offer for Buyer acknowledges receipt of deposit.
D. **COOPERATING (BUYER'S) BROKER COMPENSATION:** Seller's Broker agrees to pay Buyer's Broker and Buyer's Broker agrees to accept, out of Seller's Broker's proceeds in escrow, the amount specified in the MLS, provided Buyer's Broker is a Participant of the MLS in which the Property is offered for sale or a reciprocal MLS. If Seller's Broker and Buyer's Broker are not both Participants of the MLS, or a reciprocal MLS, in which the Property is offered for sale, then compensation must be specified in a separate written agreement (C.A.R. Form CBC). Declaration of License and Tax (C.A.R. Form DLT) may be used to document that tax reporting will be required or that an exemption exists.
E. **PRESENTATION OF OFFER:** Pursuant to Standard of Practice 1-7, if Buyer's Broker makes a written request, Seller's Broker shall confirm in writing that this offer has been presented to Seller.

Buyer's Brokerage Firm Bill Chance Realty DRE Lic. # 01215913
By ________ Bill Chance DRE Lic. # 00969209 Date ________
By Bill Chance DRE Lic. # ________ Date 2/13/20
Address P. O. Box 7642 City Chico State CA Zip 95927
Telephone (530)343-7085 Fax (530)343-1632 E-mail billchance@sbcglobal.net

Seller's Brokerage Firm Bill Chance Realty DRE Lic. # 01215913
By ________ Bill Chance DRE Lic. # 00969209 Date ________
By ________ DRE Lic. # ________ Date ________
Address ________ City ________ State ____ Zip ____
Telephone ________ Fax ________ E-mail ________

ESCROW HOLDER ACKNOWLEDGMENT:

Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked, ☐ a deposit in the amount of $ ________), counter offer numbers ________ ☐ Seller's Statement of Information and ________, and agrees to act as Escrow Holder subject to paragraph 20 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.

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

Escrow Holder ________ Escrow # ________
By ________ Date ________
Address ________
Phone/Fax/E-mail //
Escrow Holder has the following license number # ________
☐ Department of Business Oversight, ☐ Department of Insurance, ☐ Department of Real Estate.

PRESENTATION OF OFFER: (________) Seller's Broker presented this offer to Seller on ________ (date).
Broker or Designee Initials

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

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Buyer Acknowledges that page 10 is part of this Agreement (EH) (____)
Buyer's Initials

Exhibit "C"

CALIFORNIA ASSOCIATION OF REALTORS®

ADDENDUM

(C.A.R. Form ADM, Revised 12/15)

No. "A"

The following terms and conditions are hereby incorporated in and made a part of the: [X] Purchase Agreement, [ ] Residential Lease or Month-to-Month Rental Agreement, [ ] Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right to rescind), [ ] Other

dated *February 13, 2020*, on property known as *2185 Esplanade Chico, CA 95926*

in which *Edward Niderost* is referred to as ("Buyer/Tenant")

and *Wayne Cook* is referred to as ("Seller/Landlord").

1. Condition and Inspection of Property.

Notwithstanding any other provision of this Agreement to the contrary, Seller makes no representation or warranty whatsoever regarding the property or the improvements thereon, past use, compliance with laws (including, without limitation, laws governing environmental matters, zoning, and land use), or suitability for Buyer's intended use. The property is sold AS-IS, WHERE-IS, WITH ALL FAULTS, AND THERE IS NO WARRANTY, EXPRESS OR IMPLIED, REGARDING THE CONDITION OF THE PROPERTY OR THE IMPROVEMENTS THEREON except as expressly set forth herein. Buyer hereby represents and warrants that Buyer is relying solely upon, and as of the expiration of the Contingency Period will have conducted, its own independent inspection, investigation, and analysis of the property and the improvements thereon as it deems necessary or appropriate in so acquiring the property from Seller. Seller would not sell the Property to Buyer without the foregoing provision.

2. During the escrow period Buyer has the right to access the property.

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this document.

Date 2-13-20 Date 2-13-20

Buyer/Tenant Edward Niderost Seller/Landlord Wayne Cook

Edward Niderost *Wayne Cook*

Buyer/Tenant Seller/Landlord

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Exhibit “D”

CALIFORNIA ASSOCIATION OF REALTORS®

SELLER FINANCING ADDENDUM AND DISCLOSURE (SEE IMPORTANT DISCLOSURE ON PAGE 4)

(California Civil Code §§2956-2967)
(C.A.R. Form SFA, Revised 11/13)

This is an addendum to the [X] Residential Purchase Agreement, [ ] Counter Offer, or [ ] Other ______, ("Agreement"), dated *February 13, 2020*,
On property known as *2185 Esplanade, Chico, CA 95926* ("Property"),
between *Edward Niderost* ("Buyer"),
and *Wayne Cook* ("Seller").
Seller agrees to extend credit to Buyer as follows:

1. PRINCIPAL; INTEREST; PAYMENT; MATURITY TERMS: [X] Principal amount $ *500,000.00*, interest at *7.000* % per annum, payable at approximately $ *2,916.67* per [X] month, [ ] year, or [X] other *Interest only*, remaining principal balance due in *7* years.
2. LOAN APPLICATION; CREDIT REPORT: Within 5 (or [ ] ______) Days After Acceptance: (a) Buyer shall provide Seller a completed loan application on a form acceptable to Seller (such as a FNMA/FHLMC Uniform Residential Loan Application for residential one to four unit properties); and (b) Buyer authorizes Seller and/or Agent to obtain, at Buyer's expense, a copy of Buyer's credit report. Buyer shall provide any supporting documentation reasonably requested by Seller. Seller, after first giving Buyer a Notice to Buyer to Perform, may cancel this Agreement in writing and authorize return of Buyer's deposit if Buyer fails to provide such documents within that time, or if Seller disapproves any above item within 5 (or [ ] ______) Days After receipt of each item.
3. CREDIT DOCUMENTS: This extension of credit by Seller will be evidenced by: [ ] Note and deed of trust; [ ] All-inclusive note and deed of trust; [ ] Installment land sale contract; [ ] Lease/option (when parties intend transfer of equitable title); OR [ ] Other (specify) ______

THE FOLLOWING TERMS APPLY ONLY IF CHECKED. SELLER IS ADVISED TO READ ALL TERMS, EVEN THOSE NOT CHECKED, TO UNDERSTAND WHAT IS OR IS NOT INCLUDED, AND, IF NOT INCLUDED, THE CONSEQUENCES THEREOF.

4. [ ] LATE CHARGE: If any payment is not made within *10* Days After it is due, a late charge of either $ ______, or *5.000* % of the installment due, may be charged to Buyer. NOTE: On single family residences that Buyer intends to occupy, California Civil Code §2954.4(a) limits the late charge to no more than 6% of the total installment payment due and requires a grace period of no less than 10 days.
5. [X] BALLOON PAYMENT: The extension of credit will provide for a balloon payment, in the amount of $ *500,000.00*, plus any accrued interest, which is due on *March 1, 2027* (date).
6. [X] PREPAYMENT: If all or part of this extension of credit is paid early, Seller may charge a prepayment penalty as follows (if applicable): *1/2 of 1% if Paid off before 2 years*. Caution: California Civil Code §2954.9 contains limitations on prepayment penalties for residential one-to-four unit properties.
7. [X] DUE ON SALE: If any interest in the Property is sold or otherwise transferred, Seller has the option to require immediate payment of the entire unpaid principal balance, plus any accrued interest.
8.* [X] REQUEST FOR COPY OF NOTICE OF DEFAULT: A request for a copy of Notice of Default as defined in California Civil Code §2924b will be recorded. If not, Seller is advised to consider recording a Request for Notice of Default.
9.* [X] REQUEST FOR NOTICE OF DELINQUENCY: A request for Notice of Delinquency, as defined in California Civil Code §2924e, to be signed and paid for by Buyer, will be made to senior leinholders. If not, Seller is advised to consider making a Request for Notice of Delinquency. Seller is advised to check with senior leinholders to verify whether they will honor this request.
10.* [X] TAX SERVICE:
    A. If property taxes on the Property become delinquent, tax service will be arranged to report to Seller. If not, Seller is advised to consider retaining a tax service, or to otherwise determine that property taxes are paid.
    B. [X] Buyer, [ ] Seller, shall be responsible for the initial and continued retention of, and payment for, such tax service.
11. [X] TITLE INSURANCE: Title insurance coverage will be provided to both Seller and Buyer, insuring their respective interests in the Property. If not, Buyer and Seller are advised to consider securing such title insurance coverage.
12. [X] HAZARD INSURANCE:
    A. The parties' escrow holder or insurance carrier will be directed to include a loss payee endorsement, adding Seller to the Property insurance policy. If not, Seller is advised to secure such an endorsement, or acquire a separate insurance policy.
    B. Property insurance does not include earthquake or flood insurance coverage, unless checked:
    [ ] Earthquake insurance will be obtained; [ ] Flood insurance will be obtained.
13. [ ] PROCEEDS TO BUYER: Buyer will receive cash proceeds at the close of the sale transaction. The amount received will be approximately $ ______, from ______ (indicate source of proceeds). Buyer represents that the purpose of such disbursement is as follows: ______
14. [ ] NEGATIVE AMORTIZATION; DEFERRED INTEREST: Negative amortization results when Buyer's periodic payments are less than the amount of interest earned on the obligation. Deferred interest also results when the obligation does not require periodic payments for a period of time. In either case, interest is not payable as it accrues. This accrued interest will have to be paid by Buyer at a later time, and may result in Buyer owing more on the obligation than at its origination. The credit being extended to Buyer by Seller will provide for negative amortization or deferred interest as indicated below. (Check A, B, or C. CHECK ONE ONLY.)
    [ ] A. All negative amortization or deferred interest shall be added to the principal ______ (e.g., annually, monthly, etc.), and thereafter shall bear interest at the rate specified in the credit documents (compound interest);
    OR [ ] B. All deferred interest shall be due and payable, along with principal, at maturity;
    OR [ ] C. Other ______

*(For Paragraphs 8-10) In order to receive timely and continued notification, Seller is advised to record appropriate notices and/or to notify appropriate parties of any change in Seller's address.

Buyer's Initials (EN) ( ) Seller's Initials (WC) ( )

15. [ ] ALL-INCLUSIVE DEED OF TRUST; REAL PROPERTY SALES CONTRACT (INSTALLMENT LAND SALE CONTRACT): This transaction involves the use of an all-inclusive (or wraparound) deed of trust or an real property sales contract. That deed of trust or contract shall provide as follows:
   A. In the event of an acceleration of any senior encumbrance, the party responsible for payment, or for legal defense is: [ ] Buyer [ ] Seller; OR [ ] Is not specified in the credit or security documents.
   B. In the event of the prepayment of a senior encumbrance, the responsibilities and rights of Buyer and Seller regarding refinancing, prepayment penalties, and any prepayment discounts are: ______;
   OR [ ] Are not specified in the documents evidencing credit.
   C. Buyer will make periodic payments to ______ (Seller, collection agent, or any neutral third party), who will be responsible for disbursing payments to the payee(s) on the senior encumbrance(s) and to Seller. NOTE: The Parties are advised to designate a neutral third party for these purposes.

16. [ ] TAX IDENTIFICATION NUMBERS: Buyer and Seller shall each provide to each other their Social Security Numbers or Taxpayer Identification Numbers.

17. [ ] OTHER CREDIT TERMS: ______

18. [X] RECORDING: The documents evidencing credit (paragraph 3) will be recorded with the county recorder where the Property is located. If not, Buyer and Seller are advised that their respective interests in the Property may be jeopardized by intervening liens, judgments, encumbrances, or subsequent transfers.

19. [ ] JUNIOR FINANCING: There will be additional financing, secured by the Property, junior to this Seller financing. Explain: ______

20. SENIOR LOANS AND ENCUMBRANCES: The following information is provided on loans and/or encumbrances that will be senior to Seller financing. NOTE: The following are estimates, unless otherwise marked with an asterisk (*). If checked: [ ] A separate sheet with information on additional senior loans/encumbrances is attached.

	1st	2nd
A. Original Balance	$	$
B. Current Balance	$	$
C. Periodic Payment (e.g. $100/month):	$	$ /
Including Impounds of:	$	$ /
D. Interest Rate (per annum)	%	%
E. Fixed or Variable Rate:		
If Variable Rate: Lifetime Cap (Ceiling)		
Indicator (Underlying Index)		
Margins		
F. Maturity Date		
G. Amount of Balloon Payment	$	$
H. Date Balloon Payment Due		
I. Potential for Negative Amortization? (Yes, No, or Unknown)		
J. Due on Sale? (Yes, No, or Unknown)		
K. Pre-payment penalty? (Yes, No, or Unknown)		
L. Are payments current? (Yes, No, or Unknown)		

21. BUYER'S CREDITWORTHINESS: (CHECK EITHER A OR B. Do not check both.) In addition to the loan application, credit report and other information requested under paragraph 2:
   A. [X] No other disclosure concerning Buyer's creditworthiness has been made to Seller;
OR B. [ ] The following representations concerning Buyer's creditworthiness are made by Buyer(s) to Seller:

Borrower		Co-Borrower	
1. Occupation		1. Occupation	
2. Employer		2. Employer	
3. Length of Employment		3. Length of Employment	
4. Monthly Gross Income		4. Monthly Gross Income	
5. Other		5. Other	

22. ADDED, DELETED OR SUBSTITUTED BUYERS: The addition, deletion or substitution of any person or entity under this Agreement or to title prior to close of escrow shall require Seller's written consent. Seller may grant or withhold consent in Seller's sole discretion. Any additional or substituted person or entity shall, if requested by Seller, submit to Seller the same documentation as required for the original named Buyer. Seller and/or Brokers may obtain a credit report, at Buyer's expense, on any such person or entity.

Buyer's Initials (EZ) (____) Seller's Initials (WC) (____)

23. CAUTION:

A. If the Seller financing requires a balloon payment, Seller shall give Buyer written notice, according to the terms of Civil Code §2966, at least 90 and not more than 150 days before the balloon payment is due if the transaction is for the purchase of a dwelling for not more than four families.

B. If any obligation secured by the Property calls for a balloon payment, Seller and Buyer are aware that refinancing of the balloon payment at maturity may be difficult or impossible, depending on conditions in the conventional mortgage marketplace at that time. There are no assurances that new financing or a loan extension will be available when the balloon prepayment, or any prepayment, is due.

C. If any of the existing or proposed loans or extensions of credit would require refinancing as a result of a lack of full amortization, such refinancing might be difficult or impossible in the conventional mortgage marketplace.

D. In the event of default by Buyer: (1) Seller may have to reinstate and/or make monthly payments on any and all senior encumbrances (including real property taxes) in order to protect Seller's secured interest; (2) Seller's rights are generally limited to foreclosure on the Property, pursuant to California Code of Civil Procedure §580b; and (3) the Property may lack sufficient equity to protect Seller's interests if the Property decreases in value.

If this three-page Addendum and Disclosure is used in a transaction for the purchase of a dwelling for not more than four families, it shall be prepared by an Arranger of Credit as defined in California Civil Code §2957(a). (The Arranger of Credit is usually the agent who obtained the offer.)

Bill Chance Realty
Arranger of Credit - (Print Firm Name) By Bill Chance Bill Chance Date 2/13/2020

Address P.O. Box 7642 City Butte Valley State CA Zip 95927

Phone (530)343-7085 Fax (530)343-1632

BUYER AND SELLER ACKNOWLEDGE AND AGREE THAT BROKERS: (A) WILL NOT PROVIDE LEGAL OR TAX ADVICE; (B) WILL NOT PROVIDE OTHER ADVICE OR INFORMATION THAT EXCEEDS THE KNOWLEDGE, EDUCATION AND EXPERIENCE REQUIRED TO OBTAIN A REAL ESTATE LICENSE; OR (C) HAVE NOT AND WILL NOT VERIFY ANY INFORMATION PROVIDED BY EITHER BUYER OR SELLER. BUYER AND SELLER AGREE THAT THEY WILL SEEK LEGAL, TAX AND OTHER DESIRED ASSISTANCE FROM APPROPRIATE PROFESSIONALS. BUYER AND SELLER ACKNOWLEDGE THAT THE INFORMATION EACH HAS PROVIDED TO THE ARRANGER OF CREDIT FOR INCLUSION IN THIS DISCLOSURE FORM IS ACCURATE. BUYER AND SELLER FURTHER ACKNOWLEDGE THAT EACH HAS RECEIVED A COMPLETED COPY OF THIS DISCLOSURE FORM.

Buyer Edward Niderost (signature) Edward Niderost Date 2-13-20
Address City State Zip
Phone Fax E-mail

Buyer (signature) Date
Address City State Zip
Phone Fax E-mail

Seller Wayne A. Cook (signature) Wayne Cook Date 2-13-20
Address City State Zip
Phone Fax E-mail

Seller (signature) Date
Address City State Zip
Phone Fax E-mail

 2185 Esplanade

IMPORTANT SELLER FINANCING DISCLOSURE - PLEASE READ CAREFULLY

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) has made significant and important changes affecting seller financing on residential properties. Effective January 10, 2014, sellers who finance the purchase of residential property containing 1-4 units may be considered "loan originators" required to comply with certain Truth In Lending Act ("TILA") requirements. Even under Dodd-Frank however, the following two exemptions exist:

1. The seller finances only **ONE** property in any 12 month period and:
    a. The seller is a natural person, a trust or an estate, and
    b. The seller did not construct the property, and
    c. The financing has a fixed rate or does not adjust for the first 5 years, and
    d. The financing does not result in negative amortization.

OR

2. The seller finances no more than **THREE** properties in any 12 month period and:
    a. The seller is a natural person or organization (corporation, LLC, partnership, trust, estate, association, etc.), and
    b. The seller did not construct the property, and
    c. The loan is fully amortized, i.e., no balloon payment, and
    d. The financing has a fixed rate or does not adjust for the first 5 years, and
    e. The borrower has the reasonable ability to repay the loan.

Sellers who finance the purchase of residential property containing 1-4 units meeting either of the two exemptions are not subject to the TILA requirements above may continue to, and are required by California Law to, use the Seller Financing Addendum.

Sellers who finance the purchase of residential property containing 1-4 units who do not meet either of the two tests above should still complete the Seller Finance Addendum and speak to a lawyer about other TILA disclosures that may be required.

Sellers who finance the purchase of residential property containing 5 or more units, vacant land, or commercial properties are not subject to the TILA disclosures nor are they required to use the Seller Financing Addendum.

A seller who originates a single extension of credit through a mortgage broker and additionally meets the definition of a "high-cost" mortgage under Dodd-Frank may be subject to the Truth in Lending Act's requirement to verify the borrower's ability to repay.

Buyer's Initials (EM) (____) Seller's Initials (WC) (____)

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Exhibit "E"

DO NOT DESTROY THIS NOTE:

When paid, this Note and the Deed of Trust securing same, must be surrendered to Trustee for cancellation and retention before reconveyance of the Deed of Trust will be made.

INSTALLMENT NOTE
(INTEREST ONLY PAYMENTS)

$500,000.00

02/18/2020
File No. **0403-6153035**

For value received, all of the undersigned (collectively referred to as "Maker"), jointly and severally promise to pay to Matthew N. Fine, MD 401K Plan or order ("Holder"), at P.O. Box 6191, Oroville, CA 84855 or as directed otherwise in writing by Holder, the principal sum of five hundred thousand Dollars (**$500,000.00**), with interest from the ___28th____ day of February , **2020** on the amounts of principal remaining from time to time unpaid, until said principal sum is paid in full, at the rate of Seven per cent (7.00000 %) per annum, payable in monthly installments equal to interest only or more on the _28th_____ day of each and every Month, beginning on the __28th__ day of March, **2020**, and continuing until the __28th _ day of February , **2027**, at which time the entire unpaid principal and any accrued interest is all due and payable in full.

If payment of any portion of the installment is delinquent more than **10** days, the Holder may, at his sole option, assess a late charge of **5%** of the amount of the installment for each installment so delinquent.

If the Maker shall sell, convey or alienate the property as described in the Deed of Trust (defined below), or any part thereof, or any interest therein, or shall be divested of his title or any interest therein in any manner or way, whether voluntarily or involuntarily, without the written consent of the Holder being first had and obtained, Holder shall have the right, at its option, except as prohibited by law, to declare any indebtedness or obligations secured hereby, irrespective of the maturity date specified in any Note evidencing the same, immediately due and payable.

If this note is secured by real property consisting of one to four residential dwelling units, and is for a term of more than one year and includes a balloon payment provision, the following statement applies:

This note is subject to Section 2966 of the Civil Code, which provides that the holder of this note shall give written notice to the trustor, or his successor in interest, of prescribed information at least 90 and not more than 150 days before any balloon payment is due.

All payments under this Note shall be made in lawful money of the United States of America. Payments shall be credited first against any costs or expenses due under this Note, then to accrued interest, and finally to principal. The principal amount of this Note may be prepaid, in whole or in part, at any time without penalty (unless a separate prepayment penalty provision is specifically included in the Note, which terms shall override this statement), in which event, interest shall cease to accrue on the portion of the principal so prepaid. Should any amount under this Note not be paid when due, then all remaining principal and accrued interest shall become immediately due and payable at the option of Holder. In no event shall the interest rate charged under this Note exceed the maximum rate permitted under applicable law.

INSTALLMENT NOTE
(INTEREST ONLY PAYMENTS)

$500,000.00 **02/18/2020**

File No. **0403-6153035**

Should suit on this Note or foreclosure of the Deed of Trust (defined below) be commenced, Maker agrees to pay the costs of foreclosure and such additional sums as a court may adjudge reasonable as attorney's fees in any suit.

This Note shall be construed in accordance with the laws of the State of California. Any alteration, change or modification of or to this Note, in order to become effective, shall be made by written instrument executed by both Maker and Holder.

This Note is secured by a deed of trust of even date herewith to **First American Title Insurance Company, a Nebraska Corporation**, as trustee ("Deed of Trust").

THIS IS A LEGAL DOCUMENT. PLEASE READ IT CAREFULLY.
IT IS RECOMMENDED THAT YOU CONSULT YOUR LEGAL COUNSEL
BEFORE EXECUTING OR ACCEPTING THIS DOCUMENT.

"Maker"

The Edward F. Niderost Revocable Living Trust,
Dated November 8, 1988

Edward F. Niderost Trustee

Edward F. Niderost , Trustee

Exhibit "F"

DO NOT DESTROY THIS NOTE:

When paid, this Note and the Deed of Trust securing same, must be surrendered to Trustee for cancellation and retention before reconveyance of the Deed of Trust will be made.

INSTALLMENT NOTE
(INTEREST ONLY PAYMENTS)

$674,062.39 **02/24/2020**

File No. **0403-6153035**

For value received, all of the undersigned (collectively referred to as "Maker"), jointly and severally promise to pay to Wayne A. Cook 1998 Family Trust, Dated 12/29/1998 or order ("Holder"), at P.O. Box 4724, Chico, CA 95927 or as directed otherwise in writing by Holder, the principal sum of six hundred seventy four thousand sixty two Dollars (**$674,062.39**), with interest from the ___28th __ day of February **, 2020** on the amounts of principal remaining from time to time unpaid, until said principal sum is paid in full, at the rate of Four per cent (4 %) per annum, payable in monthly installments equal to interest only or more on the ___28th____ day of each and every Month, beginning on the _28th___ day of March, **2020**, and continuing until the ____28th___ day of February **, 2021**, at which time the entire unpaid principal and any accrued interest is all due and payable in full.

If the Maker shall sell, convey or alienate the property as described in the Deed of Trust (defined below), or any part thereof, or any interest therein, or shall be divested of his title or any interest therein in any manner or way, whether voluntarily or involuntarily, without the written consent of the Holder being first had and obtained, Holder shall have the right, at its option, except as prohibited by law, to declare any indebtedness or obligations secured hereby, irrespective of the maturity date specified in any Note evidencing the same, immediately due and payable.

If this note is secured by real property consisting of one to four residential dwelling units, and is for a term of more than one year and includes a balloon payment provision, the following statement applies:

This note is subject to Section 2966 of the Civil Code, which provides that the holder of this note shall give written notice to the trustor, or his successor in interest, of prescribed information at least 90 and not more than 150 days before any balloon payment is due.

All payments under this Note shall be made in lawful money of the United States of America. Payments shall be credited first against any costs or expenses due under this Note, then to accrued interest, and finally to principal. The principal amount of this Note may be prepaid, in whole or in part, at any time without penalty (unless a separate prepayment penalty provision is specifically included in the Note, which terms shall override this statement), in which event, interest shall cease to accrue on the portion of the principal so prepaid. Should any amount under this Note not be paid when due, then all remaining principal and accrued interest shall become immediately due and payable at the option of Holder. In no event shall the interest rate charged under this Note exceed the maximum rate permitted under applicable law.

INSTALLMENT NOTE
(INTEREST ONLY PAYMENTS)

$674,062.39 **02/24/2020**
File No. **0403-6153035**

Should suit on this Note or foreclosure of the Deed of Trust (defined below) be commenced, Maker agrees to pay the costs of foreclosure and such additional sums as a court may adjudge reasonable as attorney's fees in any suit.

This Note shall be construed in accordance with the laws of the State of California. Any alteration, change or modification of or to this Note, in order to become effective, shall be made by written instrument executed by both Maker and Holder.

This Note is secured by a deed of trust of even date herewith to **First American Title Insurance Company, a Nebraska Corporation**, as trustee ("Deed of Trust").

THIS IS A LEGAL DOCUMENT. PLEASE READ IT CAREFULLY.
IT IS RECOMMENDED THAT YOU CONSULT YOUR LEGAL COUNSEL
BEFORE EXECUTING OR ACCEPTING THIS DOCUMENT.

"Maker"

The Edward F. Niderost Revocable Living Trust,
Dated November 8, 1988

Edward F. Niderost Trustee

Edward F. Niderost , Trustee

Exhibit "G"

2020-0009600

Recorded | REC FEE 48.00
Official Records |
County of | SB2 TAX EXEMPT 0.00
Butte |
CANDACE J. GRUBBS |
County Clerk-Recorder |
| MZ
09:08AM 28-Feb-2020 | Page 1 of 6

RECORDING REQUESTED BY:
Mid Valley Title & Escrow Company

AND WHEN RECORDED MAIL DOCUMENT TO:
Mathew N. Fine, MD 401K Plan
P.O. Box 6191
Oroville, CA 84855

Space Above This Line for Recorder's Use Only

A.P.N.: 006-120-003-000 File No.: 0403-6153035 (mat)

DEED OF TRUST WITH ASSIGNMENT OF RENTS
(LONG FORM)

THIS DEED OF TRUST, made this **02/18/2020,** between

TRUSTOR: **Edward F. Niderost, Trustee of The Edward F. Niderost Revocable Living Trust, Dated November 8, 1988**

whose address is **1077 Via Verona Drive, Chico, CA 95973,**

TRUSTEE: **First American Title Insurance Company, a Nebraska Corporation**

and BENEFICIARY: **Matthew N. Fine MD 401K Plan**

WITNESSETH: That Trustor irrevocably grants to Trustee in trust, with power of sale, that property in the City of Chico, County of Butte, State of California, described as:

A PORTION OF RANCHO ARROYO CHICO LYING WEST OF THE SHASTA ROAD (US 99E) AND NORTH OF LINDO CHANNEL AND NORTH OF THE NORTHERLY BOUNDARY OF BIDWELL COUNTY PARK, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON PIPE ON THE WESTERLY SIDE OF SAID SHASTA ROAD, SOUTH 36° 15' EAST, 1096.65 FEET ALONG THE WESTERLY SIDE OF THE SHASTA ROAD FROM A CONCRETE MONUMENT AT THE MOST EASTERLY CORNER OF LOT 2, AS SHOWN ON THAT CERTAIN MAP ENTITLED, "REED PARK UNIT NO. 1", WHICH MAP WAS RECORDED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF BUTTE, STATE OF CALIFORNIA, IN BOOK 18 OF MAPS, AT PAGE(S) 35; THENCE FROM SAID POINT OF BEGINNING RUNNING SOUTH 36° 15' EAST ALONG THE WESTERLY LINE OF SAID SHASTA ROAD, A DISTANCE OF 520.0 FEET TO A POINT ON THE NORTHERLY BOUNDARY OF BIDWELL COUNTY PARK, MARKED BY A CHISELED CROSS ON CONCRETE RETAINING WALL; THENCE ALONG SAID NORTHERLY BOUNDARY OF BIDWELL COUNTY PARK THE FOLLOWING SIX COURSES AND DISTANCES: SOUTH 87° 10' WEST, 275.0 FEET TO A POINT; THENCE NORTH 85° 03' WEST, 63.2 FEET TO AN IRON PIPE AT AN ANGLE IN THE SOUTHERLY SIDE OF A CONCRETE RETAINING WALL; THENCE ALONG THE SOUTHERLY SIDE OF SAID WALL NORTH 74° 11' WEST, 62.1 FEET TO AN ANGLE IN SAID WALL; THENCE ALONG SAID WALL NORTH 64° 19' WEST, 69.1 FEET TO AN ANGLE IN SAID WALL; THENCE ALONG SAID WALL NORTH 49° 28' WEST 40.5 FEET TO THE END OF SAID WALL; THENCE NORTH 36° 52' WEST, 177.70 FEET TO AN IRON PIPE;

(Continued on Page 2)

THENCE LEAVING THE SAID NORTHERLY BOUNDARY OF BIDWELL COUNTY PARK, NORTH 53° 45' EAST, 359.07 FEET TO THE POINT OF BEGINNING.

together with rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits for the purpose of securing (1) payment of the sum of $**500,000.00**, with interest thereon according to the terms of a promissory note or notes of even date herewith made by Trustor, payable to order of Beneficiary, and extensions or renewals thereof, (2) the performance of each agreement of Trustor incorporated by reference or contained herein and (3) payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

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

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

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

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

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

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

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

(Continued on Page 3)

B. It is mutually agreed:

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

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

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

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

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

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

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

(Continued on Page 4)

shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

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

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

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

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

10) Trustor requests that copies of the notice of default and notice of sale be sent to Trustor's address as shown above.

Beneficiary requests that copies of notices of foreclosure from the holder of any lien which has priority over this Deed of Trust be sent to Beneficiary's address, as set forth on page one of this Deed of Trust, as provided by Section 2924(b) of the California Civil Code.

If the Trustor shall sell, convey or alienate said property, or any part thereof, or any interest therein, or shall be divested of his title or any interest therein in any manner or way, whether voluntarily or involuntarily, without the written consent of the Beneficiary being first had and obtained, Beneficiary shall have the right, at its option, except as prohibited by law, to declare any indebtedness or obligations secured hereby, irrespective of the maturity date specified in any Note evidencing the same, immediately due and payable.

The Edward F. Niderost Revocable Living Trust,
Dated November 8, 1988

Edward F. Niderost

Edward F. Niderost, Trustee

(Continued on Page 5)

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 CA)SS
COUNTY OF Butte)

On 2-25-2020, before me, M. THOMPSON, Notary Public, personally appeared Edward F. Niderost, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

This area for official notarial seal

Notary Signature

M. THOMPSON
COMM. # 2168301
NOTARY PUBLIC CALIFORNIA
COUNTY OF BUTTE
Comm. Expires OCT 16, 2020

(Continued on Page 6)

---DO NOT RECORD---

REQUEST FOR FULL RECONVEYANCE

To be used only when note has been paid.

To: First American Title Insurance Company, a Nebraska Corporation , **Trustee**

Dated:______________________________

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

Mail Reconveyance to:

____

____

____

____

____

____

By______________________________

By______________________________

NOTE: Signatures on this Request for Full Reconveyance must be notarized.

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

Exhibit "H"

2020-0009601

Recorded | REC FEE 51.00
Official Records |
County of | SB2 TAX EXEMPT 0.00
Butte |
CANDACE J. GRUBBS |
County Clerk-Recorder |
| MZ
09:08AM 28-Feb-2020 | Page 1 of 7

RECORDING REQUESTED BY
Mid Valley Title & Escrow Company

AND WHEN RECORDED MAIL DOCUMENT TO:
Wayne A. Cook 1998 Family Trust
P.O. Box 4724
Chico, CA. 95927

Space Above This Line for Recorder's Use Only

A.P.N.: 006-120-003-000 File No.: 0403-6153035 (mat)

Deed of Trust with Assignment of Rents

THIS DEED OF TRUST IS A JR SUBORDINATE TO THE CERTAIN DEED OF TRUST IN THE AMOUNT OF $500,000.00 RECORDING CONCURRENT HEREWITH

SEPARATE PAGE PURSUANT TO GOVT CODE 27361.6

RECORDING REQUESTED BY:
Mid Valley Title & Escrow Company

AND WHEN RECORDED MAIL DOCUMENT TO:
Wayne A. Cook 1998 Family Trust
P.O. Box 4724
Chico, CA 95927

Space Above This Line for Recorder's Use Only

A.P.N.: 006-120-003-000 File No.: 0403-6153035 (mat)

DEED OF TRUST WITH ASSIGNMENT OF RENTS
(LONG FORM)

THIS DEED OF TRUST, made this **02/24/2020**, between

TRUSTOR: **Edward F. Niderost, Trustee of The Edward F. Niderost Revocable Living Trust, Dated November 8, 1988**

whose address is **1077 Via Verona Drive, Chico, CA 95973,**

TRUSTEE: **First American Title Insurance Company, a Nebraska Corporation**

and BENEFICIARY: **Wayne Allen Cook, Trustee of The Wayne A. Cook 1998 Family Trust Dated 12/29/98**

WITNESSETH: That Trustor irrevocably grants to Trustee in trust, with power of sale, that property in the City of Chico, County of Butte, State of California, described as:

A PORTION OF RANCHO ARROYO CHICO LYING WEST OF THE SHASTA ROAD (US 99E) AND NORTH OF LINDO CHANNEL AND NORTH OF THE NORTHERLY BOUNDARY OF BIDWELL COUNTY PARK, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON PIPE ON THE WESTERLY SIDE OF SAID SHASTA ROAD, SOUTH 36° 15' EAST, 1096.65 FEET ALONG THE WESTERLY SIDE OF THE SHASTA ROAD FROM A CONCRETE MONUMENT AT THE MOST EASTERLY CORNER OF LOT 2, AS SHOWN ON THAT CERTAIN MAP ENTITLED, "REED PARK UNIT NO. 1", WHICH MAP WAS RECORDED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF BUTTE, STATE OF CALIFORNIA, IN BOOK 18 OF MAPS, AT PAGE(S) 35; THENCE FROM SAID POINT OF BEGINNING RUNNING SOUTH 36° 15' EAST ALONG THE WESTERLY LINE OF SAID SHASTA ROAD, A DISTANCE OF 520.0 FEET TO A POINT ON THE NORTHERLY BOUNDARY OF BIDWELL COUNTY PARK, MARKED BY A CHISELED CROSS ON CONCRETE RETAINING WALL; THENCE ALONG SAID NORTHERLY BOUNDARY OF BIDWELL COUNTY PARK THE FOLLOWING SIX COURSES AND DISTANCES: SOUTH 87° 10' WEST, 275.0 FEET TO A POINT; THENCE NORTH 85° 03' WEST, 63.2 FEET TO AN IRON PIPE AT AN ANGLE IN THE SOUTHERLY SIDE OF A CONCRETE RETAINING WALL; THENCE ALONG THE SOUTHERLY SIDE OF SAID WALL NORTH 74° 11' WEST, 62.1 FEET TO AN ANGLE IN SAID WALL; THENCE ALONG SAID WALL NORTH 64° 19' WEST, 69.1 FEET TO AN ANGLE IN SAID WALL; THENCE ALONG SAID WALL NORTH 49° 28' WEST 40.5 FEET TO

(Continued on Page 2)

THENCE LEAVING THE SAID NORTHERLY BOUNDARY OF BIDWELL COUNTY PARK, NORTH 53° 45' EAST, 359.07 FEET TO THE POINT OF BEGINNING.

together with rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits for the purpose of securing (1) payment of the sum of **$674,062.39**, with interest thereon according to the terms of a promissory note or notes of even date herewith made by Trustor, payable to order of Beneficiary, and extensions or renewals thereof, (2) the performance of each agreement of Trustor incorporated by reference or contained herein and (3) payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

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

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

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

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

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

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

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

(Continued on Page 3)

B. It is mutually agreed:

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

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

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

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

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

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

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

(Continued on Page 4)

shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

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

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

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

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

10) Trustor requests that copies of the notice of default and notice of sale be sent to Trustor's address as shown above.

Beneficiary requests that copies of notices of foreclosure from the holder of any lien which has priority over this Deed of Trust be sent to Beneficiary's address, as set forth on page one of this Deed of Trust, as provided by Section 2924(b) of the California Civil Code.

If the Trustor shall sell, convey or alienate said property, or any part thereof, or any interest therein, or shall be divested of his title or any interest therein in any manner or way, whether voluntarily or involuntarily, without the written consent of the Beneficiary being first had and obtained, Beneficiary shall have the right, at its option, except as prohibited by law, to declare any indebtedness or obligations secured hereby, irrespective of the maturity date specified in any Note evidencing the same, immediately due and payable.

The Edward F. Niderost Revocable Living Trust,
Dated November 8, 1988

Edward F. Niderost

Edward F. Niderost , Trustee

(Continued on Page 5)

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 CA)SS
COUNTY OF Butte)

On 2.25.2020, before me, M. THOMPSON, Notary Public, personally appeared Edward F. Niderost , who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

This area for official notarial seal

M. THOMPSON
COMM. # 2168301
NOTARY PUBLIC CALIFORNIA
COUNTY OF BUTTE
Comm. Expires OCT 16, 2020

Notary Signature

(Continued on Page 6)

--DO NOT RECORD--

REQUEST FOR FULL RECONVEYANCE

To be used only when note has been paid.

To: First American Title Insurance Company, a Nebraska Corporation , **Trustee**

Dated:______________________________

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

Mail Reconveyance to:

______________________________ ______________________________

______________________________ ______________________________

______________________________ By______________________________

______________________________ By______________________________

NOTE: Signatures on this Request for Full Reconveyance must be notarized.

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

Exhibit "I"

RECORDING REQUESTED BY
Mid Valley Title and Escrow Company
Foreclosure No. 6205462GW
Order No.
Loan No.

WHEN RECORDED MAIL TO:
Mid Valley Title and Escrow Company
Attention: Greg Wood
601 Main Street
Chico, California 95928
APN#006-120-003

2020-0014314

Recorded Official Records County of Butte CANDACE J. GRUBBS County Clerk-Recorder		REC FEE	21.00
		SB2 TAX	75.00
08:00AM 03-Apr-2020		MZ Page 1 of 2	

SPACE ABOVE THIS LINE FOR RECORDER'S USE

NOTICE OF DEFAULT

NOTE: THERE IS A SUMMARY OF THE INFORMATION IN THIS DOCUMENT ATTACHED
注：本文件包含一个信息摘要
참고사항: 본 첨부 문서에 정보 요약서가 있습니다
NOTA: SE ADJUNTA UN RESUMEN DE LA INFORMACIÓN DE ESTE DOCUMENTO
TALA: MAYROONG BUOD NG IMPORMASYON SA DOKUMENTONG ITO NA NAKALAKIP
LƯU Ý: KÈM THEO ĐÂY LÀ BẢN TRÌNH BÀY TÓM LƯỢC VỀ THÔNG TIN TRONG TÀI LIỆU NÀY

NOTICE OF DEFAULT AND ELECTION TO SELL UNDER DEED OF TRUST; IMPORTANT NOTICE: YOUR PROPERTY IS IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR PAYMENTS AND ARE IN BREACH OF THE DEFAULT CLAUSE. IT MAY BE SOLD WITHOUT ANY COURT ACTION, and you may have the legal right to bring your account in good standing by paying all of your past due payments plus permitted costs and expenses within the time permitted by law for reinstatement of your account, which is normally five business days prior to the date set for the sale of your property. No sale date may be set until three months from the date this notice of default may be recorded (which date of recordation appears on this notice). This amount is $5,776.67 as of April 2, 2020 and will increase until your account becomes current.

While your property is in foreclosure, you still must pay other obligations (such as insurance and taxes) required by your note and deed of trust or mortgage. If you fail to make future payments on the loan, pay taxes on the property, provide insurance on the property, or pay other obligations as required in the note and deed of trust or mortgage, the beneficiary or mortgagee may insist that you do so in order to reinstate your account in good standing. In addition, the beneficiary or mortgagee may require as a condition to reinstatement that you provide reliable written evidence that you paid all senior liens, property taxes, and hazard insurance premiums.

Upon your written request, the beneficiary or mortgagee will give you a written itemization of the entire amount you must pay. You may not have to pay the entire unpaid portion of your account, even though full payment was demanded, but you must pay all amounts in default at the time payment is made. However, you and your beneficiary or mortgagee may mutually agree in writing prior to the time the notice of sale is posted (which may not be earlier than the end of the three-month period stated above) to, among other things, (1) provide additional time in which to cure the default by transfer of the property or otherwise; or (2) establish a schedule of payments in order to cure your default; or both (1) and (2).

Following the expiration of the time period referred to in the first paragraph of this notice, unless the obligation being foreclosed upon or a separate written agreement between you and your creditor permits a longer period, you have only the legal right to stop the sale of your property by paying the entire amount demanded by your creditor.

NOD.DOC (11/94)

Foreclosure #6205462GW

To find out the amount you must pay, or to arrange for payment to stop the foreclosure, or if your property is in foreclosure for any other reason, contact:

Mid Valley Title and Escrow Company
601 Main Street
Chico, CA 95928
(530) 893-5644

If you have any questions, you should contact a lawyer or the governmental agency which may have insured your loan. Notwithstanding the fact that your property is in foreclosure, you may offer your property for sale, provided the sale is concluded prior to the conclusion of the foreclosure.

Remember, YOU MAY LOSE YOUR LEGAL RIGHTS IF YOU DO NOT TAKE PROMPT ACTION.

NOTICE OF DEFAULT

NOTICE IS HEREBY GIVEN: That Mid Valley Title and Escrow Company, a corporation is duly appointed Trustee under a Deed of Trust dated February 18, 2020 executed by Edward F. Niderost, trustee of The Edward F. Niderost Revocable Living Trust, dated November 8, 1988 trustor, in favor of Wayne Allen Cook, trustee of Mathew N. Fine MD 401k Plan, as beneficiary, recorded February 28, 2020, as Instrument #2020-0009600, of Official Records in the Office of the Butte County Recorder securing among other obligations one note(s) for the original sum of $500,000.00, that the beneficial interest under such Deed of Trust and the obligations secured thereby are presently held by the undersigned; that a breach of, and default in, the obligations for which said Deed of Trust is security has occurred in that; The trustor has failed to pay installments, late fees, costs and advances paid by the beneficiary to protect the security of the note in the amount of $5,776.67; The trustor has failed to provide reliable written evidence that all property taxes, and hazard insurance premiums, plus all subsequent payment(s), together with any late charge(s), and any advances made by the beneficiary to protect the security of the note are paid; that by reason thereof, the present beneficiary under such Deed of Trust, has executed and delivered to said duly appointed Trustee, a written Declaration of Default and Demand for Sale, and has deposited with said duly appointed Trustee, such Deed of Trust and all documents evidencing obligations secured thereby, and has declared and does hereby declare all sums secured thereby immediately due and payable and has elected and does hereby elect to cause the trust property to be sold to satisfy the obligations secured thereby.

Dated: April 2, 2020

Mid Valley Title and Escrow Company,
a corporation, as trustee

Greg Wood, Foreclosure Officer

NOD.DOC (11/94)

Exhibit "J"

2020-0014315

Recorded | REC FEE 21.00
Official Records |
County of | SB2 TAX 75.00
Butte |
CANDACE J. GRUBBS |
County Clerk-Recorder |
| MZ
08:00AM 03-Apr-2020 | Page 1 of 2

RECORDING REQUESTED BY
Mid Valley Title and Escrow Company
Foreclosure No. 6205470GW
Order No.
Loan No.

WHEN RECORDED MAIL TO:
Mid Valley Title and Escrow Company
Attention: Greg Wood
601 Main Street
Chico, California 95928
APN#006-120-003

SPACE ABOVE THIS LINE FOR RECORDER'S USE

NOTICE OF DEFAULT

NOTE: THERE IS A SUMMARY OF THE INFORMATION IN THIS DOCUMENT ATTACHED
注：本文件包含一个信息摘要
참고사항: 본 첨부 문서에 정보 요약서가 있습니다
NOTA: SE ADJUNTA UN RESUMEN DE LA INFORMACIÓN DE ESTE DOCUMENTO
TALA: MAYROONG BUOD NG IMPORMASYON SA DOKUMENTONG ITO NA NAKALAKIP
LƯU Ý: KÈM THEO ĐÂY LÀ BẢN TRÌNH BÀY TÓM LƯỢC VỀ THÔNG TIN TRONG TÀI LIỆU NÀY

NOTICE OF DEFAULT AND ELECTION TO SELL UNDER DEED OF TRUST; IMPORTANT NOTICE: YOUR PROPERTY IS IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR PAYMENTS AND ARE IN BREACH OF THE DEFAULT CLAUSE. IT MAY BE SOLD WITHOUT ANY COURT ACTION, and you may have the legal right to bring your account in good standing by paying all of your past due payments plus permitted costs and expenses within the time permitted by law for reinstatement of your account, which is normally five business days prior to the date set for the sale of your property. No sale date may be set until three months from the date this notice of default may be recorded (which date of recordation appears on this notice). This amount is $5,455.87 as of April 2, 2020 and will increase until your account becomes current.

While your property is in foreclosure, you still must pay other obligations (such as insurance and taxes) required by your note and deed of trust or mortgage. If you fail to make future payments on the loan, pay taxes on the property, provide insurance on the property, or pay other obligations as required in the note and deed of trust or mortgage, the beneficiary or mortgagee may insist that you do so in order to reinstate your account in good standing. In addition, the beneficiary or mortgagee may require as a condition to reinstatement that you provide reliable written evidence that you paid all senior liens, property taxes, and hazard insurance premiums.

Upon your written request, the beneficiary or mortgagee will give you a written itemization of the entire amount you must pay. You may not have to pay the entire unpaid portion of your account, even though full payment was demanded, but you must pay all amounts in default at the time payment is made. However, you and your beneficiary or mortgagee may mutually agree in writing prior to the time the notice of sale is posted (which may not be earlier than the end of the three-month period stated above) to, among other things, (1) provide additional time in which to cure the default by transfer of the property or otherwise; or (2) establish a schedule of payments in order to cure your default; or both (1) and (2).

Following the expiration of the time period referred to in the first paragraph of this notice, unless the obligation being foreclosed upon or a separate written agreement between you and your creditor permits a longer period, you have only the legal right to stop the sale of your property by paying the entire amount demanded by your creditor.

NOD.DOC (11/94)

Foreclosure #6205470GW

To find out the amount you must pay, or to arrange for payment to stop the foreclosure, or if your property is in foreclosure for any other reason, contact:

Mid Valley Title and Escrow Company
601 Main Street
Chico, CA 95928
(530) 893-5644

If you have any questions, you should contact a lawyer or the governmental agency which may have insured your loan. Notwithstanding the fact that your property is in foreclosure, you may offer your property for sale, provided the sale is concluded prior to the conclusion of the foreclosure.

Remember, YOU MAY LOSE YOUR LEGAL RIGHTS IF YOU DO NOT TAKE PROMPT ACTION.

NOTICE OF DEFAULT

NOTICE IS HEREBY GIVEN: That Mid Valley Title and Escrow Company, a corporation is duly appointed Trustee under a Deed of Trust dated February 24, 2020 executed by Edward F. Niderost, trustee of The Edward F. Niderost Living Revocable Trust, dated November 8, 1988 trustor, in favor of Wayne Allen Cook, trustee of The Wayne Allen Cook 1998 Family Trust dated 12/29/98, as beneficiary, recorded February 28, 2020, as Instrument #2020-0009601, of Official Records in the Office of the Butte County Recorder securing among other obligations one note(s) for the original sum of $674,062.39, that the beneficial interest under such Deed of Trust and the obligations secured thereby are presently held by the undersigned; that a breach of, and default in, the obligations for which said Deed of Trust is security has occurred in that; The trustor has failed to pay installments, late fees, costs and advances paid by the beneficiary to protect the security of the note in the amount of $5,455.87; The trustor has failed to provide reliable written evidence that all property taxes, and hazard insurance premiums, plus all subsequent payment(s), together with any late charge(s), and any advances made by the beneficiary to protect the security of the note are paid; that by reason thereof, the present beneficiary under such Deed of Trust, has executed and delivered to said duly appointed Trustee, a written Declaration of Default and Demand for Sale, and has deposited with said duly appointed Trustee, such Deed of Trust and all documents evidencing obligations secured thereby, and has declared and does hereby declare all sums secured thereby immediately due and payable and has elected and does hereby elect to cause the trust property to be sold to satisfy the obligations secured thereby.

Dated: April 2, 2020

Mid Valley Title and Escrow Company,
a corporation, as trustee

Greg Wood, Foreclosure Officer

NOD.DOC (11/94)

PROOF OF SERVICE

I, Sara M. Knowles, declare:

I am a citizen of the United States and a resident of Butte County, State of California. I am over the age of 18 years and not a party to the within action. My business address is 1660 Humboldt Road, Suite 6, Chico, CA 95928.

I am familiar with the practices of Leland, Morrissey & Knowles LLP whereby each document is placed in an envelope, the envelope is sealed, the appropriate postage is placed thereon and the sealed envelope is placed in the office mail receptacle. Each day's mail is collected and deposited in a U.S. mailbox at or before the close of each day's business.

On the date shown below, I caused to be served the **Cross-Complaint For Elder Abuse, Common County, Civil Conspiracy for Fraud, Involuntary Trust, Fraud, Declaratory and Injunctive Relief, Breach of Fiduciary Duty, Unconscionability, Predatory Lending (Business and Professions Code section 17200 et seq), Cancellation of Instruments and Breach of the Covenant of Good Faith and Fair Dealing** by:

X ***MAIL:*** Placed in the United States mail at Chico, California

Raymond L. Sandelman
Attorney at Law
196 Cohasset Road, Suite 225
Chico, California 96926-2284

FAX AND MAIL: I personally sent to the addressee's telecopier number a true copy of the above-described document(s), and verified said transmission. Thereafter, I placed a true copy in a sealed envelope with First Class postage affixed and mailed as follows:

PERSONAL SERVICE: Delivery by hand to the addressee.

OVERNIGHT DELIVERY: Using Federal Express overnight mail addressed as follows:

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

Executed on June 12, 2020, at Chico, California.

Sara M. Knowles

Sara M. Knowles