

ATTACHMENT 2

CHRONOLOGY FROM SETTLEMENT AGREEMENT

A) After remaining vacant and unmaintained since 1995, the real property located at 272 North State Street in Ukiah, California, Mendocino County Assessor Parcel No. (“APN”) 002-224-13, otherwise known as “the Palace Hotel,” (“Subject Property”) had become a public nuisance and posed a threat to public health and safety. Pursuant to Ukiah City Code Section 3300 et seq. on or about December 21, 2011, the City Council adopted a resolution declaring the Subject Property a dangerous building and ordered its owner to abate the nuisance conditions.

B) After attempting unsuccessfully over period of four years to get its owner to voluntarily abate the public nuisance condition of the Subject Property, on July 10, 2015, the City filed *Ukiah v. Questex, Ltd*, Mendocino County Superior Court Case No. SCUk-CVPT-15-66036. Pursuant to the provisions of Code Civ. Proc. § 568 and Health and Safety Code § 17980.7, the City requested that the court appoint a receiver to take full and complete control of the Subject Property and take all steps necessary to rehabilitate the Subject Property and bring it into compliance with the Health and Safety Code and the Ukiah City Code.

C) On January 9, 2017, the Court issued its Order (“the Order”) Appointing Mark S. Adams as the Receiver to take full and complete possession and control of the Subject Property, develop and implement a plan to rehabilitate the property and borrow funds as necessary to pay for the cost of the rehabilitation work and secure that debt with a recorded super priority first lien on the Subject Property for the amount borrowed. The Receiver was authorized to issue and record Receiver's Certificates of Indebtedness to evidence and secure such debt, which were to become a first lien on the Subject Property superior to all preexisting private liens and encumbrances. A form of such a certificate was attached to the Order as Exhibit A. The Receiver's Certificate was to be issued for such items as the Court expressly authorized, upon notice and after hearing.

D) Pursuant to the Order, the Receiver borrowed from Jitu Ishwar \$438,000 on May 16, 2017 and \$139,576 on February 27, 2018, totaling \$577,576, which loans were secured by a Receiver's Certificate and Deed of Trust recorded with the Mendocino County Recorder on May 19, 2017, with an amended Deed of Trust recorded on December 22, 2017. After Notice of Default was given on December 12, 2018, the Palace Hotel was sold to Jitu Ishwar on January 11, 2019, in a non-judicial foreclosure for a bid of \$972,084.94 which included the loans from Mr. Ishwar and unpaid receivership fees and expenses.

E) On or about January 22, 2019, Mr. Ishwar filed Articles of Organization with the California Secretary of State establishing Twin Investments, LLC and on January 28, 2019, he conveyed title to the Subject Property to Twin Investments.