

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM: 19.16  
(ID # 12434)

**MEETING DATE:**  
Tuesday, October 18, 2022

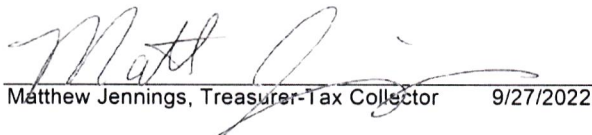
**FROM :** TREASURER-TAX COLLECTOR:

**SUBJECT:** TREASURER-TAX COLLECTOR: Public Hearing on the Recommendation for Distribution of Excess Proceeds for Tax Sale No. 207, Item 940. Last assessed to: Mission Creek Investments, LLC. District 4. [\$0]

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Deny the claim from Heritage Oaks Bank for payment of excess proceeds resulting from the Tax Collector's public auction sale associated with parcel 671180020-9;
2. Deny the claim from Mission Creek Investments, LLC, last assessee, for payment of excess proceeds resulting from the Tax Collector's public auction sale associated with parcel 671180020-9;
3. Deny the claims, unless an appeal has been filed in Superior Court, pursuant to the California Revenue and Taxation Code Section 4675.
4. Authorize and direct the Treasurer-Tax Collector to transfer the unclaimed excess proceeds in the amount of \$5,552.38 to the County General Fund pursuant to Revenue and Taxation Code Section 4674.

**ACTION:Policy**

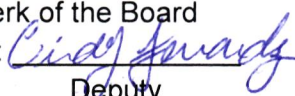
  
Matthew Jennings, Treasurer-Tax Collector 9/27/2022

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**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Perez, seconded by Supervisor Spiegel and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt  
Nays: None  
Absent: None  
Date: October 18, 2022  
xc: Tax Collector

Kecia R. Harper  
Clerk of the Board  
By:   
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,  
STATE OF CALIFORNIA**

<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS:</b>			<b>Budget Adjustment:</b>	N/A
			<b>For Fiscal Year:</b>	22/23

**C.E.O. RECOMMENDATION:** Approve.

**BACKGROUND:**

**Summary**

In accordance with Section 3691 et seq. of the California Revenue and Taxation Code, and with prior approval of the Board of Supervisors, the Tax Collector conducted the May 24, 2016 public auction sale. The deed conveying title to the purchasers at the auction was recorded July 14, 2016. Further, as required by Section 4676 of the California Revenue and Taxation Code, notice of the right to claim excess proceeds was given on August 10, 2016, to parties of interest as defined in Section 4675 of said code. Parties of interest have been determined by an examination of Parties of Interest Reports, Assessor's and Recorder's records, as well as other, various research methods used to obtain current mailing addresses for these parties of interest.

Revenue and Taxation Code 4676 (b) states that the county shall make reasonable effort to obtain the name and last known mailing address of the parties of interest. Then, if the address of the party of interest cannot be obtained, the county shall publish notice of the right to claim excess proceeds in a newspaper of general circulation in the county as per Revenue and Taxation Code 4676 (c). The Treasurer-Tax Collector's office has made it a policy to take the following actions to locate the rightful party of the excess proceeds.

1. Examined Parties of Interest Reports to notify all parties of interest attached to the parcel.
2. Researched all last assessee's through the County's Property Tax System for any additional addresses.
3. Used Accurint (people finder) to notify any new addresses that may be listed for our last assessees.
4. Advertised in newspapers for three consecutive weeks in The Desert Sun, Palo Verde Valley Times and The Press Enterprise referring any parties of interest to file a claim for the excess proceeds.
5. Sent out a certified mailing within 90 days as required by Revenue and Taxation Code 4676 (b).

According to Revenue and Taxation Code 4675 (a) Any party of interest in the property may file with the county a claim for the excess proceeds, in proportion to his or her interest held with others of equal priority in the property at the time of the sale, at any time prior to the expiration

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,  
STATE OF CALIFORNIA**

of the one year following the recordation of the Tax Collector's deed to the Purchaser, which was recorded on July 14, 2016.

The Treasurer-Tax Collector has received two claims for excess proceeds:

1. Claim from Heritage Oaks Bank based on a Deed of Trust recorded on November 27, 2007 as Instrument No. 2007-0712403 and a Promissory Note dated November 19, 2007.
2. Claim from Mission Creek Investments, LLC based on a Grant Deed recorded on September 7, 2005 as Instrument No. 2005-0736616.

Pursuant to Section 4675 of the California Revenue and Taxation Code, it is the recommendation of this office that the claim from Heritage Oaks Bank be denied since they were unable to provide an updated statement of monies owed. The claim from Mission Creek Investments, LLC be denied since at the time the claim was filed and at all relevant times since, the company was SOS/FTB suspended which deprives it of all rights, privileges, and powers and it has no right or authority to file an administrative claim for the excess proceeds. Since there are no other claimants, the unclaimed excess proceeds in the amount of \$5,552.38 will be transferred to the County General Fund. Supporting documentation has been provided. The Tax Collector requests approval of the above recommended motion. Notice of this recommendation was sent to the claimants by certified mail.

**Impact on Residents and Businesses**

The excess proceeds will be transferred to the County General Fund.

**ATTACHMENTS (if any, in this order):**

**ATTACHMENT A. Claim Heritage**

**ATTACHMENT B. Claim Mission**

  
Steven Atkeson 10/10/2022

  
Kristine Bell-Valdez, Supervising Deputy County Counsel 9/19/2022



CLAIM FOR EXCESS PROCEEDS FROM THE SALE OF TAX-DEFAULTED PROPERTY

RECEIVED  
2016 AUG 30 AM 7:56  
RIVERSIDE COUNTY  
TREAS-TAX COLLECTOR

To: Don Kent, Treasurer-Tax Collector

Re: Claim for Excess Proceeds

TC 207 Item 940 Assessment Number: 671180020-9

Assessee: MISSION CREEK INV

Situs: NONE

Date Sold: May 24, 2016

Date Deed to Purchaser Recorded: July 14, 2016

Final Date to Submit Claim: July 14, 2017

I/We, pursuant to Revenue and Taxation Code Section 4675, hereby claim excess proceeds in the amount of \$ 616,611.98 from the sale of the above mentioned real property. I/We were the  lienholder(s),  property owner(s) [check in one box] at the time of the sale of the property as is evidenced by Riverside County Recorder's Document No 2007-0712403 recorded on 11-27-07. A copy of this document is attached hereto. I/We are the rightful claimants by virtue of the attached assignment of interest. I/We have listed below and attached hereto each item of documentation supporting the claim submitted.

NOTE: YOUR CLAIM WILL NOT BE CONSIDERED UNLESS THE DOCUMENTATION IS ATTACHED.

- Deed of Trust
- Promissory Note
- Pay history

If the property is held in Joint Tenancy, the taxsale process has severed this Joint Tenancy, and all Joint Tenants will have to sign the claim unless the claimant submits proof that he or she is entitled to the full amount of the claim, the claimant may only receive his or her respective portion of the claim.

I/We affirm under penalty of perjury that the foregoing is true and correct.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ at \_\_\_\_\_ County, State

SAO Heritage Oaks Bank  
Signature of Claimant

\_\_\_\_\_  
Signature of Claimant

Michael Strang  
Print Name

\_\_\_\_\_  
Print Name

1222 Vine St.  
Street Address

\_\_\_\_\_  
Street Address

Paso Robles, CA. 93446  
City, State, Zip

\_\_\_\_\_  
City, State, Zip

805-369-5177  
Phone Number

\_\_\_\_\_  
Phone Number



**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

**CIVIL CODE § 1189**

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

State of California )

County of San Luis Obispo )

On August 17, 11 before me, Tara Breanne Tedeschi, Notary Public  
Date Here Insert Name and Title of the Officer

personally appeared Michael Strang  
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.



Signature Tara Breanne Tedeschi  
Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

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

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_ Document Date: \_\_\_\_\_

Number of Pages: \_\_\_\_\_ Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_

Corporate Officer — Title(s): \_\_\_\_\_

Partner —  Limited  General

Individual  Attorney in Fact

Trustee  Guardian or Conservator

Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_

Corporate Officer — Title(s): \_\_\_\_\_

Partner —  Limited  General

Individual  Attorney in Fact

Trustee  Guardian or Conservator

Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

Recording Requested By  
 First American Title Company  
 Riverside Resale

DOC # 2007-0712403  
 11/27/2007 08:00A Fee:48.00  
 Page 1 of 14  
 Recorded in Official Records  
 County of Riverside  
 Larry W. Ward  
 Assessor, County Clerk & Recorder

WHEN RECORDED MAIL TO:  
 Heritage Oaks Bank  
 P O Box 7012  
 545 Twelfth Street  
 Paso Robles, CA 93447



SEND TAX NOTICES TO:  
 Mission Creek Investments LLC  
 Mission Creek 2 Investments, LLC  
 342 Palomar Avenue  
 Shell Beach, CA 93449

2931355-30

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**DEED OF TRUST**

THIS DEED OF TRUST is dated November 19, 2007, among Mission Creek Investments, LLC, A California Limited Liability Company (as to Parcels 1 and 2) and Mission Creek 2 Investments, A California Limited Liability Company (as to Parcels 3 and 4) ("Trustor"); Heritage Oaks Bank, whose address is San Luis Obispo-Santa Rosa Downtown, 1135 Santa Rosa Street, San Luis Obispo, CA 93401 (referred to below sometimes as "Lender" and sometimes as "Beneficiary"); and Heritage Oaks Bancorp, a California Corporation, whose address is 545 Twelfth Street, Paso Robles, CA 93446 (referred to below as "Trustee").

CONVEYANCE AND GRANT. For valuable consideration, Trustor irrevocably grants, transfers and assigns to Trustee in trust, with power of sale, for the benefit of Lender as Beneficiary, all of Trustor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances, all water, water rights and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, (the "Real Property") located in Riverside County, State of California:

See EXHIBIT "A", which is attached to this Deed of Trust and made a part of this Deed of Trust as if fully set forth herein.

The Real Property or its address is commonly known as Vacant Land - Tract 34588, Desert Hot Spring, CA 92440. The Assessor's Parcel Number for the Real Property is 671-180-020-9; 671-180-21; 671-180-023-2 and 671-180-028-7.

Trustor presently assigns to Lender (also known as Beneficiary in this Deed of Trust) all of Trustor's right, title, and interest in and to all present and future leases of the Property and all Rents from the Property This is an absolute assignment of Rents made in connection with an obligation secured by real property pursuant to California Civil Code Section 2938 In addition, Trustor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Rents.

THIS DEED OF TRUST, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THIS DEED OF TRUST. THIS DEED OF TRUST IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

TRUSTOR'S REPRESENTATIONS AND WARRANTIES. Trustor warrants that: (a) this Deed of Trust is executed at Borrower's request and not at the request of Lender; (b) Trustor has the full power, right, and authority to enter into this Deed of Trust and to hypothecate the Property; (c) the provisions of this Deed of Trust do not conflict with, or result in a default under any agreement or other instrument binding upon Trustor and do not result in a violation of any law, regulation, court decree or order applicable to Trustor, (d) Trustor has established adequate means of obtaining from Borrower on a continuing basis information about Borrower's financial condition, and (e) Lender has made no representation to Trustor about Borrower (including without limitation the creditworthiness of Borrower)

TRUSTOR'S WAIVERS. Except as prohibited by applicable law, Trustor waives any right to require Lender to (a) make any presentment, protest, demand, or notice of any kind, including notice of change of any terms of repayment of the Indebtedness, default by Borrower or any other guarantor or surety, any action or nonaction taken by Borrower, Lender, or any other guarantor or surety of Borrower, or the creation of new or additional Indebtedness; (b) proceed against any person, including Borrower, before proceeding against Trustor, (c) proceed against any collateral for the Indebtedness, including Borrower's collateral, before proceeding against Trustor, (d) apply any payments or proceeds received against the Indebtedness in any order, (e) give notice of the terms, time, and place of any sale of any

**DEED OF TRUST  
(Continued)**

collateral pursuant to the Uniform Commercial Code or any other law governing such sale; (f) disclose any information about the indebtedness, Borrower, any collateral, or any other guarantor or surety, or about any action or nonaction of Lender; or (g) pursue any remedy or course of action in Lender's power whatsoever.

Trustor also waives any and all rights or defenses arising by reason of (h) any disability or other defense of Borrower, any other guarantor or surety or any other person; (i) the cessation from any cause whatsoever, other than payment in full, of the indebtedness; (j) the application of proceeds of the indebtedness by Borrower for purposes other than the purposes understood and intended by Trustor and Lender, (k) any act of omission or commission by Lender which directly or indirectly results in or contributes to the discharge of Borrower or any other guarantor or surety, or the indebtedness, or the loss or release of any collateral by operation of law or otherwise; (l) any statute of limitations in any action under this Deed of Trust or on the indebtedness; or (m) any modification or change in terms of the indebtedness, whatsoever, including without limitation, the renewal, extension, acceleration, or other change in the time payment of the indebtedness is due and any change in the interest rate.

Trustor waives all rights and defenses arising out of an election of remedies by Lender, even though that election of remedies, such as non-judicial foreclosure with respect to security for a guaranteed obligation, has destroyed Trustor's rights of subrogation and reimbursement against Borrower by the operation of Section 580d of the California Code of Civil Procedure, or otherwise.

Trustor waives all rights and defenses that Trustor may have because Borrower's obligation is secured by real property. This means among other things: (1) Lender may collect from Trustor without first foreclosing on any real or personal property collateral pledged by Borrower. (2) If Lender forecloses on any real property collateral pledged by Borrower: (A) The amount of Borrower's obligation may be reduced only by the price for which the collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price. (B) Lender may collect from Trustor even if Lender, by foreclosing on the real property collateral, has destroyed any right Trustor may have to collect from Borrower. This is an unconditional and irrevocable waiver of any rights and defenses Trustor may have because Borrower's obligation is secured by real property. These rights and defenses include, but are not limited to, any rights and defenses based upon Section 580a, 580b, 580d, or 726 of the Code of Civil Procedure

Trustor understands and agrees that the foregoing waivers are unconditional and irrevocable waivers of substantive rights and defenses to which Trustor might otherwise be entitled under state and federal law. The rights and defenses waived include, without limitation, those provided by California laws of suretyship and guaranty, anti-deficiency laws, and the Uniform Commercial Code. Trustor acknowledges that Trustor has provided these waivers of rights and defenses with the intention that they be fully relied upon by Lender. Trustor further understands and agrees that this Deed of Trust is a separate and independent contract between Trustor and Lender, given for full and ample consideration, and is enforceable on its own terms. Until all indebtedness is paid in full, Trustor waives any right to enforce any remedy Trustor may have against Borrower's or any other guarantor, surety, or other person, and further, Trustor waives any right to participate in any collateral for the indebtedness now or hereafter held by Lender.

**PAYMENT AND PERFORMANCE.** Except as otherwise provided in this Deed of Trust, Borrower shall pay to Lender all indebtedness secured by this Deed of Trust as it becomes due, and Borrower and Trustor shall perform all their respective obligations under the Note, this Deed of Trust, and the Related Documents

**POSSESSION AND MAINTENANCE OF THE PROPERTY.** Borrower and Trustor agree that Borrower's and Trustor's possession and use of the Property shall be governed by the following provisions:

**Possession and Use.** Until the occurrence of an Event of Default, Trustor may (1) remain in possession and control of the Property; (2) use, operate or manage the Property; and (3) collect the Rents from the Property

**Duty to Maintain.** Trustor shall maintain the Property in tenantable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

**Compliance With Environmental Laws.** Trustor represents and warrants to Lender that: (1) During the period of Trustor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from the Property, (2) Trustor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (a) any breach or violation of any Environmental Laws, (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Property by any prior owners or occupants of the Property, or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters, and (3) Except as previously disclosed to and acknowledged by Lender in writing, (a) neither Trustor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from the Property; and (b) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation all Environmental Laws. Trustor authorizes Lender and its agents to enter upon the Property to make such inspections and tests, at Trustor's expense, as Lender may deem appropriate to determine compliance of the Property with this section of the Deed of Trust. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Trustor or to any other person. The representations and warranties contained herein are based on Trustor's due diligence in investigating the Property for Hazardous Substances. Trustor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Trustor becomes liable for cleanup or other costs under any such laws; and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Deed of Trust or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Trustor's ownership or interest in the Property, whether or not the same was or should have been known to Trustor. The provisions of this section of the Deed of Trust, including the obligation to indemnify and defend, shall survive the payment of the indebtedness and the satisfaction and reconveyance of the lien of this Deed of Trust and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

**Nuisance, Waste.** Trustor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Trustor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), coal, clay, scoria, soil, gravel or rock products without Lender's prior written consent



**DEED OF TRUST  
(Continued)**

Loan No: 33841

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**Removal of Improvements.** Trustor shall not demolish or remove any Improvements from the Real Property without Lender's prior written consent. As a condition to the removal of any Improvements, Lender may require Trustor to make arrangements satisfactory to Lender to replace such Improvements with Improvements of at least equal value.

**Lender's Right to Enter.** Lender and Lender's agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Real Property for purposes of Trustor's compliance with the terms and conditions of this Deed of Trust.

**Compliance with Governmental Requirements.** Trustor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the Americans With Disabilities Act. Trustor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Trustor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Trustor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

**Duty to Protect.** Trustor agrees neither to abandon or leave unattended the Property. Trustor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

**DUE ON SALE - CONSENT BY LENDER.** Lender may, at Lender's option, declare immediately due and payable all sums secured by this Deed of Trust upon the sale or transfer, without Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest in the Real Property, whether legal, beneficial or equitable, whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of an interest in the Real Property. If any Trustor is a corporation, partnership or limited liability company, transfer also includes any change in ownership of more than twenty-five percent (25%) of the voting stock, partnership interests or limited liability company interests, as the case may be, of such Trustor. However, this option shall not be exercised by Lender if such exercise is prohibited by applicable law.

**TAXES AND LIENS.** The following provisions relating to the taxes and liens on the Property are part of this Deed of Trust:

**Payment.** Trustor shall pay when due (and in all events at least ten (10) days prior to delinquency) all taxes, special taxes, assessments, charges (including water and sewer), fines and impositions levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Trustor shall maintain the Property free of all liens having priority over or equal to the interest of Lender under this Deed of Trust, except for the lien of taxes and assessments not due, except for the Existing Indebtedness referred to below, and except as otherwise provided in this Deed of Trust.

**Right to Contest.** Trustor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Trustor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Trustor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and attorneys' fees, or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Trustor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Trustor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

**Evidence of Payment.** Trustor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

**Notice of Construction.** Trustor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialmen's lien, or other lien could be asserted on account of the work, services, or materials and the cost exceeds \$5,000.00. Trustor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Trustor can and will pay the cost of such improvements.

**PROPERTY DAMAGE INSURANCE.** The following provisions relating to insuring the Property are a part of this Deed of Trust.

**Maintenance of Insurance.** Trustor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a fair value basis for the full insurable value covering all Improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender. Trustor shall also procure and maintain comprehensive general liability insurance in such coverage amounts as Lender may request with Trustee and Lender being named as additional insureds in such liability insurance policies. Additionally, Trustor shall maintain such other insurance, including but not limited to hazard, business interruption, and boiler insurance, as Lender may reasonably require. Notwithstanding the foregoing, in no event shall Trustor be required to provide hazard insurance in excess of the replacement value of the improvements on the Real Property. Policies shall be written in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Trustor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least ten (10) days prior written notice to Lender. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Trustor or any other person. Should the Real Property be located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area, Trustor agrees to obtain and maintain Federal Flood Insurance, if available, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan.

**Application of Proceeds.** Trustor shall promptly notify Lender of any loss or damage to the Property if the estimated cost of repair or replacement exceeds \$2,000.00. Lender may make proof of loss if Trustor fails to do so within fifteen (15) days of the casualty. If in

**DEED OF TRUST  
(Continued)**

Loan No: 33841

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Lender's sole judgment Lender's security interest in the Property has been impaired, Lender may, at Lender's election, receive and retain the proceeds of any insurance and apply the proceeds to the reduction of the Indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If the proceeds are to be applied to restoration and repair, Trustor shall repair or replace the damaged or destroyed Improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Trustor from the proceeds for the reasonable cost of repair or restoration if Trustor is not in default under this Deed of Trust. Any proceeds which have not been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Deed of Trust, then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the Indebtedness. If Lender holds any proceeds after payment in full of the Indebtedness, such proceeds shall be paid to Trustor as Trustor's interests may appear.

**Compliance with Existing Indebtedness.** During the period in which any Existing Indebtedness described below is in effect, compliance with the insurance provisions contained in the instrument evidencing such Existing Indebtedness shall constitute compliance with the insurance provisions under this Deed of Trust, to the extent compliance with the terms of this Deed of Trust would constitute a duplication of insurance requirement. If any proceeds from the insurance become payable on loss, the provisions in this Deed of Trust for division of proceeds shall apply only to that portion of the proceeds not payable to the holder of the Existing Indebtedness.

**Trustor's Report on Insurance.** Upon request of Lender, however not more than once a year, Trustor shall furnish to Lender a report on each existing policy of insurance showing: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured, the then current replacement value of such property, and the manner of determining that value; and (5) the expiration date of the policy. Trustor shall, upon request of Lender, have an independent appraiser satisfactory to Lender determine the cash value replacement cost of the Property.

**LENDER'S EXPENDITURES.** If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Trustor fails to comply with any provision of this Deed of Trust or any Related Documents, including but not limited to Trustor's failure to comply with any obligation to maintain Existing Indebtedness in good standing as required below, or to discharge or pay when due any amounts Trustor is required to discharge or pay under this Deed of Trust or any Related Documents, Lender on Trustor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Trustor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Deed of Trust also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

**WARRANTY; DEFENSE OF TITLE.** The following provisions relating to ownership of the Property are a part of this Deed of Trust:

**Title.** Trustor warrants that: (a) Trustor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in the Existing Indebtedness section below or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Deed of Trust, and (b) Trustor has the full right, power, and authority to execute and deliver this Deed of Trust to Lender.

**Defense of Title.** Subject to the exception in the paragraph above, Trustor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Trustor's title or the interest of Trustee or Lender under this Deed of Trust, Trustor shall defend the action at Trustor's expense. Trustor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Trustor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

**Compliance With Laws.** Trustor warrants that the Property and Trustor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

**Survival of Representations and Warranties.** All representations, warranties, and agreements made by Trustor in this Deed of Trust shall survive the execution and delivery of this Deed of Trust, shall be continuing in nature, and shall remain in full force and effect until such time as Borrower's Indebtedness shall be paid in full.

**EXISTING INDEBTEDNESS.** The following provisions concerning Existing Indebtedness are a part of this Deed of Trust

**Existing Lien.** The lien of this Deed of Trust securing the Indebtedness may be secondary and inferior to an existing lien. Trustor expressly covenants and agrees to pay, or see to the payment of, the Existing Indebtedness and to prevent any default on such Indebtedness, any default under the instruments evidencing such Indebtedness, or any default under any security documents for such Indebtedness.

**No Modification.** Trustor shall not enter into any agreement with the holder of any mortgage, deed of trust, or other security agreement which has priority over this Deed of Trust by which that agreement is modified, amended, extended, or renewed without the prior written consent of Lender. Trustor shall neither request nor accept any future advances under any such security agreement without the prior written consent of Lender.

**CONDEMNATION.** The following provisions relating to eminent domain and inverse condemnation proceedings are a part of this Deed of Trust:

**Proceedings.** If any eminent domain or inverse condemnation proceeding is commenced affecting the Property, Trustor shall promptly notify Lender in writing, and Trustor shall promptly take such steps as may be necessary to pursue or defend the action and obtain the award. Trustor may be the nominal party in any such proceeding, but Lender shall be entitled, at its election, to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Trustor will deliver or cause to be delivered to Lender such instruments and documentation as may be requested by Lender from time to time to permit such participation.

**Application of Net Proceeds.** If any award is made or settlement entered into in any condemnation proceedings affecting all or any part of the Property or by any proceeding or purchase in lieu of condemnation, Lender may at its election, and to the extent permitted by law, require that all or any portion of the award or settlement be applied to the Indebtedness and to the repayment of all reasonable costs, expenses, and attorneys' fees incurred by Trustee or Lender in connection with the condemnation proceedings.

**IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES.** The following provisions relating to governmental taxes, fees and charges are a part of this Deed of Trust:

**Current Taxes, Fees and Charges.** Upon request by Lender, Trustor shall execute such documents in addition to this Deed of Trust and take whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Trustor shall reimburse Lender for all taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Deed of Trust, including without limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Deed of Trust.

**Taxes.** The following shall constitute taxes to which this section applies: (1) a specific tax upon this type of Deed of Trust or upon all or any part of the Indebtedness secured by this Deed of Trust; (2) a specific tax on Borrower which Borrower is authorized or required to deduct from payments on the Indebtedness secured by this type of Deed of Trust; (3) a tax on this type of Deed of Trust chargeable against the Lender or the holder of the Note; and (4) a specific tax on all or any portion of the Indebtedness or on payments of principal and interest made by Borrower.

**Subsequent Taxes.** If any tax to which this section applies is enacted subsequent to the date of this Deed of Trust, this event shall have the same effect as an Event of Default, and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Trustor either (1) pays the tax before it becomes delinquent, or (2) contests the tax as provided above in the Taxes and Liens section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

**SECURITY AGREEMENT; FINANCING STATEMENTS.** The following provisions relating to this Deed of Trust as a security agreement are a part of this Deed of Trust:

**Security Agreement.** This instrument shall constitute a Security Agreement to the extent any of the Property constitutes fixtures, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

**Security Interest.** Upon request by Lender, Trustor shall take whatever action is requested by Lender to perfect and continue Lender's security interest in the Rents and Personal Property. Trustor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Trustor shall not remove, sever or detach the Personal Property from the Property. Upon default, Trustor shall assemble any Personal Property not affixed to the Property in a manner and at a place reasonably convenient to Trustor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender to the extent permitted by applicable law.

**Addresses.** The mailing addresses of Trustor (debtor) and Lender (secured party) from which information concerning the security interest granted by this Deed of Trust may be obtained (each as required by the Uniform Commercial Code) are as stated on the first page of this Deed of Trust

**FURTHER ASSURANCES; ATTORNEY-IN-FACT.** The following provisions relating to further assurances and attorney-in-fact are a part of this Deed of Trust:

**Further Assurances.** At any time, and from time to time, upon request of Lender, Trustor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refiled, or rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (1) Borrower's and Trustor's obligations under the Note, this Deed of Trust, and the Related Documents, and (2) the liens and security interests created by this Deed of Trust on the Property, whether now owned or hereafter acquired by Trustor. Unless prohibited by law or Lender agrees to the contrary in writing, Trustor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

**Attorney-in-Fact.** If Trustor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Trustor and at Trustor's expense. For such purposes, Trustor hereby irrevocably appoints Lender as Trustor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph

**FULL PERFORMANCE.** If Borrower and Trustor pay all the Indebtedness when due, and Trustor otherwise performs all the obligations imposed upon Trustor under this Deed of Trust, Lender shall execute and deliver to Trustee a request for full reconveyance and shall execute and deliver to Trustor suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. Lender may charge Trustor a reasonable reconveyance fee at the time of reconveyance

**EVENTS OF DEFAULT.** Each of the following, at Lender's option, shall constitute an Event of Default under this Deed of Trust

**Payment Default.** Borrower fails to make any payment when due under the Indebtedness

**Other Defaults.** Borrower or Trustor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Deed of Trust or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower or Trustor

**Compliance Default.** Failure to comply with any other term, obligation, covenant or condition contained in this Deed of Trust, the Note or in any of the Related Documents.

**Default on Other Payments.** Failure of Trustor within the time required by this Deed of Trust to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

**Environmental Default.** Failure of any party to comply with or perform when due any term, obligation, covenant or condition contained



in any environmental agreement executed in connection with the Property.

**Default in Favor of Third Parties.** Should Borrower or any Trustor default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Trustor's property or Borrower's or any Trustor's ability to repay the indebtedness or perform their respective obligations under this Deed of Trust or any of the Related Documents.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by Borrower or Trustor or on Borrower's or Trustor's behalf under this Deed of Trust or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

**Defective Collateralization.** This Deed of Trust or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason

**Death or Insolvency.** The dissolution of Trustor's (regardless of whether election to continue is made), any member withdraws from the limited liability company, or any other termination of Borrower's or Trustor's existence as a going business or the death of any member, the insolvency of Borrower or Trustor, the appointment of a receiver for any part of Borrower's or Trustor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower or Trustor.

**Creditor or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or Trustor or by any governmental agency against any property securing the indebtedness. This includes a garnishment of any of Borrower's or Trustor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower or Trustor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower or Trustor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

**Breach of Other Agreement.** Any breach by Borrower or Trustor under the terms of any other agreement between Borrower or Trustor and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Borrower or Trustor to Lender, whether existing now or later.

**Events Affecting Guarantor.** Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the indebtedness. In the event of a death, Lender, at its option, may, but shall not be required to, permit the Guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure any Event of Default.

**Adverse Change.** A material adverse change occurs in Borrower's or Trustor's financial condition, or Lender believes the prospect of payment or performance of the indebtedness is impaired.

**Existing Indebtedness.** The payment of any installment of principal or any interest on the Existing Indebtedness is not made within the time required by the promissory note evidencing such indebtedness, or a default occurs under the instrument securing such indebtedness and is not cured during any applicable grace period in such instrument, or any suit or other action is commenced to foreclose any existing lien on the Property

**Right to Cure.** If any default, other than a default in payment is curable and if Trustor has not been given a notice of a breach of the same provision of this Deed of Trust within the preceding twelve (12) months, it may be cured if Trustor, after receiving written notice from Lender demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

**RIGHTS AND REMEDIES ON DEFAULT.** If an Event of Default occurs under this Deed of Trust, at any time thereafter, Trustee or Lender may exercise any one or more of the following rights and remedies:

**Election of Remedies.** Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Trustor under this Deed of Trust, after Trustor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

**Foreclosure by Sale.** Upon an Event of Default under this Deed of Trust, Beneficiary may declare the entire indebtedness secured by this Deed of Trust immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold the Property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed of Trust, the Note, other documents requested by Trustee, and all documents evidencing expenditures secured hereby. After the lapse of such time as may then be required by law following the recordation of the notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell the Property at the time and place fixed by it in the 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 cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of the 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 in accordance with applicable law. Trustee shall deliver to such purchaser its deed conveying the Property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee or Beneficiary may purchase at such sale. After deducting all costs, fees and expenses of Trustee and of this Trust, including cost 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.

**Judicial Foreclosure.** With respect to all or any part of the Real Property, Lender shall have the right in lieu of foreclosure by power of sale to foreclose by judicial foreclosure in accordance with and to the full extent provided by California law.

**UCC Remedies.** With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code, including without limitation the right to recover any deficiency in the manner and to the full extent provided by California law.

**Collect Rents.** Lender shall have the right, without notice to Borrower or Trustor to take possession of and manage the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Trustor irrevocably designates Lender as Trustor's attorney-in-fact to endorse instruments received in payment thereof in the name of Trustor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

**Appoint Receiver.** Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

**Tenancy at Sufferance.** If Trustor remains in possession of the Property after the Property is sold as provided above or Lender otherwise becomes entitled to possession of the Property upon default of Borrower or Trustor, Trustor shall become a tenant at sufferance of Lender or the purchaser of the Property and shall, at Lender's option, either (1) pay a reasonable rental for the use of the Property, or (2) vacate the Property immediately upon the demand of Lender.

**Other Remedies.** Trustee or Lender shall have any other right or remedy provided in this Deed of Trust or the Note or available at law or in equity.

**Notice of Sale.** Lender shall give Trustor reasonable notice of the time and place of any public sale of the Personal Property or of the time after which any private sale or other intended disposition of the Personal Property is to be made. Reasonable notice shall mean notice given at least ten (10) days before the time of the sale or disposition. Any sale of the Personal Property may be made in conjunction with any sale of the Real Property.

**Sale of the Property.** To the extent permitted by applicable law, Borrower and Trustor hereby waives any and all rights to have the Property marshalled. In exercising its rights and remedies, the Trustee or Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property.

**Attorneys' Fees; Expenses.** If Lender institutes any suit or action to enforce any of the terms of this Deed of Trust, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees, title insurance, and fees for the Trustee, to the extent permitted by applicable law. Trustor also will pay any court costs, in addition to all other sums provided by law.

**Rights of Trustee.** Trustee shall have all of the rights and duties of Lender as set forth in this section.

**POWERS AND OBLIGATIONS OF TRUSTEE.** The following provisions relating to the powers and obligations of Trustee are part of this Deed of Trust:

**Powers of Trustee.** In addition to all powers of Trustee arising as a matter of law, Trustee shall have the power to take the following actions with respect to the Property upon the written request of Lender and Trustor: (a) join in preparing and filing a map or plat of the Real Property, including the dedication of streets or other rights to the public, (b) join in granting any easement or creating any restriction on the Real Property; and (c) join in any subordination or other agreement affecting this Deed of Trust or the interest of Lender under this Deed of Trust.

**Obligations to Notify.** Trustee shall not be obligated to notify any other party of a pending sale under any other trust deed or lien, or of any action or proceeding in which Trustor, Lender, or Trustee shall be a party, unless the action or proceeding is brought by Trustee.

**Trustee.** Trustee shall meet all qualifications required for Trustee under applicable law. In addition to the rights and remedies set forth above, with respect to all or any part of the Property, the Trustee shall have the right to foreclose by notice and sale, and Lender shall have the right to foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable law.

**Successor Trustee.** Lender, at Lender's option, may from time to time appoint a successor Trustee to any Trustee appointed under this Deed of Trust by an instrument executed and acknowledged by Lender and recorded in the office of the recorder of Riverside County, State of California. The instrument shall contain, in addition to all other matters required by state law, the names of the original Lender, Trustee, and Trustor, the book and page where this Deed of Trust is recorded, and the name and address of the successor trustee, and the instrument shall be executed and acknowledged by Lender or its successors in interest. The successor trustee, without conveyance of the Property, shall succeed to all the title, power, and duties conferred upon the Trustee in this Deed of Trust and by applicable law. This procedure for substitution of Trustee shall govern to the exclusion of all other provisions for

**DEED OF TRUST  
(Continued)**

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substitution

**Acceptance by Trustee.** Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law.

**NOTICES.** Any notice required to be given under this Deed of Trust shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Deed of Trust. Trustor requests that copies of any notices of default and sale be directed to Trustor's address shown near the beginning of this Deed of Trust. All copies of notices of foreclosure from the holder of any lien which has priority over this Deed of Trust shall be sent to Lender's address, as shown near the beginning of this Deed of Trust. Any party may change its address for notices under this Deed of Trust by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Trustor agrees to keep Lender informed at all times of Trustor's current address. Unless otherwise provided or required by law, if there is more than one Trustor, any notice given by Lender to any Trustor is deemed to be notice given to all Trustors.

**STATEMENT OF OBLIGATION FEE.** Lender may collect a fee, not to exceed the maximum amount permitted by law, for furnishing the statement of obligation as provided by Section 2943 of the Civil Code of California.

**MISCELLANEOUS PROVISIONS.** The following miscellaneous provisions are a part of this Deed of Trust:

**Amendments.** This Deed of Trust, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Deed of Trust. No alteration of or amendment to this Deed of Trust shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

**Annual Reports.** If the Property is used for purposes other than Trustor's residence, Trustor shall furnish to Lender, upon request, a certified statement of net operating income received from the Property during Trustor's previous fiscal year in such form and detail as Lender shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

**Arbitration.** Borrower and Trustor and Lender agree that all disputes, claims and controversies between them whether individual, joint, or class in nature, arising from this Deed of Trust or otherwise, including without limitation contract and tort disputes, shall be arbitrated pursuant to the Rules of the American Arbitration Association in effect at the time the claim is filed, upon request of either party. No act to take or dispose of any Property shall constitute a waiver of this arbitration agreement or be prohibited by this arbitration agreement. This includes, without limitation, obtaining injunctive relief or a temporary restraining order; invoking a power of sale under any deed of trust or mortgage; obtaining a writ of attachment or imposition of a receiver; or exercising any rights relating to personal property, including taking or disposing of such property with or without judicial process pursuant to Article 9 of the Uniform Commercial Code. Any disputes, claims, or controversies concerning the lawfulness or reasonableness of any act, or exercise of any right, concerning any Property, including any claim to rescind, reform, or otherwise modify any agreement relating to the Property, shall also be arbitrated, provided however that no arbitrator shall have the right or the power to enjoin or restrain any act of any party. Borrower and Trustor and Lender agree that in the event of an action for judicial foreclosure pursuant to California Code of Civil Procedure Section 726, or any similar provision in any other state, the commencement of such an action will not constitute a waiver of the right to arbitrate and the court shall refer to arbitration as much of such action, including counterclaims, as lawfully may be referred to arbitration. Judgment upon any award rendered by any arbitrator may be entered in any court having jurisdiction. Nothing in this Deed of Trust shall preclude any party from seeking equitable relief from a court of competent jurisdiction. The statute of limitations, estoppel, waiver, laches, and similar doctrines which would otherwise be applicable in an action brought by a party shall be applicable in any arbitration proceeding, and the commencement of an arbitration proceeding shall be deemed the commencement of an action for these purposes. The Federal Arbitration Act shall apply to the construction, interpretation, and enforcement of this arbitration provision.

**Caption Headings.** Caption headings in this Deed of Trust are for convenience purposes only and are not to be used to interpret or define the provisions of this Deed of Trust.

**Merger.** There shall be no merger of the interest or estate created by this Deed of Trust with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

**Governing Law.** This Deed of Trust will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of California without regard to its conflicts of law provisions. This Deed of Trust has been accepted by Lender in the State of California.

**Choice of Venue.** If there is a lawsuit, Trustor agrees upon Lender's request to submit to the jurisdiction of the courts of San Luis Obispo County, State of California.

**Joint and Several Liability.** All obligations of Borrower and Trustor under this Deed of Trust shall be joint and several, and all references to Trustor shall mean each and every Trustor, and all references to Borrower shall mean each and every Borrower. This means that each Trustor signing below is responsible for all obligations in this Deed of Trust. Where any one or more of the parties is a corporation, partnership, limited liability company or similar entity, it is not necessary for Lender to inquire into the powers of any of the officers, directors, partners, members, or other agents acting or purporting to act on the entity's behalf, and any obligations made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Deed of Trust.

**No Waiver by Lender.** Lender shall not be deemed to have waived any rights under this Deed of Trust unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Deed of Trust shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Deed of Trust. No prior waiver by Lender, nor any course of dealing between Lender and Trustor, shall constitute a waiver of any of Lender's rights or of any of Trustor's obligations as to any future transactions. Whenever the consent of Lender is required under this Deed of Trust, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is



required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

**Severability.** If a court of competent jurisdiction finds any provision of this Deed of Trust to be illegal, invalid, or unenforceable as to any person or circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other person or circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Deed of Trust. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Deed of Trust shall not affect the legality, validity or enforceability of any other provision of this Deed of Trust.

**Successors and Assigns.** Subject to any limitations stated in this Deed of Trust on transfer of Trustor's interest, this Deed of Trust shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Trustor, Lender, without notice to Trustor, may deal with Trustor's successors with reference to this Deed of Trust and the Indebtedness by way of forbearance or extension without releasing Trustor from the obligations of this Deed of Trust or liability under the Indebtedness.

**Time is of the Essence.** Time is of the essence in the performance of this Deed of Trust.

**DEFINITIONS.** The following capitalized words and terms shall have the following meanings when used in this Deed of Trust. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Deed of Trust shall have the meanings attributed to such terms in the Uniform Commercial Code:

**Beneficiary.** The word "Beneficiary" means Heritage Oaks Bank, and its successors and assigns

**Borrower.** The word "Borrower" means Mission Creek Investments LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

**Deed of Trust.** The words "Deed of Trust" mean this Deed of Trust among Trustor, Lender, and Trustee, and includes without limitation all assignment and security interest provisions relating to the Personal Property and Rents.

**Default.** The word "Default" means the Default set forth in this Deed of Trust in the section titled "Default".

**Environmental Laws.** The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., Chapters 6 5 through 7.7 of Division 20 of the California Health and Safety Code, Section 25100, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

**Event of Default.** The words "Event of Default" mean any of the events of default set forth in this Deed of Trust in the events of default section of this Deed of Trust.

**Existing Indebtedness.** The words "Existing Indebtedness" mean the indebtedness described in the Existing Liens provision of this Deed of Trust.

**Guarantor.** The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Indebtedness

**Guaranty.** The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

**Hazardous Substances.** The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos

**Improvements.** The word "Improvements" means all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

**Indebtedness.** The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Trustor's obligations or expenses incurred by Trustee or Lender to enforce Trustor's obligations under this Deed of Trust, together with interest on such amounts as provided in this Deed of Trust

**Lender.** The word "Lender" means Heritage Oaks Bank, its successors and assigns.

**Note.** The word "Note" means the promissory note dated November 19, 2007, in the original principal amount of \$1,000,000.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement. NOTICE TO TRUSTOR: THE NOTE CONTAINS A VARIABLE INTEREST RATE.

**Personal Property.** The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Trustor, and now or hereafter attached or affixed to the Real Property, together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property, and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property

**Property.** The word "Property" means collectively the Real Property and the Personal Property

DEED OF TRUST  
(Continued)

**Real Property.** The words "Real Property" mean the real property, interests and rights, as further described in this Deed of Trust.

**Related Documents.** The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness; except that the words do not mean any guaranty or environmental agreement, whether now or hereafter existing, executed in connection with the Indebtedness.

**Rents.** The word "Rents" means all present and future leases, rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property together with the cash proceeds of the Rents.

**Trustee.** The word "Trustee" means Heritage Oaks Bancorp, a California Corporation, whose address is 545 Twelfth Street, Paso Robles, CA 93446 and any substitute or successor trustees.

**Trustor.** The word "Trustor" means Mission Creek Investments LLC; and Mission Creek 2 Investments, LLC

**EACH TRUSTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS DEED OF TRUST, AND EACH TRUSTOR AGREES TO ITS TERMS, INCLUDING THE VARIABLE RATE PROVISIONS OF THE NOTE SECURED BY THIS DEED OF TRUST.**

TRUSTOR:

MISSION CREEK INVESTMENTS LLC

By: Jeffrey Reynolds  
Jeffrey Reynolds, Manager of Mission Creek Investments LLC

By: Thaddeus Watkins  
Thaddeus Watkins, Manager of Mission Creek Investments LLC

MISSION CREEK 2 INVESTMENTS, LLC

By: Thaddeus Watkins  
Thaddeus Watkins, Manager of Mission Creek 2 Investments, LLC

By: Jeffrey Reynolds  
Jeffrey Reynolds, Manager of Mission Creek 2 Investments, LLC

By: Ed Curtis  
Ed Curtis, Manager of Mission Creek 2 Investments, LLC



CERTIFICATE OF ACKNOWLEDGMENT

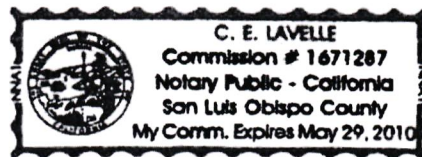
STATE OF CALIFORNIA )  
 )  
COUNTY OF SAN LUIS OBISPO ) SS  
 )

On NOVEMBER 20, 2007 before me, C. E. LAVELLE, Notary Public  
(here insert name and title of the officer)

personally appeared Jeffrey Reynolds, ~~personally known to me~~ (or 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.

WITNESS my hand and official seal.

Signature [Handwritten Signature]



(Seal)

CERTIFICATE OF ACKNOWLEDGMENT

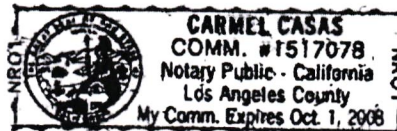
STATE OF California )  
 )  
COUNTY OF Los Angeles ) SS  
 )

On November 21, 2007 before me, Carmel Casas Notary  
(here insert name and title of the officer)

personally appeared Thaddeus Watkins, ~~personally known to me~~ (or 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.

WITNESS my hand and official seal.

Signature [Handwritten Signature]



(Seal)

DEED OF TRUST  
(Continued)

Loan No: 33841

Page 12

CERTIFICATE OF ACKNOWLEDGMENT

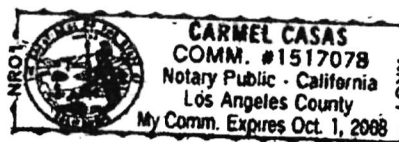
STATE OF California )  
 ) SS  
COUNTY OF Los Angeles )

On November 21, 20 07 before me, Carmel Casas Notary  
(here insert name and title of the officer)

personally appeared Thaddeus Watkins, personally known to me (or 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

WITNESS my hand and official seal.

Signature Carmel Casas



(Seal)

CERTIFICATE OF ACKNOWLEDGMENT

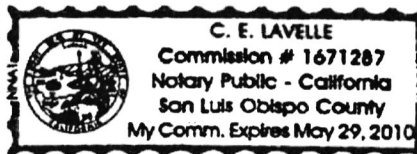
STATE OF CALIFORNIA )  
 ) SS  
COUNTY OF SAN LUIS OBISPO )

On NOVEMBER 20, 20 07 before me, C.E. LAVELLE, Notary Public  
(here insert name and title of the officer)

personally appeared Jeffrey Reynolds, personally known to me (or 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

WITNESS my hand and official seal.

Signature C.E. Lavelle



(Seal)



CERTIFICATE OF ACKNOWLEDGMENT

STATE OF California )  
 ) SS  
COUNTY OF Los Angeles )

On November 21, 2007 before me, Carmel Casas Notary  
(here insert name and title of the officer)

personally appeared Ed Curtis, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person of whose name is 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

WITNESS my hand and official seal.  
Signature Carmel Casas



(Seal)

(DO NOT RECORD)  
REQUEST FOR FULL RECONVEYANCE  
(To be used only when obligations have been paid in full)

To \_\_\_\_\_, Trustee

The undersigned is the legal owner and holder of all indebtedness secured by this Deed of Trust. All sums secured by this Deed of Trust have been fully paid and satisfied. You are hereby directed, upon payment to you of any sums owing to you under the terms of this Deed of Trust or pursuant to any applicable statute, to cancel the Note secured by this Deed of Trust (which is delivered to you together with this Deed of Trust), and to reconvey, without warranty, to the parties designated by the terms of this Deed of Trust, the estate now held by you under this Deed of Trust. Please mail the reconveyance and Related Documents to:

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

Beneficiary: \_\_\_\_\_

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

Its: \_\_\_\_\_

EXHIBIT A

**LEGAL DESCRIPTION**

Real property in the unincorporated area of the County of Riverside, State of California, described as follows:

PARCEL: 1

THE SOUTH 1/2 OF THE WEST 1/2 OF THE SOUTH 1/2 OF THE SOUTHEAST 1/4 OF SECTION 17, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF.

PARCEL: 2

THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, AS SHOWN BY UNITED STATES GOVERNMENT SURVEY, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

PARCEL: 3

THE SOUTH 1/2 OF THE EAST 1/2 OF THE SOUTH 1/2 OF THE SOUTHEAST 1/4 OF SECTION 17, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THEREFROM THAT PORTION THEREOF CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED TO THE OFFICIAL PLAT THEREOF.

ALSO EXCEPT THEREFROM THAT PORTION CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED APRIL 25, 1965 AS INSTRUMENT NO. 49021, OFFICIAL RECORDS.

PARCEL : 4

THE NORTH ONE-HALF OF THE WEST ONE-HALF OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SECTION 17, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, AS SHOWN BY UNITED STATES GOVERNMENT SURVEY.

EXCEPTING THE NORTH ONE-HALF OF THE WEST ONE-HALF THEREOF BY DEED RECORDED MARCH 14, 1973 AS INSTRUMENT NO. 32244.

ALSO EXCEPTING THEREFROM, THE SOUTH ONE-HALF OF THE WEST ONE-HALF THEREOF BY DEED RECORDED MARCH 14, 1973 AS INSTRUMENT NO. 32245.

APN: 671-180-020-9; 671-180-021; 671-180-023-2 and 671-180-028-7



\*0000000000003384109511192007\*

### PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$1,000,000.00	11-19-2007	11-19-2008				53	<i>[Signature]</i>

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "\*\*\*\*" has been omitted due to text length limitations

**Borrower:** Mission Creek Investments LLC  
 342 Palomar Avenue  
 Shell Beach, CA 93449

**Lender:** Heritage Oaks Bank  
 San Luis Obispo-Santa Rosa Downtown  
 1135 Santa Rosa Street  
 San Luis Obispo, CA 93401

**Principal Amount:** \$1,000,000.00      **Initial Rate:** 7.950%      **Date of Note:** November 19, 2007

**PROMISE TO PAY.** Mission Creek Investments LLC ("Borrower") promises to pay to Heritage Oaks Bank ("Lender"), or order, in lawful money of the United States of America, the principal amount of One Million & 00/100 Dollars (\$1,000,000.00) or so much as may be outstanding, together with interest on the unpaid outstanding principal balance of each advance. Interest shall be calculated from the date of each advance until repayment of each advance.

**PAYMENT.** Borrower will pay this loan in full immediately upon Lender's demand. If no demand is made, Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on November 19, 2008. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning December 19, 2007, with all subsequent interest payments to be due on the same day of each month after that. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal, and then to any late charges. The annual interest rate for this Note is computed on a 365/360 basis; that is, by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

**VARIABLE INTEREST RATE.** The interest rate on this Note is subject to change from time to time based on changes in an independent index which is the Prime rate as published in the West Coast Wall Street Journal. When a range of rates has been published, the higher of the rates will be used (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each day West Coast Wall Street Journal rate changes. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 7.500%. The interest rate to be applied to the unpaid principal balance during this Note will be at a rate of 0.450 percentage points over the Index, adjusted if necessary for any minimum and maximum rate limitations described below, resulting in an initial rate of 7.950%. **NOTICE:** Under no circumstances will the interest rate on this Note be less than 6.500% or more than the maximum rate allowed by applicable law.

**PREPAYMENT; MINIMUM INTEREST CHARGE.** Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the loan and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law. In any event, even upon full prepayment of this Note, Borrower understands that Lender is entitled to a minimum interest charge of \$125.00. Other than Borrower's obligation to pay any minimum interest charge, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments of accrued unpaid interest. Rather, early payments will reduce the principal balance due. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to Heritage Oaks Bank, P O Box 7012, 545 Twelfth Street Paso Robles, CA 93448.

**INTEREST RESERVES.** Borrower authorizes Lender to place \$165,000.00 of the Principal Amount as an interest reserve, which is an estimate of the interest due on the Note ("Interest Reserve"). All interest payments shall be paid from the Interest Reserve. Lender may automatically deduct accrued unpaid interest from the Interest Reserve. Interest will accrue, as described in this Note, on amounts deducted from the Interest Reserve. In the event the interest due under this Note exceeds the Interest Reserve, Borrower will pay accrued unpaid interest when due according to the terms of this Note. Upon maturity, Lender will not advance or disburse the remaining Interest Reserve, if any, to Borrower. The principal due upon maturity will not include any remaining Interest Reserve.

**LATE CHARGE.** If a payment is 10 days or more late, Borrower will be charged 5.000% of the regularly scheduled payment or \$10.00, whichever is greater.

**INTEREST AFTER DEFAULT.** Upon default, the interest rate on this Note shall, if permitted under applicable law, immediately increase by adding a 5.000 percentage point margin ("Default Rate Margin"). The Default Rate Margin shall also apply to each succeeding interest rate change that would have applied had there been no default.

**DEFAULT.** Each of the following shall constitute an event of default ("Event of Default") under this Note:

**Payment Default.** Borrower fails to make any payment when due under this Note.

**Other Defaults.** Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

**Default in Favor of Third Parties.** Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the related documents.

**Environmental Default.** Failure of any party to comply with or perform when due any term, obligation, covenant or condition contained in any environmental agreement executed in connection with any loan.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false



or misleading at any time thereafter

**Death or Insolvency.** The dissolution of Borrower (regardless of whether election to continue is made), any member withdraws from Borrower, or any other termination of Borrower's existence as a going business or the death of any member, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower

**Creditor or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute

**Events Affecting Guarantor.** Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note. In the event of a death, Lender, at its option, may, but shall not be required to, permit the Guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure any Event of Default.

**Adverse Change.** A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

**Cure Provisions.** If any default, other than a default in payment is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after receiving written notice from Lender demanding cure of such default, (1) cures the default within fifteen (15) days, or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical

**LENDER'S RIGHTS.** Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount

**ATTORNEYS' FEES; EXPENSES.** Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees, expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. Borrower also will pay any court costs, in addition to all other sums provided by law.

**GOVERNING LAW.** This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of California without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of California.

**CHOICE OF VENUE.** If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of San Luis Obispo County, State of California.

**DISHONORED ITEM FEE.** Borrower will pay a fee to Lender of \$20.00 if Borrower makes a payment on Borrower's loan and the check or preauthorized charge with which Borrower pays is later dishonored.

**RIGHT OF SETOFF.** To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account) This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts

**COLLATERAL.** Borrower acknowledges this Note is secured by the following collateral described in the security instrument listed herein: a Deed of Trust dated November 19, 2007, to a trustee in favor of Lender on real property located in Riverside County, State of California. That agreement contains the following due on sale provision: Lender may, at Lender's option, declare immediately due and payable all sums secured by the Deed of Trust upon the sale or transfer, without Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest in the Real Property; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of an interest in the Real Property. If any Trustor is a corporation, partnership or limited liability company, transfer also includes any change in ownership of more than twenty-five percent (25%) of the voting stock, partnership interests or limited liability company interests, as the case may be, of such Trustor. However, this option shall not be exercised by Lender if such exercise is prohibited by applicable law.

**Line of Credit.** This Note evidences a straight line of credit. Once the total amount of principal has been advanced, Borrower is not entitled to further loan advances. Advances under this Note may be requested either orally or in writing by Borrower or as provided in this paragraph. Lender may, but need not, require that all oral requests be confirmed in writing. All communications, instructions, or directions by telephone or otherwise to Lender are to be directed to Lender's office shown above. The following person or persons are authorized to request advances and authorize payments under the line of credit until Lender receives from Borrower, at Lender's address shown above, written notice of revocation of such authority: Jeffrey Reynolds, Manager of Mission Creek Investments LLC; and Thaddeus Watkins, Manager of Mission Creek Investments LLC. Borrower agrees to be liable for all sums either: 1. advanced in accordance with the instructions of an authorized person or 2. credited to any of Borrower's accounts with Lender. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Lender's internal records, including daily computer print-outs.

**Arbitration.** Borrower and Lender agree that all disputes, claims and controversies between them whether individual, joint, or class in nature, arising from this Note or otherwise, including without limitation contract and tort disputes, shall be arbitrated pursuant to the Rules of the American Arbitration Association in effect at the time the claim is filed, upon request of either party. No act to take or dispose of any collateral securing this Note shall constitute a waiver of this arbitration agreement or be prohibited by this arbitration agreement. This includes, without limitation, obtaining injunctive relief or a temporary restraining order; invoking a power of sale under any deed of trust or mortgage; obtaining a writ of attachment or imposition of a receiver; or exercising any rights relating to personal property, including taking or disposing of such property with or without judicial process pursuant to Article 9 of the Uniform Commercial Code. Any disputes, claims, or controversies concerning the lawfulness or reasonableness of any act, or exercise of any right, concerning any collateral securing this Note, including any claim to rescind, reform, or otherwise modify any agreement relating to the collateral securing this Note, shall also be arbitrated, provided however that no arbitrator shall have the right or the power to enjoin or restrain any act of any party. Borrower and Lender agree that in the



PROMISSORY NOTE  
(Continued)

event of an action for judicial foreclosure pursuant to California Code of Civil Procedure Section 726, or any similar provision in any other state, the commencement of such an action will not constitute a waiver of the right to arbitrate and the court shall refer to arbitration as much of such action, including counterclaims, as lawfully may be referred to arbitration. Judgment upon any award rendered by any arbitrator may be entered in any court having jurisdiction. Nothing in this Note shall preclude any party from seeking equitable relief from a court of competent jurisdiction. The statute of limitations, estoppel, waiver, laches, and similar doctrines which would otherwise be applicable in an action brought by a party shall be applicable in any arbitration proceeding, and the commencement of an arbitration proceeding shall be deemed the commencement of an action for these purposes. The Federal Arbitration Act shall apply to the construction, interpretation, and enforcement of this arbitration provision.

**ANNUAL FINANCIAL STATEMENTS.** Borrower agrees to provide Lender with updated financial statements and other requested financial reports, including tax returns, annually on the anniversary date of the date of this Note or at such other reasonable times as Lender may request. The failure of Borrower to provide annual financial statements or other requested reports within a reasonable time may be declared to be a default of this Note by the Lender and Lender may exercise all remedies under the provision in this Note captioned "Default" or as provided elsewhere in this Note.

**Future Reconveyance/Demand Fees.** Should we receive a future payoff demand request with regard to the real property securing this loan, Heritage Oaks Bancorp will be entitled to a \$45.00 Reconveyance Fee and a \$30.00 Demand Preparation fee as well as all associated recording fees.

**INTEREST RESERVE.** An interest reserve account in the amount of \$165,000.00 is held aside to be used for making the monthly interest payment on this loan when it is due. No interest is being charged on funds in the interest reserve account except for funds applied to actual interest

**ADDITIONAL CONDITION:** Renewal can be 12 months beyond original 12 month period and will be subject to loan being paid as agreed and no adverse conditions noted with the borrower and guarantors

**Successor Interests.** The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns

**NOTIFY US OF INACCURATE INFORMATION WE REPORT TO CONSUMER REPORTING AGENCIES.** Please notify us if we report any inaccurate information about your account(s) to a consumer reporting agency. Your written notice describing the specific inaccuracy(ies) should be sent to us at the following address: Heritage Oaks Bank P O Box 7012 545 Twelfth Street Paso Robles, CA 93446.

**General Provisions.** This Note is payable on demand. The inclusion of specific default provisions or rights of Lender shall not preclude Lender's right to declare payment of this Note on its demand. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive any applicable statute of limitations, presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral, or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several

**PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE.**

**BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.**

**BORROWER:**

MISSION CREEK INVESTMENTS LLC

By: Jeffrey Reynolds  
Jeffrey Reynolds, Manager of Mission Creek Investments LLC

By: Thaddeus Watkins  
Thaddeus Watkins, Manager of Mission Creek Investments LLC

HERITAGE OAKS BANK

8/17/16

12:19:20

Transaction History Inquiry

Current x +

Account Number

Short Name Mission Creek Invest

Effect	Code	Description	Tran Amount	Interest	Principal	Late Charges	Escrow	Fee/Other	Balance
12/10/2015	20	REGULAR PAYME	350.00	350.00	.00	.00	.00	.00	528651.55
11/16/2015	20	REGULAR PAYME	350.00	350.00	.00	.00	.00	.00	528651.55
10/15/2015	20	REGULAR PAYME	350.00	350.00	.00	.00	.00	.00	528651.55
9/10/2015	20	REGULAR PAYME	350.00	350.00	.00	.00	.00	.00	528651.55
8/11/2015	20	REGULAR PAYME	350.00	350.00	.00	.00	.00	.00	528651.55
7/13/2015	20	REGULAR PAYME	350.00	350.00	.00	.00	.00	.00	528651.55
6/15/2015	20	REGULAR PAYME	350.00	350.00	.00	.00	.00	.00	528651.55
5/11/2015	20	REGULAR PAYME	350.00	350.00	.00	.00	.00	.00	528651.55
4/13/2015	23	REGULAR PAYME	350.00	350.00	.00	.00	.00	.00	528651.55
3/12/2015	23	REGULAR PAYME	350.00	350.00	.00	.00	.00	.00	528651.55
2/11/2015	23	REGULAR PAYME	350.00	350.00	.00	.00	.00	.00	528651.55
1/16/2015	23	REGULAR PAYME	350.00	350.00	.00	.00	.00	.00	528651.55
11/10/2014	20	REGULAR PAYME	350.00	350.00	.00	.00	.00	.00	528651.55
10/14/2014	20	REGULAR PAYME	350.00	350.00	.00	.00	.00	.00	528651.55
9/12/2014	20	REGULAR PAYME	350.00	350.00	.00	.00	.00	.00	528651.55
8/14/2014	20	REGULAR PAYME	350.00	350.00	.00	.00	.00	.00	528651.55
7/10/2014	20	REGULAR PAYME	350.00	350.00	.00	.00	.00	.00	528651.55
6/10/2014	20	REGULAR PAYME	350.00	350.00	.00	.00	.00	.00	528651.55
5/29/2014	20	REGULAR PAYME	350.00	350.00	.00	.00	.00	.00	528651.55
4/10/2014	23	Auto Transfer	350.00	350.00	.00	.00	.00	.00	528651.55

Select Participation Transaction Related Transaction Image

HERITAGE OAKS BANK

8/17/16

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Transaction History Inquiry

Current  +

Account Number

Short Name Mission Creek Invest

Effect	Code	Description	Tran Amount	Interest	Prncipal	Late Charges	Escrow	Fee/Other	Balance
3/10/2014	23	Auto Transfer	350.00	350.00	.00	.00	.00	.00	528651.55
2/10/2014	23	Auto Transfer	350.00	350.00	.00	.00	.00	.00	528651.55
9/10/2013	23	Auto Transfer	350.00	350.00	.00	.00	.00	.00	528651.55
8/12/2013	23	Auto Transfer	350.00	350.00	.00	.00	.00	.00	528651.55
7/10/2013	23	Auto Transfer	350.00	350.00	.00	.00	.00	.00	528651.55
6/12/2013	23	Auto Transfer	350.00	350.00	.00	.00	.00	.00	528651.55
5/10/2013	23	Auto Transfer	350.00	350.00	.00	.00	.00	.00	528651.55
4/23/2013	23	Auto Transfer	350.00	350.00	.00	.00	.00	.00	528651.55
1/10/2013	23	Auto Transfer	350.00	350.00	.00	.00	.00	.00	528651.55
12/10/2012	23	Auto Transfer	350.00	350.00	.00	.00	.00	.00	528651.55
11/13/2012	23	Auto Transfer	350.00	350.00	.00	.00	.00	.00	528651.55
10/15/2012	23	Auto Transfer	350.00	350.00	.00	.00	.00	.00	528651.55
9/10/2012	23	Auto Transfer	350.00	350.00	.00	.00	.00	.00	528651.55
8/10/2012	23	Auto Transfer	350.00	350.00	.00	.00	.00	.00	528651.55
7/10/2012	23	Auto Transfer	350.00	350.00	.00	.00	.00	.00	528651.55
6/11/2012	23	Auto Transfer	350.00	350.00	.00	.00	.00	.00	528651.55
5/10/2012	23	Auto Transfer	350.00	350.00	.00	.00	.00	.00	528651.55
4/10/2012	23	Auto Transfer	350.00	350.00	.00	.00	.00	.00	528651.55
4/05/2012	20	REGULAR PAYME	350.00	350.00	.00	.00	.00	.00	528651.55
2/10/2012	20	REGULAR PAYME	350.00	350.00	.00	.00	.00	.00	528651.55

Select  Participation Transaction  Related Transaction  Image





HERITAGE OAKS BANK

8/17/16

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Transaction History Inquiry

Current \*| +

Account Number

ShortName Mission Creek Invest

Effect	Code	Description	TranAmount	Interest	Principal	Late Charges	Escrow	Fee/Other	Balance
12/12/2011	22	AUTO TRANSFER	300.00	300.00	.00	.00	.00	.00	528651.55
11/10/2011	22	AUTO TRANSFER	300.00	300.00	.00	.00	.00	.00	528651.55
10/11/2011	22	AUTO TRANSFER	300.00	300.00	.00	.00	.00	.00	528651.55
9/12/2011	22	AUTO TRANSFER	300.00	300.00	.00	.00	.00	.00	528651.55
8/10/2011	22	AUTO TRANSFER	300.00	300.00	.00	.00	.00	.00	528651.55
7/11/2011	22	AUTO TRANSFER	300.00	300.00	.00	.00	.00	.00	528651.55
6/10/2011	22	AUTO TRANSFER	300.00	300.00	.00	.00	.00	.00	528651.55
5/10/2011	22	AUTO TRANSFER	300.00	300.00	.00	.00	.00	.00	528651.55
4/11/2011	22	AUTO TRANSFER	300.00	300.00	.00	.00	.00	.00	528651.55
3/15/2011	20	REGULAR PAYME	300.00	300.00	.00	.00	.00	.00	528651.55
3/15/2011	20	REGULAR PAYME	300.00	300.00	.00	.00	.00	.00	528651.55
1/10/2011	20	REGULAR PAYME	3163.24	3163.24	.00	.00	.00	.00	528651.55
12/10/2010	20	REGULAR PAYME	3163.24	3163.24	.00	.00	.00	.00	528651.55
11/10/2010	20	REGULAR PAYME	3163.24	3163.24	.00	.00	.00	.00	528651.55
10/12/2010	20	REGULAR PAYME	3163.24	3163.24	.00	.00	.00	.00	528651.55
9/10/2010	20	REGULAR PAYME	3163.24	.00	3163.24	.00	.00	.00	528651.55
8/10/2010	20	REGULAR PAYME	3163.24	.00	3163.24	.00	.00	.00	531814.79
7/12/2010	20	REGULAR PAYME	3163.24	.00	3163.24	.00	.00	.00	534976.03
6/10/2010	20	REGULAR PAYME	3163.24	.00	3163.24	.00	.00	.00	538141.27
5/10/2010	20	REGULAR PAYME	3163.24	.00	3163.24	.00	.00	.00	541304.51

Select Participation Transaction Related Transaction Image





HERITAGE OAKS BANK

8/17/16

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Transaction History Inquiry

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Account Number

Short Name Mission Creek Invest

Effect	Code	Description	Tran Amount	Interest	Principal	Late Charges	Escrow	Fee/Other	Balance
4/12/2010	20	REGULAR PAYME	3163.24	.00	3163.24	.00	.00	.00	544467.75
3/10/2010	20	REGULAR PAYME	3163.24	.00	3163.24	.00	.00	.00	547630.99
2/22/2010	20	REGULAR PAYME	5250.34	.00	5250.34	.00	.00	.00	550794.23
2/10/2010	20	REGULAR PAYME	3163.24	.01	3163.23	.00	.00	.00	556044.57
1/11/2010	31	INTEREST DUE	3130.00	3130.00	.00	.00	.00	.00	559207.80
1/10/2010	50	Rate Change	.00	.00	.00	.00	.00	.00	559207.80
10/19/2009	22	AUTO TRANSFER	3029.04	3029.04	.00	.00	.00	.00	559207.80
9/21/2009	22	AUTO TRANSFER	3130.01	3130.01	.00	.00	.00	.00	559207.80
8/19/2009	22	AUTO TRANSFER	3130.01	3130.01	.00	.00	.00	.00	559207.80
7/20/2009	22	AUTO TRANSFER	3029.05	3029.05	.00	.00	.00	.00	559207.80
6/19/2009	22	AUTO TRANSFER	3130.01	3130.01	.00	.00	.00	.00	559207.80
5/19/2009	22	AUTO TRANSFER	3029.04	3029.04	.00	.00	.00	.00	559207.80
4/20/2009	22	AUTO TRANSFER	3130.01	3130.01	.00	.00	.00	.00	559207.80
3/19/2009	22	AUTO TRANSFER	2827.11	2827.11	.00	.00	.00	.00	559207.80
2/19/2009	22	AUTO TRANSFER	3130.01	3130.01	.00	.00	.00	.00	559207.80
1/19/2009	20	REGULAR PAYME	3130.01	3130.01	.00	.00	.00	.00	559207.80
12/19/2008	31	INTEREST DUE	2969.39	2969.39	.00	.00	.00	.00	559207.80
12/01/2008	65	PRINCIPAL ADV	27530.36	.00	27530.36	.00	.00	.00	559207.80
11/19/2008	31	INTEREST DUE	2958.84	2958.84	.00	.00	.00	.00	531677.42
11/19/2008	65	PRINCIPAL ADV	2958.84	.00	2958.84	.00	.00	.00	531677.42

Select	Participation Transaction	Related Transaction	Image
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HERITAGE OAKS BANK

8/17/16

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Transaction History Inquiry

Current x | +

Account Number

Short Name Mission Creek Invest

Effect	Code	Description	Tran Amount	Interest	Principal	Late Charges	Escrow	Fee/Other	Balance
10/20/2008	31	INTEREST DUE	2844.62	2844.62	.00	.00	.00	.00	528718.58
10/20/2008	55	PRINCIPAL ADV	2844.62	.00	2844.62	.00	.00	.00	528718.58
9/22/2008	55	PRINCIPAL ADV	7133.00	.00	7133.00	.00	.00	.00	525873.96
9/19/2008	31	INTEREST DUE	2882.15	2882.15	.00	.00	.00	.00	518740.96
9/19/2008	55	PRINCIPAL ADV	2882.15	.00	2882.15	.00	.00	.00	518740.96
8/22/2008	55	PRINCIPAL ADV	9648.00	.00	9648.00	.00	.00	.00	515858.81
8/19/2008	31	INTEREST DUE	2866.79	2866.79	.00	.00	.00	.00	506210.81
8/19/2008	55	PRINCIPAL ADV	2866.79	.00	2866.79	.00	.00	.00	506210.81
7/21/2008	31	INTEREST DUE	2544.74	2544.74	.00	.00	.00	.00	503344.02
7/21/2008	55	PRINCIPAL ADV	2544.74	.00	2544.74	.00	.00	.00	503344.02
7/10/2008	55	PRINCIPAL ADV	31000.00	.00	31000.00	.00	.00	.00	500799.28
6/19/2008	31	INTEREST DUE	2553.17	2553.17	.00	.00	.00	.00	469799.28
6/19/2008	55	PRINCIPAL ADV	2553.17	.00	2553.17	.00	.00	.00	469799.28
6/04/2008	55	PRINCIPAL ADV	21500.00	.00	21500.00	.00	.00	.00	467246.11
5/19/2008	31	INTEREST DUE	2392.14	2392.14	.00	.00	.00	.00	445746.11
5/19/2008	55	PRINCIPAL ADV	2392.14	.00	2392.14	.00	.00	.00	445746.11
4/23/2008	55	PRINCIPAL ADV	11765.50	.00	11765.50	.00	.00	.00	443353.97
4/21/2008	31	INTEREST DUE	2402.25	2402.25	.00	.00	.00	.00	431588.47
4/21/2008	55	PRINCIPAL ADV	2402.25	.00	2402.25	.00	.00	.00	431588.47
3/19/2008	31	INTEREST DUE	1919.45	1919.45	.00	.00	.00	.00	429186.22

Select Participation Transaction Related Transaction Image



HERITAGE OAKS BANK

8/17/16

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Transaction History Inquiry

Current x +

Account Number

Short Name Mission Creek Invest

Effect	Code	Description	Tran Amount	Interest	Principal	Late Charges	Escrow	Fee/Other	Balance
3/19/2008	55	PRINCIPAL ADV	50356.08	.00	50356.08	.00	.00	.00	429186.22
3/19/2008	55	PRINCIPAL ADV	1919.45	.00	1919.45	.00	.00	.00	376630.14
3/04/2008	55	PRINCIPAL ADV	21400.00	.00	21400.00	.00	.00	.00	376910.69
2/19/2008	31	INTEREST DUE	2020.55	2020.55	.00	.00	.00	.00	355510.69
2/19/2008	55	PRINCIPAL ADV	2020.55	.00	2020.55	.00	.00	.00	355510.69
2/01/2008	55	PRINCIPAL ADV	12985.00	.00	12985.00	.00	.00	.00	353490.14
1/31/2008	50	Rate Change	.00	.00	.00	.00	.00	.00	340505.14
1/26/2008	42	12/4/07 appra	720.00	.00	720.00	.00	.00	.00	340505.14
1/22/2008	50	Rate Change	.00	.00	.00	.00	.00	.00	341225.14
1/22/2008	31	INTEREST DUE	1844.31	1844.31	.00	.00	.00	.00	341225.14
1/22/2008	55	PRINCIPAL ADV	1844.31	.00	1844.31	.00	.00	.00	341225.14
1/04/2008	55	PRINCIPAL ADV	115000.00	.00	115000.00	.00	.00	.00	339380.83
12/19/2007	31	INTEREST DUE	606.83	606.83	.00	.00	.00	.00	224380.83
12/19/2007	55	PRINCIPAL ADV	606.83	.00	606.83	.00	.00	.00	224380.83
12/11/2007	50	Rate Change	.00	.00	.00	.00	.00	.00	223574.00
12/04/2007	55	appraisal fee	720.00	.00	720.00	.00	.00	.00	223574.00
12/04/2007	55	PRINCIPAL ADV	180000.00	.00	180000.00	.00	.00	.00	222854.00
11/27/2007	55	title fees	1396.00	.00	1396.00	.00	.00	.00	42854.00
11/27/2007	55	loan proceeds	30000.00	.00	30000.00	.00	.00	.00	41458.00
11/27/2007	55	loan proceeds	140.00	.00	140.00	.00	.00	.00	11458.00

Select Participation Transaction Related Transaction Image



HERITAGE OAKS BANK

8/17/16

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Transaction History Inquiry

Current x +

Account Number

Short Name Mission Creek Invest

Effect	Code	Description	Tran Amount	Interest	Principal	Late Charges	Escrow	Fee/Other	Balance
11/27/2007	55	appraisal fee	6300.00	.00	6300.00	.00	.00	.00	11318.00
11/27/2007	55	flood cert	18.00	.00	18.00	.00	.00	.00	5018.00
11/27/2007	55	loan fee	5000.00	.00	5000.00	.00	.00	.00	5000.00
11/19/2007	54	New Loan	.00	.00	.00	.00	.00	.00	.00

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HERITAGE OAKS BANK

8/17/16

12.09.59

Payoff Inquiry

Current x +

Account Number		Short Name	Mission Cree
Due Date	2/10/2013		
Maturity Date	2/10/2013	Payoff Date	05/24/2016
Per Diem Int	47.725487152	Payoff Data as of Date:	05/24/2016
Year Base	3	Net Payoff Amt	616,611.98
Prepmt Penalty	00	Gross Payoff Amt	616,611.98

PAYOFF COMPONENTS

Recalculate

Balances		Interest/Rebates		Late Charges/Fees	
Principal	528,651.55	Accrued	86,638.80	Late Charge	.00
Unapplied	.00	Rebates	.00	Fees	1,321.63
Escrow	.00	Accr ins	.00	Coll Fees	.00
Escrow Int	.00			Prepmt Penalty	.00
				Recoupment	.00
				Early Payoff	.00

EARNINGS INFORMATION

Earning Description	Amount
Interest	86,638.80
Forbearance Fee	1,321.63

JON CHRISTEY  
TREASURER  
TAX COLLECTOR

May 23, 2018

Heritage Oaks Bank  
Attn: Michael Strang  
1222 Vine St.  
Paso Robles, CA 934

Re: APN: 67148  
TC 207 Item 940

Date of Sale: May 24, 2016

To Whom It May Concern:

This office is in receipt of your claim for excess proceeds from the above-mentioned tax sale. The documentation you have provided is insufficient to establish your claim.

**Please submit the necessary proof to establish your right to claim the excess proceeds. The document(s) listed below may assist the Treasurer-Tax Collector in making the determination.**

\_\_\_ Notarized Affidavit under CA Probate Code 13100/13101  
\_\_\_ Notarized Statement of different/misspelled  
\_\_\_ Notarized Authorization for Agent to Collect Excess Proceeds  
\_\_\_ Notarized Assignment of Right to Collect Excess Proceeds  
\_\_\_ Certified Death Certificate for  
\_\_\_ Copy of Birth Certificates  
\_\_\_ Copy of Marriage Certificate for Isis Sanchez

(If married)  
\_\_\_ Copy of Marriage Certificate for  
\_\_\_ Original Note/Payment Book  
**X** Updated Statement of Monies Owed (as of date of tax sale)  
\_\_\_ Articles of Incorporation (if applicable Statement by Domestic Stock)  
\_\_\_ Court Order Appointing Administrator  
\_\_\_ Deed (Quitclaim/Grant etc...)  
\_\_\_ Other

Please send in all documents within 30 days (**June 23, 2018**). If you should have any questions, please contact me at the number listed below.

Sincerely,

*Miriam C. Marquez*

Tax Sale Operations Unit  
(951) 955-3336  
(951) 955-3990 Fax  
Mcmarquez@RivCo.org

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<input type="checkbox"/> Complete items 1, 2, and 3. <input type="checkbox"/> Print your name and address on the reverse so that we can return the card to you. <input type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits.		A. Signature <b>X</b> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to:		B. Received by (Printed Name)	C. Date of Delivery
2. Article Number (Transfer from service label) 7003 2260 0004 1556 9772		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
3. Service Type <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Certified Mail <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)		<input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Signature Confirmation Restricted Delivery	
PS Form 3811, July 2015 PSN 7530-02-000-9053		Domestic Return Receipt	

County of Riverside, Treasurer-Tax Collector

4080 LEMON STREET, 4TH FLOOR \* P.O. BOX 12005 \* RIVERSIDE, CALIFORNIA 92502  
WWW.COUNTYTREASURER.ORG \* (951) 955-3900 \* 1 (877) 748-2689 \* FAX (951) 955-3923

COUNTY OF RIVERSIDE

JON CHRISTENSEN  
TREASURER  
TAX COLLECTOR



MATTHEW JENNINGS  
ASSISTANT TREASURER-TAX COLLECTOR  
GIOVANE PIZANO  
CHIEF INVESTMENT MANAGER

April 27, 2020

**Final Notice**

Heritage Oaks Bank  
C/O Michael Strang  
1222 Vine Street  
Paso Robles, CA 93446

Re: APN: 671180020-9  
TC 207 Item 940  
Date of Sale: May 24, 2016

To Whom It May Concern:

This office is in receipt of your claim for excess proceeds from the above-mentioned tax sale. The documentation you have provided is insufficient to establish your claim.

**Please submit the necessary proof to establish your right to claim the excess proceeds. The document(s) listed below may assist the Treasurer-Tax Collector in making the determination.**

- Copy of a trust/will or a Notarized Affidavit under CA Probate Code
- Notarized Statement of different/misspelled
- Original Notarized Authorization for Agent to Collect Excess Proceeds
- Notarized Assignment of Right to Collect Excess Proceeds
- Certified Death Certificate
- Copy of Birth Certificates

- Copy of Marriage Certificate for
- Original Note/Payment Book
- Updated Statement of Monies Owed (as of date of tax sale)**
- Articles of Incorporation
- (if applicable) Statement by Domestic Stock

Please send in all documents within 30 days (**May 27, 2020**) contact me at the number listed below.

Sincerely,

*Miriam C. Marquez*

Sr. Accounting Assistant  
Tax Sale Operations/Excess Proceeds

Tel 951 955-3336/Fax 951 955-3990

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
EP 207 Item 940  
Heritage Oaks Bank  
C/O Michael Strang  
1222 Vine Street  
Paso Robles, CA 93446



2. Article Number (Transfer from service label)  
7002 0510 0004 1157 2140

PS Form 3811, July 2015 PSN 7530-02-000-9053

County of Riverside, Treasurer

4080 LEMON STREET, 4TH FLOOR \* P.O. BOX 12005

WWW.COUNTYTREASURER.ORG \* (951) 955-3900 \* 1 (877) 748-2689 \* FAX (951) 955-3923



CLAIM FOR EXCESS PROCEEDS FROM THE SALE OF TAX-DEFAULTED PROPERTY

RECEIVED

2017 JUL 14 PM 4:19

RIVERSIDE COUNTY  
TREAS-TAX COLLECTOR

To: Don Kent, Treasurer-Tax Collector

Re: Claim for Excess Proceeds

TC 207 Item 940 Assessment Number: 671180020-9

Assessee: MISSION CREEK INV

Situs: NONE

Date Sold: May 24, 2016

Date Deed to Purchaser Recorded: July 14, 2016

Final Date to Submit Claim: July 14, 2017

I/We pursuant to Revenue and Taxation Code Section 4675, hereby claim excess proceeds in the amount of \$ 7844.56 from the sale of the above mentioned real property. I/We were the  lienholder(s),  property owner(s) [check in one box] at the time of the sale of the property as is evidenced by Riverside County Recorder's Document No. 7114734428202551897 recorded on 7/14, 2016. A copy of this document is attached hereto. I/We are the rightful claimants by virtue of the attached assignment of interest. I/We have listed below and attached hereto each item of documentation supporting the claim submitted.

NOTE: YOUR CLAIM WILL NOT BE CONSIDERED UNLESS THE DOCUMENTATION IS ATTACHED.

GRANT DEED OF PROPERTY TO MISSION CREEK INV  
State of Calif. Statement of Intb for Mission Creek  
COPY OF PAYMENT RECEIPT to Riverside County of Prop. Taxes  
IRS FORM 1096 SHOWING JEFF REYNOLDS AS MISSION CREEK CONTACT

If the property is held in Joint Tenancy, the taxsale process has severed this Joint Tenancy, and all Joint Tenants will have to sign the claim unless the claimant submits proof that he or she is entitled to the full amount of the claim, the claimant may only receive his or her respective portion of the claim.

I/We affirm under penalty of perjury that the foregoing is true and correct.

Executed this 13 day of July, 2017 at San Luis Obispo, CA  
County, State

Jeff Reynolds  
Signature of Claimant

MISSION CREEK INVESTMENTS  
Jeff Reynolds, Manager  
Print Name

342 Palomar Ave  
Street Address

Shell Beach, CA 93449  
City, State, Zip

(805) 459-0948  
Phone Number

\_\_\_\_\_  
Signature of Claimant

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
City, State, Zip

\_\_\_\_\_  
Phone Number

DOC # 2005-0736616

09/07/2005 08:00A Fee:13.00

Page 1 of 3 Doc T Tax Paid

Recorded In Official Records

County of Riverside

Larry W. Ward

Assessor, County Clerk & Recorder

RECORDING REQUESTED BY:  
FIRST AMERICAN TITLE CO.

AND WHEN RECORDED MAIL TO:

MISSION CREEK INVESTMENTS, LLC

1162 Twin Canyon Lane  
Diamond Bar, CA 91765-1148



M	S	U	PAGE	SIZE	DA	PCOR	NOCOR	ENF	MISC.
	1		3						
A	R	L	COPY	LONG	REFUND	NCHK	EXAM		

Title Order No.:

TR# 001-021

GRANT DEED

071-180-020

THE UNDERSIGNED GRANTOR(S) DECLARE(S)

DOCUMENTARY TRANSFER TAX is \$1,188.00

computed on full value of property conveyed, or

computed on full value less value of liens or encumbrances remaining at time of sale.

Unincorporated area  City of AND

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

Linda C. Sparling, as Trustees of the Sparling Family Trust, UTA Dated October 6,

1987

hereby GRANT(s) to: MISSION CREEK INVESTMENTS, LLC

the real property in the County of Riverside, State of California, described as:

LEGAL DESCRIPTION ATTACHED HERETO AS EXHIBIT "A" AND MADE A PART HEREOF

Also Known as: Vacant Land/APN671-180-020, Desert Hot Springs, CA 92240

AP#: 671-180-020

DATED July 8, 2005

STATE OF CALIFORNIA

COUNTY OF San Diego

On July 28, 2005

Before me, K.M.A. Keith

A Notary Public in and for said State, personally appeared

Linda C. Sparling

The Sparling Family Trust Dated October 6, 1987

BY: Linda C. Sparling

Linda C. Sparling

K M A KEITH

Commission # 372599

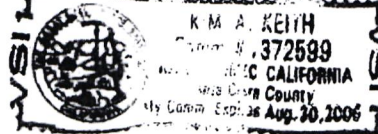
NOTARY PUBLIC CALIFORNIA

San Diego County

My Comm. Expires Aug. 30, 2006

personally known to me (or 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.

WITNESS my hand and official seal.



Signature

(This area for official notarial seal)

MAIL TAX STATEMENTS TO PARTY SHOWN BELOW; IF NO PARTY SHOWN, MAIL AS DIRECTED ABOVE:

200805.30

## Business Search

The California Business Search provides access to available information for **corporations, limited liability companies and limited partnerships** of record with the California Secretary of State, with **free PDF copies** of over 17 million imaged business entity documents, including the most recent imaged Statements of Information filed for Corporations and Limited Liability Companies.



Request Certificate

Currently, information for Limited Liability Partnerships (e.g. law firms, architecture firms, engineering firms, public accountancy firms, and land survey firms), General Partnerships, and other entity types are **not contained** in the California Business Search. If you wish to obtain information about LLPs and GPs, submit a Business Entities Order paper form to request copies of filings for these entity types. Note: This search is not intended to serve as a name reservation search. To reserve an entity name, select Forms on the left panel and select Entity Name Reservation ? Corporation, LLC, LP.

### Basic Search

A Basic search can be performed using an entity name or entity number. When conducting a search by an entity number, where applicable, **remove "C"** from the entity number. Note, a **basic search will search only ACTIVE entities** (Corporations, Limited Liability Companies, Limited Partnerships, Cooperatives, Name Reservations, Foreign Name Reservations, Unincorporated Common Interest Developments, and Out of State Associations). The basic search performs a **contains ?keyword?** search. The Advanced search allows for a **?starts with?** filter. To search entities that have a status other than active or to refine search criteria, use the **Advanced** search feature.

### Advanced Search

An Advanced search is required when searching for publicly traded disclosure information or a status other than active.

An Advanced search allows for searching by specific entity types (e.g., Nonprofit Mutual Benefit Corporation) or by entity groups (e.g., All Corporations) as well as searching by **?begins with?** specific search criteria.

**Disclaimer:** Search results are limited to the 500 entities closest matching the entered search criteria. If your desired search result is not found within the 500 entities provided, please refine the search criteria using the Advanced search function for additional results/entities. The California Business Search is updated as documents are approved. The data provided is not a complete or certified record.

Although every attempt has been made to ensure that the information contained in the database is accurate, the Secretary of State's office is not responsible for any loss, consequence, or damage resulting directly or indirectly from reliance on the accuracy, reliability, or timeliness of the information that is provided. All such information is provided "as is." To order certified copies or certificates of status, (1) locate an entity using the search; (2) select Request Certificate in the right-hand detail drawer; and (3) complete your request online.

Initial Filing Date	08/01/2005
Status	Suspended - FTB/SOS
Standing - SOS	Not Good
Standing - FTB	Not Good
Standing - Agent	Good
Standing - VCFCF	Good
Inactive Date	04/28/2015
Formed In	CALIFORNIA
Entity Type	Limited Liability Company - CA
Principal Address	342 PALOMAR AVE SHELL BEACH, CA 93449
Mailing Address	N/A
Statement of Info Due Date	08/31/2013
Agent	Individual 4983128 JEFF REYNOLDS 342 PALOMAR AVE SHELL BEACH, CA 93449



View History



Request Access

## mission creek investments

Advanced ▾

Results: 2

Entity Information	Initial Filing Date	Status	Entity Type	Formed In	Agent
MISSION CREEK 2 INVESTMENTS, LLC (260526410287)	09/12/2005	Suspended - FTB/SOS	Limited Liability Company - CA	CALIFORNIA	THAD WATKINS
MISSION CREEK 2 INVESTMENTS, LLC (260526410287)	08/01/2005	Suspended - FTB/SOS	Limited Liability Company - CA	CALIFORNIA	JEFF REYNOLDS