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ANNETTE EVANS, COUNTY RECORDER

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CITY OF INDUSTRY, CALIFORNIA 91715-0015.

Loan No. Title Order No.
1478332-8 435530-41

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Deed of Trust and Assignment of Rents
ADJUSTABLE INTEREST RATE LOAN

This Deed of Trust, made this 1ST day of SEPTEMBER, 1992, between
JOSE DANIEL KABBAZ, A MARRIED MAN AS HIS SOLE AND SEPARATE PROPERTY

herein called TRUSTOR, whose address is 1760 AVENIDA DEL MUNDO #704
(number and street)
CORONADO CA 92118
(city) (state) (zip code)

SERRANO RECONVEYANCE COMPANY, a California corporation, herein called TRUSTEE,

and HOME SAVINGS OF AMERICA, FSB, a federal savings bank herein called BENEFICIARY, whose address is 4900
Rivergrade Road, Irwindale, California 91706-1404.

WITNESSETH: Trustor irrevocably grants, transfers and assigns to Trustee, in trust, with power of sale, that real property in
SAN DIEGO County, California, described as:
LEGAL DESCRIPTION AS PER EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

Together with all interest which Trustor now has or may hereafter acquire in or to said property, and in and to: (a) all easements and rights of way appurtenant thereto; and (b) all buildings, structures, improvements, fixtures and appurtenances now or hereafter placed thereon, including, but not limited to, all apparatus and equipment, whether or not physically affixed to the land or any building, used to provide or supply air-cooling, air-conditioning, heat, gas, water, light, power, refrigeration, ventilation, laundry, drying, dishwashing, garbage disposal or other services; and all waste vent systems, antennas, pool equipment, window coverings, drapes and drapery rods, carpeting and floor covering, awnings, ranges, ovens, water heaters and attached cabinets; it being intended and agreed that such items be conclusively deemed to be affixed to and to be part of the real property that is conveyed hereby; and (c) all water and water rights (whether or not appurtenant) and shares of stock pertaining to such water or water rights, ownership of which affects said property, SUBJECT, HOWEVER, to the assignment to Beneficiary of rents, income, issues and profits hereinafter set forth. Trustor agrees to execute and deliver, from time to time, such further instruments as may be requested by Beneficiary to confirm the lien of this Deed of Trust on any such properties. The properties conveyed to Trustee hereunder are hereinafter referred to as "such property."

The Trustor absolutely and irrevocably grants, transfers and assigns to Beneficiary the rents, income, issues and profits of all properties covered by this Deed of Trust.

FOR THE PURPOSE OF SECURING:

(1) Payment of the sum of \$ 500,000.00 with interest thereon, according to the terms of a promissory note of even date herewith and having a final maturity date of SEPTEMBER 20, 2022 made by Trustor, payable to Beneficiary or order, and all modifications, extensions or renewals thereof. (2) Payment of such additional sums with interest thereon: (a) as may be hereafter borrowed from Beneficiary by the then record owner of such property and evidenced by a promissory note or notes reciting it or they are so secured and all modifications, extensions or renewals thereof; or (b) as may be incurred, paid out, or advanced by Beneficiary, or may otherwise be due to Trustee or Beneficiary, under any provision of this Deed of Trust and all modifications, extensions or renewals thereof. (3) Performance of each agreement of Trustor contained herein or incorporated herein by reference or contained in any papers executed by Trustor relating to the loan secured hereby. (4) Performance, if the loan secured hereby or any part thereof is for the purpose of constructing improvements on such property; or each provision or

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agreement of Trustor contained in any building loan agreement or other agreement between Trustor and Beneficiary relating to such property. (5) The performance and keeping by Trustor of each of the covenants and agreements required to be kept and performed by Trustor pursuant to the terms of any lease and any and all other instruments creating Trustor's interest in or defining Trustor's right in respect to such property. (6) Compliance by Trustor with each and every monetary provision to be performed by Trustor under any declaration of covenants, conditions and restrictions pertaining to such property, and, upon written request of Beneficiary, the enforcement by Trustor of any covenant to pay maintenance or other charges, if the same have not been paid or valid legal steps taken to enforce such payment within 90 days after such written request is made. (7) At Beneficiary's option, payment, with interest thereon, of any other present or future indebtedness or obligation of Trustor (or of any successor in interest of Trustor to such property) due to Beneficiary, whether created directly or acquired by absolute or contingent assignment, whether due or not, whether otherwise secured or not, or whether existing at the time of the execution of this Deed of Trust or arising thereafter, the exercise of such option to be evidenced by a notice in writing to Trustor or any successor in interest of Trustor. (8) Performance of all agreements of Trustor to pay fees and charges to the Beneficiary whether or not herein set forth. (9) Payment of charges, as allowed by law when such charges are made, for any statement regarding the obligation secured hereby.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES:

(1) **Construction or Improvements.** To complete in good and workmanlike manner any building or improvement or repair relating thereto which may be begun on such property or contemplated by the loan secured hereby, to pay when due all costs and liabilities incurred therefor, and not to permit any mechanic's lien against such property, nor any stop notice against any loan proceeds. Trustor also agrees, anything in this Deed of Trust to the contrary notwithstanding: (a) to promptly commence work and to complete the proposed improvements promptly; (b) to complete same in accordance with plans and specifications as approved by Beneficiary; (c) to allow Beneficiary to inspect such property at all times during construction; (d) to replace any work or materials unsatisfactory to Beneficiary, within fifteen (15) days after written notice from Beneficiary of such fact, which notice may be given to Trustor by registered mail, sent to his last known address, or by personal service of the same; and (e) to perform all other obligations of Trustor under any building loan agreement relating to such property.

(2) **Repair and Maintenance of Property.** To keep such property in good condition and repair, not to substantially alter, remove or demolish any buildings thereon; to restore promptly and in good workmanlike manner any buildings which may be damaged or destroyed, including, but not limited to, damage from termites and earth movement; to pay when due all claims for labor performed and materials furnished in connection with such property and not to permit any mechanic's lien against such property; to comply with all law affecting such property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereon; not to commit, suffer or permit any act upon such property in violation of law; to cultivate, irrigate, fertilize, fumigate and prune; and to do all other acts that from the character or use of such property may be reasonably necessary to keep such property in the same condition (reasonable wear and tear excepted) as at the date of this Deed of Trust.

(3) **Fire and Casualty Insurance.** To provide and maintain in force at all times fire and other types of insurance with respect to such property as may be required by Beneficiary. Each policy of such insurance shall be in an amount, for a term and in form and content and by such companies, as may be satisfactory to Beneficiary, with loss payable to Beneficiary, and shall be delivered to, and remain in possession of, Beneficiary as further security for the faithful performance of these trusts. Trustor shall also furnish Beneficiary with written evidence showing payment of all premiums therefor. At least thirty (30) days prior to the expiration of any insurance policy, a policy renewing or extending such expiring insurance shall be delivered to Beneficiary with written evidence showing payment of the premium therefor, and, in the event any such insurance policy and evidence of payment of the premium are not so delivered to Beneficiary, Trustor by executing this Deed of Trust specifically requests Beneficiary to obtain such insurance. Beneficiary, but without obligation so to do, without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may obtain such insurance through or from any insurance agency or company acceptable to it, and pay the premium therefor. Neither Trustor nor Beneficiary shall be chargeable with obtaining or maintaining such insurance or for the collection of any insurance monies or for any insolvency of any insurer or insurance underwriter. Beneficiary, from time to time, may furnish to any insurance agency or company, or any other person, any information contained in or extracted from any insurance policy theretofore delivered to Beneficiary pursuant hereto, and any information concerning the loan secured hereby. Trustor hereby assigns to Beneficiary all unearned premiums on any such policy, and agrees that any and all unexpired insurance shall inure to the benefit of, and pass to, the purchaser of the property conveyed at any Trustee's sale held hereunder.

(4) **Life, Health or Accident Insurance.** If Trustor shall maintain life, accident or health insurance and Beneficiary shall be the owner or holder of any policy of such insurance as further security hereunder, Beneficiary may elect to pay any premiums thereon as to which Trustor shall be in default, and any amount so paid may be secured hereby.

(5) **Taxes and Other Sums Due.** To pay, satisfy and discharge: (a) at least ten (10) days before delinquency, all general and special city and county taxes, and all assessments on water stock, affecting such property; and (b) when due, all special assessments for public improvements, without permitting any improvement bond to issue for any special assessment; (c) on demand of Beneficiary, but in no event later than the date such amounts become due: (1) all encumbrances, charges and liens, with interest, on such property, or any part thereof, which are, or appear to Beneficiary to be, prior to or superior hereto; (2) all costs, fees and expenses of this trust, whether or not described herein; (3) fees or charges for any statement regarding the obligation secured hereby in any amount demanded by Beneficiary not to exceed the maximum amount allowed by law therefor at the time when such request is made; (4) such other charges as the Beneficiary may deem reasonable for services rendered by Beneficiary and furnished at the request of Trustor or any successor in interest to Trustor; (5) if such property includes a leasehold estate, all payments and obligations required of the Trustor or his successor in interest under the terms of the instrument or instruments creating such leasehold; and (6) all payments and monetary obligations required of the owner of such property under any declaration of covenants or conditions or restrictions pertaining to such property or any modification thereof. Should Trustor fail to make any such payment, Beneficiary, without contesting the validity or amount, may elect to make or advance such payment, together with any costs, expenses, fees or charges relating thereto. Trustor agrees to notify Beneficiary immediately upon receipt by Trustor of notice of any increase in the assessed value of such property and agrees that Beneficiary, in the name of Trustor, may contest by appropriate proceedings such increase in assessment. Trustor agrees to notify Beneficiary and appropriate taxing authorities immediately upon the happening of any event which does or may affect the value of such property, the amount or basis of such property, or the availability of any exemption to which Trustor is or may be entitled.

In the event of the passage of any law deducting from the value of real property for the purposes of taxation any lien thereon, or changing in any way the laws for the taxation of deeds of trust or debts secured by deeds of trust for state or local purposes, or the manner of the collection of any such taxes, including, but not limited to, the postponement of the payment of all or any part of any real or personal property taxes so as to affect this Deed of Trust, the holder of this Deed of Trust and of the obligations which it secures shall have the right to declare the principal sum and the interest due on a date to be specified by not less than 30 days' written notice to be given to Trustor by Beneficiary; provided, however, that such election shall be ineffective if Trustor is

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permitted by law to pay the whole of such tax in addition to all other payments required hereunder and if, prior to such specified date, does pay such tax and agrees to pay any such tax when hereafter levied or assessed against such property, and such agreement shall constitute a modification of this Deed of Trust.

(6) **Impounds.** To pay to Beneficiary, if Beneficiary shall so request, in addition to any other payments required hereunder, monthly advance installments, as estimated by Beneficiary, for taxes, assessments, insurance premiums, ground rents or other obligations secured by this Deed of Trust (hereinafter in this paragraph referred to as "such obligations") for the purpose of establishing a fund to insure payment when due, or before delinquency, of any or all of such obligations required to be paid as to such property. If the amounts paid to Beneficiary under the provisions of this paragraph are insufficient to discharge the obligations of Trustor to pay such obligations as the same become due or delinquent, Trustor shall pay to Beneficiary, upon its demand, such additional sums necessary to discharge Trustor's obligation to pay such obligations. All monies paid to Beneficiary under this paragraph may be intermingled with other monies of Beneficiary and shall not bear interest, except as required by law. Beneficiary may pay such obligations whether before or after they become due and payable. In the event of a default in the payment of any monies due on the indebtedness secured hereby, default of any obligation secured hereby, or default in the performance of any of the covenants and obligations of this Deed of Trust, then any balance remaining from monies paid to Beneficiary under the provisions of this paragraph may, at the option of Beneficiary, be applied to the payment of principal, interest or other obligations secured hereby in lieu of being applied to any of the purposes for which the impound account is established. Beneficiary will make such reports of impounds as are required by law.

(7) **Condemnation and Injury to Property.** All sums due, paid or payable to Trustor or any successor in interest to Trustor of such property, whether by way of judgment, settlement or otherwise: (a) for injury or damage to such property; or (b) in connection with any condemnation for public use of or injury to such property, or any part thereof, are hereby assigned and shall be paid to Beneficiary. All causes of action of or belonging to Trustor, whether accrued before or after the date of this Deed of Trust, for damage or injury to such property, or any part thereof, or in connection with the transaction financed in whole or in part by the funds loaned to Trustor by Beneficiary, or in connection with or affecting said property or any part thereof, including causes of action arising in tort or contract and causes of action for fraud or concealment of material fact, are hereby assigned to Beneficiary, and the proceeds thereof shall be paid to Beneficiary who, after deducting therefrom all its expenses, including reasonable attorneys' fees, may apply such proceeds to the sum secured by this Deed of Trust or to any deficiency under this Deed of Trust or may release any monies so received by it or any part thereof, as Beneficiary may elect. Beneficiary may at its option appear in and prosecute in its own name any action or proceeding to enforce any such cause of action and may make any compromise or settlement thereof. Trustor agrees to execute any further assignments and other instruments as from time to time may be necessary to effectuate the foregoing provisions and as Beneficiary shall request.

(8) **Disposition of the Proceeds of any Insurance Policies, Condemnation or Other Recovery.** The amount received by Beneficiary pursuant to this Deed of Trust under any fire or other insurance policy, in connection with any partial condemnation for public use of or injury to such property, for injury or damage to such property or in connection with the transaction financed by the loan secured hereby, shall, without reducing the indebtedness secured hereby, be used to replace, restore or reconstruct such property to a condition satisfactory to Beneficiary or may be released to Trustor, or any such amount may be apportioned and delegated in any manner to any one or more of such uses. No such application, use or release shall cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice. Anything contained in this paragraph to the contrary notwithstanding, if the restoration, repair or reconstruction is not feasible, if Beneficiary determines in good faith that its security interest in such property would remain impaired despite such restoration, repair or reconstruction, or if a full condemnation of such property has occurred, then Beneficiary shall have the option to apply any such amount to any indebtedness secured hereby in such order as Beneficiary may determine. In the event that such proceeds are used for restoration, repair or reconstruction of the property, Beneficiary shall have the right to periodically inspect the work done on the property. Trustor shall have no right to rely in any way on Beneficiary's inspections. Trustor shall be solely responsible for determining that the work is done in a thorough, efficient and workmanlike manner.

(9) **Litigation.** Trustor shall defend this trust in any action or proceeding purporting to affect such property whether or not it affects the lien hereof, purporting to affect the lien hereof or purporting to affect the rights or powers of Beneficiary or Trustee, and shall file and prosecute all necessary claims and actions to prevent or recover for any damage to or destruction of such property; and either Trustee or Beneficiary is hereby authorized, without obligation so to do, to prosecute, or defend any such action, whether brought by or against Trustor, Beneficiary or Trustee, or with or without suit, to exercise or enforce any other right, remedy, or power available or conferred hereunder, whether or not judgment be entered in any action or proceeding; and Trustee or Beneficiary may appear or intervene in any action or proceeding, and retain counsel therein, and take such action therein, as either may be deemed necessary or advisable, and may settle, compromise or pay the same or any other claims and, in so doing, may expend and advance such sums of money as either may deem necessary. Whether or not Trustor so appears or defends, Trustor on demand shall pay all costs and expenses of Beneficiary and Trustee, including costs of evidence of title, in any such action or proceeding in which Beneficiary or Trustee may appear by virtue of being made a party defendant or otherwise, and irrespective of whether the interest of Beneficiary or Trustee in such property or their respective rights or powers hereunder may be affected by such action, including, but not limited to, any action for the condemnation or partition of such property and any suit brought by Beneficiary to foreclose this Deed of Trust.

(10) **Loan on Leasehold Estate.** If such property includes a leasehold estate, Trustor agrees to comply with all of the terms, conditions, and provisions of the instrument or instruments creating such leasehold. Trustor also agrees not to amend, change, or modify his leasehold interest, or the terms on which he has such leasehold interest, or to agree to do so, without the written consent of Beneficiary being first obtained.

(11) **Prepayment Charge.** Should any note or obligation secured hereby require Trustor to pay a fee in connection with the prepayment of any of the indebtedness secured hereby, to pay such fee to the extent permitted by applicable law, notwithstanding the fact that Trustor shall have defaulted in any obligation secured hereby and Beneficiary, by reason thereof, shall have declared all sums secured hereby immediately due and payable.

(12) **Failure of Trustor to Comply with Deed of Trust.** Should Trustor fail to make any payment, or fail to do any act required by this Deed of Trust, or fail to perform any obligation secured by this Deed of Trust, or do any act Trustor agreed not to do, Trustor shall be in default under this Deed of Trust. Beneficiary, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, and without contesting the validity or amount of the same, may: (a) pay or do the same in such manner and to such extent as it may deem necessary to protect the security hereof, Beneficiary being authorized to enter upon such property for such purpose; (b) pay, purchase, contest or compromise any encumbrance, charge or lien, which in its judgment is or appears to be prior or superior hereto; and (c) in exercising any such power pay necessary expenses. Trustor agrees to repay any amount so expended on demand of Beneficiary.

(13) **Sums Advanced to Bear Interest and To Be Added to Deed of Trust.** To pay immediately upon demand any sums advanced or paid by Beneficiary or Trustee under any clause or provision of this Deed of Trust. Any such sum, until so repaid, shall be secured herein and bear interest from the date it was advanced or paid at the same interest rate, as may be adjusted from time to time, as such indebtedness, and such sum and interest thereon shall be secured by this Deed of Trust.

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(14) Application of Funds. Beneficiary shall have the right at its sole discretion to direct the manner in which payments or proceeds shall be applied upon or allocated among the various items constituting Trustor's indebtedness or obligations secured hereby.

(15) Obligation of Trustor Joint and Several. If more than one person is named as Trustor, each obligation of Trustor shall be the joint and several obligation of each such person.

(16) Acceleration Clause: Right of Beneficiary to Declare All Sums Due on any Transfer, Etc. Beneficiary shall have the right, at its option, to declare any indebtedness and obligations secured hereby, irrespective of the maturity date specified in any note or agreement evidencing the same due and payable within 30 days after such declaration if: (a) Trustor or any successor in interest to Trustor of such property sells, enters into a contract of sale, conveys or alienates such property or any part thereof, or suffers his title or any interest therein to be divested, whether voluntarily or involuntarily, or leases such property for a term of more than 3 years, or changes or permits to be changed the character or use of such property, or drills or extracts or enters into a lease for the drilling for or extracting oil, gas or other hydrocarbon substance or any mineral of any kind or character on such property; or (b) Trustor is a partnership and the interest of a general partner is assigned or transferred; or (c) Trustor is a corporation and more than 25% of the corporate stock thereof is sold, transferred or assigned during a 12 month period; or (d) Trustor is a trust and there is a change of beneficial interest with respect to more than 25% of such property; or (e) Trustor has made any material misrepresentation or failed to disclose any material fact in those certain financial and other written representations and disclosures made by Trustor in order to induce Beneficiary to enter into the transaction evidenced by the promissory note or notes or agreements which this Deed of Trust secures.

(17) No Waiver by Beneficiary. No waiver by Beneficiary of any right under this Deed of Trust shall be effective unless in writing. Waiver by Beneficiary of any right granted to Beneficiary under this Deed of Trust or of any provision of this Deed of Trust as to any transaction or occurrence shall not be deemed a waiver as to any future transaction or occurrence. By accepting payment of any sum secured hereby after its due date or by making any payment or performing any act on behalf of Trustor that Trustor was obligated hereunder, but failed, to make or perform, or by adding any payment so made by Beneficiary to the indebtedness secured hereby, Beneficiary does not waive its right to require prompt payment when due of all other sums so secured or to require prompt performance of all other acts required hereunder, or to declare a default for failure so to pay such other sums or to perform such other acts.

(18) Modification in Writing. This Deed of Trust cannot be changed or modified except as otherwise provided in this Deed of Trust or by agreement in writing signed by Trustor, or any successor in interest to Trustor, and Beneficiary.

(19) Right to Collect and Receive Rents and Profits. Notwithstanding any other provisions hereof, Beneficiary hereby grants permission to Trustor to collect and retain the rents, income, issues and profits of such property as they become due and payable, but reserves the right to revoke such permission as to itself at any time with or without cause by notice in writing to Trustor, mailed to Trustor at his last known address. In any event, such permission to Trustor automatically shall be revoked upon default by Trustor in payment of any indebtedness secured hereby or in the performance of any agreement hereunder. On any such default, Beneficiary may at any time without notice, either in person, by agent, or by receiver to be appointed by the court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of such property, or any part thereof; make, cancel, enforce or modify leases; obtain and eject tenants, set or modify rents; in its own name sue for or otherwise collect the rents, income, issues and profits thereof, including those past due and unpaid; and apply the same, less costs and expenses of operation and collection, upon any indebtedness secured hereby and in such order as Beneficiary may determine; and except for such application, Beneficiary shall not be liable to any person for the collection or non-collection of any rents, income, issues or profits, nor the failure to assert or enforce any of the foregoing rights. The entering upon and taking possession of such property, the collection of such rents, income, issues or profits, the doing of other acts herein authorized, and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(20) Remedies. No remedy herein provided shall be exclusive of any other remedy herein or now or hereafter existing by law, but shall be cumulative. Every power or remedy hereby given to Trustee or to Beneficiary or to which either of them may be otherwise entitled, may be exercised from time to time and as often as may be deemed expedient by them, and either of them may pursue inconsistent remedies. If Beneficiary holds any additional security for any obligation secured hereby, it may enforce the sale thereof at its option, either before, contemporaneously with, or after any Trustee's sale is made hereunder, and on any default of Trustor, Beneficiary may, at its option, offset against any indebtedness owing by it to Trustor the whole or any part of the indebtedness secured hereby, and the Beneficiary is hereby authorized and empowered at its option, without any obligation so to do, and without affecting the obligations hereof, to apply toward the payment of any indebtedness secured hereby any and all sums or money, or credits of or belonging to Trustor and which the Beneficiary may have in its possession or under its control, including, among other things, any impounds held by Beneficiary under paragraph (6) hereof.

In order to assure the definiteness and certainty of the rights and obligations herein provided, Trustor waives any and all rights of offset which Trustor now or hereafter may have against Beneficiary, of claims and no offset made by Beneficiary shall relieve Trustor from paying installments on the obligations secured hereby as they become due.

(21) Power of Trustee to Reconvey or Consent. Without affecting the liability of any person, including Trustor, for the payment of any indebtedness secured hereby, including such indebtedness as may be due at the time of or after full reconveyance, or the lien of this Deed of Trust upon any remainder of such property for the full amount of any indebtedness then or thereafter secured hereby, or the rights or powers of the Beneficiary or the Trustee with respect to the remainder of such property (other than any person or property specifically released by Beneficiary), Beneficiary or Trustee, if so requested by Beneficiary, from time to time, without liability therefor, and without notice to Trustor, upon written request of Beneficiary and presentation of this Deed of Trust and any note or other agreement secured hereby for endorsement, together with payment for any fees of Trustee therefor, may do any one or more of the following: (a) release any additional security for the indebtedness secured hereby; (b) extend the time or otherwise alter the terms of payment of such indebtedness; (c) accept additional security; (d) substitute or release any property securing such indebtedness; (e) reconvey all or any part of such property; (f) consent to the making of any map or plat thereof; (g) join in granting any easement thereon; or (h) join in any extension agreement or any agreement subordinating or otherwise affecting the lien or charge hereof. Any reconveyance by Trustee shall be made without warranty. The recitals in any reconveyance of any matters of fact shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto." A request for full reconveyance and full reconveyance shall operate as a re-assignment of the rents, income, issues and profits assigned herein to Beneficiary. Trustee may destroy said note and this Deed of Trust five (5) years after issuance of a full reconveyance (unless directed in such request to retain them).

(22) Reconveyance. The Trustee named in this Deed of Trust securing this note, or any successor Trustee thereunder, may charge such fees for each full or partial reconveyance of this Deed of Trust as Trustee then customarily charges for such services.

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(23) **Trustee's Sale on Default.** Upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, or any agreement secured hereby, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of a written declaration of default and demand for sale by Trustee. Trustee has the power of sale and may foreclose and shall cause to be filed of record a written notice of default and election to sell such property. Beneficiary shall also deposit with Trustee this Deed of Trust and notes or other agreements and such documents as required by Trustee evidencing expenditures or advances secured hereby. Trustee, upon presentation to it of an affidavit signed by Beneficiary setting forth facts showing a default by Trustor under any paragraph or provision contained in this Deed of Trust or the note or notes secured hereby, is authorized to accept as true and conclusive the facts and statements therein and to act thereon hereunder without any independent investigation or further inquiry by Trustee. Trustor hereby agrees to be bound thereby. After the lapse of such time as then may be required by law following recordation of such notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell such property either as a whole or in separate parcels, and in such order as it or Beneficiary may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale, except that Beneficiary may offset its bid to the extent of the total amount owing to it under the note or notes and this Deed of Trust, including the Trustee's fees and expenses. Trustee may postpone and change the time and place of sale of all or any portion of such property by public announcement at the time and place affixed by it in said notice of sale, and from time to time and place to place thereafter and without any further posting or notice thereof may postpone such sale by public announcement to the time and place fixed by such postponement, whether or not said place fixed by any postponement be in the same city or other place as fixed in said notice of sale. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. In noticing, postponing and conducting such sale Trustee shall comply and act in accordance with applicable laws. The recital in such deed of any matters of fact or otherwise shall be conclusive proof of 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 Deed of Trust, including cost of evidence of title in connection with such sale, Trustee first shall apply the proceeds of sale to payment of all sums expended under the terms hereof, not then repaid, with accrued interest at the rate then payable under the note or notes secured hereby, and then to payment of all other sums secured hereby, and if thereafter there be any proceeds remaining, distribute them to the person or persons legally entitled thereto.

(24) **Future Advances.** Upon request of Trustor, Beneficiary, at Beneficiary's option, may make future advances to Trustor. Such future advances, with interest thereon, shall be secured by this Deed of Trust when evidenced by promissory note stating that said notes are secured hereby.

(25) **Substitution of Trustee.** Beneficiary may, from time to time, by instrument in writing substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed and acknowledged by Beneficiary and recorded in the office of the recorder of the county or counties where such property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyances from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Such instrument shall contain the name and address of the new Trustee. The procedure herein provided for substitution of Trustees shall not be exclusive of other provisions for substitution provided by law.

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

(27) **Waiver of Statute of Limitations.** Time is of the essence as to all of Trustor's obligation hereunder; and to the extent permitted by law, Trustor waives all present or future statutes of limitation with respect to any debt, demand or obligation secured hereby in any action or proceeding for the purpose of enforcing this Deed of Trust or any rights or remedies hereunder.

(28) **Inspection and Business Records.** Beneficiary at any time during the continuation of this Deed of Trust may enter and inspect such property at any reasonable time. Trustor agrees that in the event that such property is now or hereafter used for commercial or residential income purposes, that when requested by Beneficiary, Trustor will promptly deliver to Beneficiary such certified financial statements and profit and loss statements of such types and at such intervals as may be required by Beneficiary which will be in form and content prepared according to the generally accepted accounting principals and practices, which statements shall cover the financial operations relating to such property, and Trustor further agrees, when requested by Beneficiary, to promptly deliver in writing such further additional information as required by Beneficiary relating to any of such financial statements.

(29) **Governing Law: Severability.** The loan secured by this Deed of Trust is made pursuant to, and shall be construed and governed by, the laws of the United States and the rules and regulations promulgated thereunder, including the federal laws, rules and regulations for federal savings and loan associations. If any paragraph, clause or provision of this Deed of Trust or the note or any other notes or obligations secured by this Deed of Trust is determined by a court of competent jurisdiction to be void, invalid or unenforceable, such decision shall affect only those paragraphs, clauses or provisions so determined and shall not affect the remaining paragraphs, clauses and provisions of this Deed of Trust or the note or other notes secured by this Deed of Trust.

(30) **Offsets.** No indebtedness secured by this Deed of Trust shall be offset or compensated or shall be deemed to have been offset or compensated by all or part of any claim, cause of action, counterclaim or part of any claim, cause of action, counterclaim or crossclaim, whether liquidated or unliquidated, which Trustor now or hereafter may have or may claim to have against Beneficiary; and, in respect to the indebtedness now or hereafter secured hereby, Trustor waives, to the fullest extent permitted by law, any and all rights of offset which Trustor now or hereafter may have or claim to have in respect to all or part of the indebtedness secured hereby, and further waives the benefits of any applicable law, regulation or procedure which provides or substantially provides that, where cross-demands for money have existed between persons at any point in time when neither demand was barred by the applicable statute of limitations, and an action is thereafter commenced by one such person, the other person may assert in his answer the defense of payment in that the two demands are compensated so far as they equal each other, notwithstanding that an independent action asserting his claim would at the time of filing his answer be barred by the applicable statute of limitations.

(31) **Misrepresentation or Nondisclosure.** Trustor has made certain written representations and disclosures in order to induce Beneficiary to make the loan evidenced by the note or notes which this Deed of Trust secures, and in the event that Trustor has made any misrepresentation of material fact or failed to disclose any material fact, Beneficiary, at its option and without prior notice, shall have the right to declare the indebtedness secured by this Deed of Trust, irrespective of the maturity date specified in the note or notes, immediately due and payable. Trustee, upon presentation to it of an affidavit signed by Beneficiary setting forth facts showing a default by Trustor under this paragraph, is authorized to accept as true and conclusive all facts and statements therein, and to act thereon hereunder.

(32) **Statement of Obligation.** Beneficiary may charge and collect a fee of \$50.00 or such greater amount as is allowed by law for furnishing any statement of obligation, beneficiary's statement, beneficiary's demand or any other statement regarding the condition of or balance owing under the note or notes secured by this Deed of Trust.

FRANK NICHOLS, ANNETTE J. NICHOLS, SAN DIEGO NICHOLS

(33) Notice to Trustor. Any notice to the Trustor provided for in the note or this Deed of Trust shall be deemed given when it is deposited in the United States mail, postage prepaid, addressed to the Trustor at the address of the Trustor as it appears in Beneficiary's records pertaining to the loan evidenced by the note at the time notice is given.

(34) General Provisions. (a) This Deed of Trust applies to, inures to the benefit of, and binds, all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. (b) The term "Beneficiary" shall mean the owner and holder (including a pledgee) of any note secured hereby, whether or not named as Beneficiary herein. (c) Wherever the context so requires, the masculine gender includes the feminine and neuter, the singular number includes the plural, and vice versa. (d) Captions and paragraph headings used herein are for convenience only, are not a part of this Deed of Trust and shall not be used in construing it.

(35) Adjustable Rate Mortgage Provisions. The promissory note which this Deed of Trust secures contains provisions which permit (a) increases and decreases to the rate of interest provided in the promissory note on a monthly basis; (b) increases and decreases to the monthly payment of principal and interest on a yearly basis; (c) a limitation on increases and decreases to said monthly payment amount; and (d) increases in the outstanding principal amount due on the loan. Reference is made to said promissory note for a complete description of the adjustable rate terms of the indebtedness secured by this Deed of Trust.

TRUSTOR REQUESTS THAT A COPY OF ANY NOTICE OF DEFAULT AND OF ANY NOTICE OF SALE HEREUNDER BE MAILED TO TRUSTOR AT THE ADDRESS HEREINABOVE SET FORTH.

LOAN NO. 1478332-8

Signature of Trustor

[Signature]
JOSE DANIEL KABBAZ

STATE OF CALIFORNIA } ss.
COUNTY OF SAN DIEGO

On SEPTEMBER 16, 1992 before me, CELESTE M. RADNER, Notary Public, personally appeared

JOSE DANIEL KABBAZ 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 Celeste M. Radner

(This area for official notarial seal)

REQUEST FOR FULL RECONVEYANCE

Dated _____

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

HOME SAVINGS OF AMERICA, FSB By _____

MAIL RECONVEYANCE TO: _____

CELESTE M. RADNER, ANNETTE J. SMITH, SAN DIEGO COUNTY

EXHIBIT A Loan No. 1478332-8

PARCEL 1:

A FEE SIMPLE INTEREST IN THE PORTION OF LOT 4 OF CORONADO SHORES TRACT NO. 6641, IN THE CITY OF CORONADO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, AS PER MAP RECORDED MAY 1, 1970 AS FILE NO. 75985 OF OFFICIAL RECORDS IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, SHOWN AND DEFINED AS UNIT 704 ON THAT CERTAIN CONDOMINIUM PLAN RECORDED JANUARY 6, 1978 AS FILE NO. 78-007400 OF OFFICIAL RECORDS OF SAID COUNTY.

PARCEL 2:

AN UNDIVIDED 1.7/207.6 INTEREST IN LOT 4 OF TRACT 6641 AS PER MAP RECORDED ON MAY 1, 1970 AS FILE NO. 75985 OF OFFICIAL RECORDS IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, EXCEPTING THEREFROM THE 149 UNITS AS SHOWN ON THE CONDOMINIUM PLAN RECORDED ON JANUARY 6, 1978 AS FILE NO. 78-007400 OF OFFICIAL RECORDS OF SAID COUNTY.

PARCEL 3:

AN EXCLUSIVE APPURTENANT EASEMENT FOR RESIDENTIAL USE AND PURPOSES IN AND TO THE BALCONY DIRECTLY ADJACENT TO THE ABOVE DESCRIBED UNIT WHICH SHALL BE DEEMED TO BE A PART OF THE "RESTRICTED COMMON AREAS AND FACILITIES", SHOWN AS B-704 ON THE CONDOMINIUM PLAN RECORDED JANUARY 6, 1978 AS FILE NO. 78-007400 OF OFFICIAL RECORDS OF SAID COUNTY.

PARCEL 4:

THE RIGHT TO USE AND OCCUPY, AT ALL TIMES, THE AUTOMOBILE PARKING SPACE LOCATED WITHIN THE BUILDING IN WHICH THE ABOVE DESCRIBED UNIT IS LOCATED, DESCRIBED AND DESIGNATED ON THE CONDOMINIUM PLAN AS PARKING SPACE NO. 51 AND 51-T, WHICH SHALL BE DEEMED TO BE A PART OF THE "RESTRICTED COMMON AREAS AND FACILITIES".

EXCEPTING THEREFROM ALL GAS, OIL AND OTHER HYDROCARBON SUBSTANCES AND ALL OTHER MINERALS IN AND FROM SAID PROPERTY, PROVIDED HOWEVER, NO RIGHT IS RESERVED TO THE GRANTOR, THEIR SUCCESSORS AND ASSIGNS TO ENTER ON OR FROM THE SURFACE OF SAID PROPERTY; THE RIGHT TO ENTER THE SUBSURFACE OF SAID PROPERTY, WHICH IS ALSO RESERVED, SHALL BE AT ANY POINT BELOW A DEPTH OF 500 FEET FROM THE SURFACE THEREOF (MEASURED VERTICALLY FROM THE SURFACE THEREOF) IN ORDER TO TAKE FROM SAID PROPERTY AND REDUCE TO THEIR POSSESSION ANY OIL, GAS AND OTHER HYDROCARBON SUBSTANCES AND ALL OTHER MINERALS.



ORIGINAL RECORDS, MARLETTE J. LINDA H. SAN DIEGO RECORDER