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OF ORIGINAL FILED
Los Angeles Superior Court

MAR 27 2012

John A. Clarke, Executive Officer/Clerk
By A.E. LaFleur-Clayton Deputy

9 SUPERIOR COURT OF THE STATE OF CALIFORNIA
10 FOR THE COUNTY OF LOS ANGELES
11 CENTRAL JUDICIAL DISTRICT

13 The People of the State of California,
14 Plaintiff,

15 vs.

16 Mexican Benefit Corporation; Comite de
Beneficencia Mexicana de Los Angeles, Inc.;
17 Martha Soriano; Ruben Soriano; Martha
Velasquez; Brownstone Mortgage Capital
18 Corporation, a Corporation; Brownstone
Mortgage Fund I Limited Partnership;
19 Smithstone Corp., a Corporation; All Persons
Unknown, Claiming Any Legal or Equitable
20 Right, Title, Estate, Lien, or Interest in the
Property Described in the Complaint Adverse
21 to Comite de Beneficencia Mexicana de Los
Angeles, Inc.'s Title, or any Cloud on Comite
22 de Beneficencia Mexicana de Los Angeles,
Inc.'s Title Thereto; and DOES 1 through 50,
23 Defendants.

Case No.

BC481362

COMPLAINT

1. For Cancellation of Written Instrument
2. To Quiet Title
3. For Damages and Punitive Damages for Breach of Fiduciary Duty
4. For Damages and Punitive Damages for Negligence
5. For Civil Penalties for Violation of Statutes
6. For an Accounting, an Injunction, Removal of Officers And Directors, And Appointment of An Interim Director(s),
7. For Involuntary Dissolution and Other Relief

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26 Plaintiff, the People of the State of California, complains and alleges as follows:
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GENERAL ALLEGATIONS

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2 1. Plaintiff, the People of the State of California, includes members of the class of
3 charitable beneficiaries of Mexican Benefit Corporation (“MB CORP”) and Comite de
4 Beneficencia Mexicana de Los Angeles, Inc. (“COMITE”), which are both California nonprofit
5 public benefit corporations. The Attorney General, Kamala D. Harris (hereinafter “the Attorney
6 General”), who brings this action on Plaintiff’s behalf, is the duly elected Attorney General of the
7 State of California and is charged with the general supervision of all charitable organizations
8 within this State and with the enforcement and supervision over trustees and fiduciaries who hold
9 or control property in trust for charitable and eleemosynary purposes. The Attorney General is
10 authorized to enforce, in the name of the People, the provisions of the Supervision of Trustees
11 and Fundraisers for Charitable Purposes Act (Gov. Code, § 12580 et seq.) and the Nonprofit
12 Corporation Law (Corp. Code, § 5000 et seq.).

13 2. At all times material herein, defendants and each of them have been transacting business
14 in the County of Los Angeles. The violations of law hereinafter described have been and are now
15 being carried out, at least in part, within said county and elsewhere.

16 3. In August 1988, defendant MB CORP was formally incorporated as a California
17 nonprofit public benefit corporation. Pursuant to its Articles of Incorporation, MB CORP’s
18 charitable purpose is to promote the culture of the Mexican-American community. MB CORP’s
19 principal place of business is located in the County of Los Angeles. MB CORP holds, and at all
20 times material herein held, all of its assets in trust for charitable purposes.

21 4. In March 1931, defendant COMITE was formally incorporated as a California nonprofit
22 corporation. Pursuant to its Articles of Incorporation, COMITE is organized “solely for general
23 charitable and eleemosynary purposes.” COMITE’s principal place of business is located in the
24 County of Los Angeles. COMITE holds, and at all times material herein held, all of its assets in
25 trust for charitable purposes.

26 5. Defendant MARTHA SORIANO (“MARTHA”) is a resident of Los Angeles County,
27 State of California. At all times relevant herein, defendant MARTHA was, and is, an officer
28 and/or member of the board of directors of defendants MB CORP and COMITE, and has owed

1 fiduciary duties of care and loyalty to MB CORP and COMITE and their charitable beneficiaries.
2 Plaintiff is informed and believes that defendant MARTHA is the wife of defendant RUBEN
3 SORIANO.

4 6. Defendant RUBEN SORIANO (“RUBEN”) is a resident of Los Angeles County, State
5 of California. At all times relevant herein, defendant RUBEN was, and is, an officer and/or
6 member of the board of directors of defendants MB CORP and COMITE, and has owed fiduciary
7 duties of care and loyalty to MB CORP and COMITE and their charitable beneficiaries.

8 7. Plaintiff is informed and believes and thereon alleges that defendant MARTHA
9 VELASQUEZ (“VELASQUEZ”) is a resident of Los Angeles County, State of California. At all
10 times relevant herein, defendant VELASQUEZ was, and is, an officer and/or member of the
11 board of directors of defendants MB CORP and COMITE, and has owed fiduciary duties of care
12 and loyalty to MB CORP and COMITE and their charitable beneficiaries.

13 8. Defendant BROWNSTONE MORTGAGE CAPITAL CORPORATION
14 (“BROWNSTONE”) is a California corporation doing business in California. BROWNSTONE
15 is sued in this action solely in its capacity as beneficiary under a deed of trust recorded on or
16 about June 9, 2006, securing BROWNSTONE’s loan to COMITE in the original sum of
17 \$175,000.00. Plaintiff names BROWNSTONE only in the Quiet Title cause of action of this
18 Complaint and seeks no monetary relief from it.

19 9. Defendant BROWNSTONE MORTGAGE FUND I LIMITED PARTNERSHIP
20 (“BROWNSTONE LP”) is a California limited partnership doing business in California.
21 BROWNSTONE LP is sued in this action solely in its capacity as beneficiary under a deed of
22 trust recorded on or about June 9, 2006, securing BROWNSTONE’s loan to COMITE in the
23 original sum of \$175,000.00. Plaintiff names BROWNSTONE LP only in the Quiet Title cause
24 of action of this Complaint and seeks no monetary relief from it.

25 10. Defendant SMITHSTONE CORP. (“SMITHSTONE”) is a California corporation
26 doing business in California. SMITHSTONE is sued in this action solely in its capacity as trustee
27 under a deed of trust recorded on or about June 9, 2006, securing BROWNSTONE’s loan to
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1 COMITE in the original sum of \$175,000.00. Plaintiff names SMITHSTONE only in the Quiet
2 Title cause of action of this Complaint and seeks no monetary relief from it.

3 11. Defendants herein named "all persons unknown, claiming any legal or equitable right,
4 title, estate, lien, or interest in the property described in the complaint adverse to Comite de
5 Beneficencia Mexicana de Los Angeles, Inc.'s title, or any cloud on Comite de Beneficencia
6 Mexicana de Los Angeles, Inc.'s title thereto" ("the UNKNOWN DEFENDANTS") are unknown
7 to Plaintiff. These UNKNOWN DEFENDANTS, and each of them, claim some right, title,
8 estate, lien, or interest in the hereinafter-described property adverse to COMITE's title; and their
9 claims, and each of them, constitute a cloud on COMITE's title to that property.

10 12. Defendants DOES 1 through 50 are named as fictitious defendants who have
11 participated with, or acted in concert with, one or more of the defendants, or who have acted on
12 behalf of or as agents, servants or employees of one or more of the defendants named herein, but
13 whose true names and capacities, whether individual, corporate or otherwise, are presently
14 unknown to Plaintiff. Plaintiff is informed and believes and thereon alleges that defendants
15 DOES 1 through 50 have directly or indirectly participated in and are responsible for the acts and
16 omissions that are more specifically described herein. Because Plaintiff is presently uninformed
17 as to the true names and capacities of defendants DOES 1 through 50, Plaintiff sues them herein
18 by fictitious names, but will seek leave to amend this Complaint when their true names and
19 capacities are discovered.

20 13. The named individual defendants and defendants DOES 1 through 50 have committed
21 and continue to commit the breaches of fiduciary duty, violations of trust, violations of law and
22 other wrongful acts as alleged hereafter in the Complaint. In order to preserve charitable assets
23 and to prevent waste, dissipation and loss of charitable assets in this State to the irreparable
24 damage of Plaintiff, it is necessary that the requested injunctive relief, the removal of officers and
25 directors and the appointment of a director(s) or interim director(s) herein prayed for be granted.

26 14. The actions and omissions upon which the causes of action alleged in this Complaint
27 are based occurred on or after January 1, 2003. Any actions which occurred before January 2011,
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1 were not discovered by Plaintiff and the Attorney General and could not in the exercise of
2 reasonable diligence have been discovered before January 2011.

3 **FIRST CAUSE OF ACTION**

4 **For Cancellation of Written Instrument**

5 **(Against Defendants MB CORP, MARTHA, RUBEN,**

6 **VELASQUEZ and DOES 1 through 50)**

7 15. Plaintiff re-alleges and incorporates by reference as though fully set forth herein each
8 of the allegations of paragraphs 1 through 14 of the Complaint.

9 16. The written instrument sought to be cancelled in this cause of action (Grant Deed #4)
10 was executed in Los Angeles County, California. The real property to which the written
11 instrument sought to be canceled relates is situated in Los Angeles County.

12 17. In or around May 31, 1950, grantor Euclid Heights Methodist Church transferred the
13 following property to Comite de Beneficencia Mexicana de Los Angeles:

14 **Parcel 1:**

15 Lot 15 of Tract No. 2271, in the City of Los Angeles, County of Los Angeles, State of
16 California, as per map recorded in Book 22, Page 117, of Maps, in the Office of the
County Recorder of said County.

17 **Parcel 2:**

18 Lot 6 of Tract No. 2271, in the City of Los Angeles, County of Los Angeles, State of
19 California, as per map recorded in Book 22, Page 117, of Maps, in the Office of the
20 County Recorder of said County.

21 The grant deed documenting this transfer (Grant Deed #1) was recorded on June 23, 1950, and is
22 in the possession, custody, or control of the defendants in this cause of action (hereinafter
23 "defendants"). The form and contents of Grant Deed #1 are as set out in the true and correct copy
24 of it which is attached to this Complaint as Exhibit A and incorporated by reference herein.

25 18. In or around December 1997, grantors Samuel and Hortencia Magana donated the
26 following property to "Comite de Beneficencia Mexicana, Inc., a California Non-profit
27 Corporation:"

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Parcel 3:

Lot 7 of Tract No. 2271, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 22, Page 117, of Maps, in the Office of the County Recorder of said County.

The Grant Deed documenting this gift (Grant Deed #2) was recorded on December 31, 1997, and is in the possession, custody, or control of the defendants. The form and contents of Grant Deed #2 are as set out in the true and correct copy of it which is attached to this Complaint as Exhibit B and incorporated by reference herein.¹

19. On or about June 9, 2006, the individual defendants caused to be recorded a grant deed (Grant Deed #3), correcting the name of the Grantee as it appeared on Grant Deed #2. Grant Deed #3 notes that COMITE had acquired title to LA CASA as "Comite de Beneficencia Mexicana, Inc., a California Non-Profit Corporation." Grant Deed #3 notes the correct name of the Grantee as "Comite de Beneficencia Mexicana de Los Angeles, Inc., a California Non-Profit Corporation" (COMITE). This document is in the possession, custody or control of the defendants. The form and contents of Grant Deed #3 are as set out in the true and correct copy of it which is attached to this Complaint as Exhibit C and incorporated by reference herein.

20. On or about May 31, 2006, defendants MARTHA and RUBEN executed a document entitled "Commercial Deed of Trust Assignment of Rents and Security Agreement," ("the Deed of Trust"). The Deed of Trust was recorded in the Los Angeles County Recorder's Office on June 9, 2006, and is in the possession, custody, or control of the defendants. In the Deed of Trust, defendant COMITE, by defendants MARTHA and RUBEN, conveyed title to LA CASA to defendant SMITHSTONE as trustee for defendant BROWNSTONE (the beneficiary), to secure payment of a loan COMITE received from BROWNSTONE in the principal amount of

¹ The property described in paragraphs 17 and 18 (Assessor's Parcel Numbers 5185-019-010 and 5185-019-011), collectively, will be referred to throughout this Complaint as "LA CASA DEL MEXICANO" or simply, "LA CASA." The property consists of a vacant lot and a parcel on which La Casa del Mexicano, an historic structure of profound significance to the local community, exists. The street address of La Casa is 529 Euclid Avenue and 2901 East 6th Street, Los Angeles, California 90063.

1 \$175,000.00. The form and contents of the Deed of Trust are as set out in the true and correct
2 copy of it which is attached to this Complaint as Exhibit D and incorporated by reference herein.

3 21. On or about August 27, 2010, the individual defendants signed another grant deed
4 regarding LA CASA (Grant Deed #4). Grant Deed #4 purports to transfer LA CASA from
5 COMITE to "Mexican Benefit Corporation a Non-profit California Corporation." Grant Deed
6 #4 falsely states as follows: "This conveyance confirms a correction [of] an error on the previous
7 grant deed recorded on 6/9/06 instrument no. 06 1271986, and the grantor and grantee are the
8 same party, R&T 11911." In fact, the grantor (COMITE) and the grantee (MB CORP) have
9 never been the same party and have always existed as two separate corporations with different
10 articles of incorporation and different Secretary of State corporation numbers. Grant Deed #4
11 was recorded in the Los Angeles County Recorder's Office on October 12, 2010, and is in the
12 possession, custody, or control of the defendants. The form and contents of Grant Deed #4 are as
13 set out in the true and correct copy of it which is attached to this Complaint as Exhibit E and
14 incorporated by reference herein. At the time they signed Grant Deed #4 and caused it to be
15 recorded, the individual defendants knew or should have known that COMITE and MB CORP
16 were not the same party or entity. In fact, prior to the transfer of the property, defendant
17 MARTHA, herself, prepared and filed Statements of Information with the California Secretary of
18 State for each of the corporations and those documents clearly noted different corporate numbers.
19 Further, at the time they signed Grant Deed # 4 and caused it to be recorded, the individual
20 defendants knew or should have known that the transfer of LA CASA, which constituted
21 substantially all of COMITE's assets, to MB CORP violated Corporations Code section 5913
22 because defendants had not given prior notice of the transfer to the Attorney General. The
23 transfer was not exempt from the statutory notice requirement, and the Attorney General has
24 never waived notice of this transfer.

25 22. Grant Deed #4 is void and/or voidable for the following reasons:

26 a. At the time LA CASA was transferred from COMITE to MB CORP, it constituted
27 substantially all of COMITE's assets within the meaning of Corporations Code section
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1 5911. In violation of Corporations Code section 5913, defendants failed to provide notice
2 of the transfer to the Attorney General;

3 b. Plaintiff is informed and believes and thereon alleges that the transfer/conveyance of
4 LA CASA from COMITE to MB CORP involved fraud on the part of the individual
5 defendants. Plaintiff is informed and believes that these defendants caused the
6 transfer/conveyance to occur, at least in part, to hinder, delay and/or defraud COMITE's
7 creditors; and

8 c. At the time COMITE transferred LA CASA to MB CORP by Grant Deed #4,
9 COMITE was suspended by the Franchise Tax Board ("FTB") and, pursuant to Revenue
10 and Taxation Code sections 23301 and/or 23301.5, COMITE had no authority to exercise
11 such corporate powers.

12 23. Because COMITE unlawfully transferred LA CASA to MB CORP, Grant Deed #4
13 should be cancelled. If Grant Deed #4 is not canceled, COMITE and Plaintiff, its charitable
14 beneficiaries, will be deprived of title to, and possession of, LA CASA. Further, Plaintiff is
15 informed and believes and thereon alleges that the individual defendants have operated MB
16 CORP for their own personal benefit and have used LA CASA for their own personal benefit
17 instead of in furtherance of the charitable purpose of COMITE.

18 24. In doing the acts alleged in this cause of action, the individual defendants acted in
19 callous disregard of the rights of COMITE and its charity beneficiaries, knowing that their
20 conduct was substantially certain to injure the charity. In committing the acts alleged in this
21 cause of action, defendants and each of them engaged in fraudulent conduct and Plaintiff is
22 therefore entitled to an award of punitive damages in an amount to be decided at the time of trial.
23 Plaintiff is entitled to payment of its attorney fees.

1 **SECOND CAUSE OF ACTION**

2 **To Quiet Title**

3 **(Against Defendants MB CORP, MARTHA, RUBEN, VELASQUEZ,**
4 **BROWNSTONE, BROWNSTONE LP, SMITHSTONE, the**
5 **UNKNOWN DEFENDANTS and DOES 1 through 50)**

6 25. Plaintiff re-alleges and incorporates by reference as though fully set forth herein each
7 of the allegations of paragraphs 1 through 24 of this Complaint.

8 26. COMITE is the lawful owner in fee of LA CASA.

9 27. The basis of COMITE's title is (a) a grant deed from Euclid Heights Methodist Church
10 granting that portion of LA CASA known as Lots 6 and 15 of Tract 2271 in fee simple to
11 COMITE, and (b) a 1997 grant deed from donors Samuel and Hortencia Magana, granting that
12 portion of LA CASA known as Lot 7 of Tract No. 2271. Lots 6, 7, and 15, together, comprise
13 LA CASA.

14 28. Plaintiff is informed and believes and thereon alleges that all other defendants claim an
15 interest adverse to COMITE's and Plaintiff's rights and interest in, and COMITE's title to, all or
16 a portion of LA CASA as follows:

17 a. Defendant MB CORP claims it owns title in fee to LA CASA pursuant to Grant
18 Deed #4. Plaintiff denies that Grant Deed #4 is valid and enforceable.

19 b. Defendants MARTHA and RUBEN claim they own title in fee to LA CASA.
20 Plaintiff denies those claims. Plaintiff is unaware of the basis for any claim by any of the
21 named individual defendants that they own title in fee to LA CASA.

22 c. Defendants BROWNSTONE and/or BROWNSTONE LP claim an encumbrance
23 on the property by virtue of the Deed of Trust, which secures COMITE's debt to
24 BROWNSTONE, which is now in the approximate amount of \$300,000.00.

25 d. Defendant SMITHSTONE claims an interest in LA CASA adverse to COMITE
26 solely in its capacity as trustee in the Deed of Trust, which encumbers LA CASA.

1 e. The UNKNOWN DEFENDANTS claim some right, title, estate, lien, or interest in
2 LA CASA adverse to COMITE's title; and their claims, and each of them, constitute a
3 cloud on COMITE's title to that property. Plaintiff denies those claims.

4 29. Plaintiff seeks to quiet title as of the date of filing this Complaint and is entitled to
5 payment of its attorney fees in this action.

6 30. Except as to the encumbrance claims of BROWNSTONE and BROWNSTONE LP
7 under the Deed of Trust and the interest of SMITHSTONE as trustee in the Deed of Trust, the
8 defendants have no right, title, estate, lien or interest whatever in LA CASA or any part thereof.
9 To the extent BROWNSTONE assigned its beneficial interest under the Deed of Trust to
10 BROWNSTONE LP, BROWNSTONE has no right, title, estate, lien or interest whatever in LA
11 CASA.

12 31. To the extent COMITE obtained anything of value from the transactions underlying
13 this cause of action, such benefit will be restored to the appropriate defendant(s).

14 **THIRD CAUSE OF ACTION**

15 **For Damages and Punitive Damages for Breach of Fiduciary Duty**

16 **(Against Defendants MARTHA, RUBEN, VELASQUEZ and DOES 1 through 50)**

17 32. Plaintiff re-alleges and incorporates by reference as though fully set forth herein each
18 of the allegations of paragraphs 1 through 31 herein.

19 33. Plaintiff is informed and believes and thereon alleges that defendants and each of them
20 have breached their duties of care and loyalty to COMITE by engaging in, participating in,
21 aiding and abetting, and facilitating unlawful actions, or omissions, including, but not limited to,
22 the following:

23 —in violation of law, they transferred LA CASA to MB CORP, at least in part, for the
24 purpose of hindering, delaying and/or defrauding COMITE and its creditors;

25 —in violation of law, they failed to register COMITE with the Registry of Charitable Trusts
26 (“RCT”) and failed to file any annual reports with the RCT for that corporation;
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1 —they failed to file an application for tax-exempt status for COMITE with the FTB and
2 failed to file any state tax returns for COMITE in violation of Revenue and Taxation Code
3 section 23772;

4 —they failed to file timely Statements of Information for COMITE with the California
5 Secretary of State's Office in violation of Corporations Code section 6210;

6 —while COMITE was suspended by the FTB, they exercised corporate powers on behalf of
7 COMITE in violation of Revenue and Taxation Code sections 23301 and 23301.5;

8 —when property taxes were incorrectly assessed on LA CASA, they failed to make
9 reasonable efforts to resolve the issue in COMITE's favor;

10 —they failed to make timely payments on the loan from BROWNSTONE to COMITE; and

11 —they engaged in unlawful business practices intended to delay and hinder creditors from
12 receiving timely payments on COMITE's obligation(s).

13 34. Plaintiff is informed and believes and thereon alleges that defendants breached their
14 duties of care and loyalty to **MB CORP** by engaging in, participating in, aiding and abetting, and
15 facilitating unlawful actions, or omissions, including, but not limited to, the following:

16 —in violation of law, they transferred LA CASA to MB CORP, at least in part, for the
17 purpose of hindering, delaying and/or defrauding COMITE and its creditors;

18 —they engaged in unfair business practices by filing two consecutive bankruptcy petitions
19 in 2011 on behalf of MB CORP in order to thwart defendant BROWNSTONE's efforts to
20 foreclose on LA CASA;

21 —they failed to file MB CORP's required annual reports with the Registry of Charitable
22 Trusts ("RCT") in violation of Government Code section 12586; and

23 —they have improperly diverted MB CORP's charitable assets for their own personal
24 benefit.

25 35. Plaintiff is informed and believes that defendants committed additional unlawful
26 actions or omissions, during the period of January 2003 to the present, but cannot know the extent
27 of those actions/omissions until discovery has been conducted and defendants provide a full and
28 complete accounting of all receipts and disbursements from COMITE's and MB CORP's

1 financial accounts. Plaintiff will seek leave to amend this Complaint to allege such further and
2 additional unlawful actions/omissions when they become known to Plaintiff.

3 36. The actions and omissions of the defendants in this cause of action were in violation of
4 common law trust principles and state statutes including, but not limited to, Corporations Code
5 section 5231. At all times relevant herein, the defendants in this cause of action have failed to act
6 in good faith, in the best interests of COMITE and MB CORP, and with such care as an ordinarily
7 prudent person in a like position would use under similar circumstances.

8 37. As a proximate cause of the actions and omissions of the defendants in this cause of
9 action, COMITE and MB CORP have incurred damages and civil penalties and other liabilities
10 and disabilities including, but not limited to, the following:

- 11 (a) COMITE has been deprived of legal title to LA CASA and the use of the property,
12 which is estimated to have a current value of \$1.2 million;
- 13 (b) Legal title to LA CASA is clouded due, in part, to the false statements the individual
14 defendants made in the Grant Deed transferring LA CASA from COMITE to MB CORP;
- 15 (c) Due to the failure to make timely payments on the BROWNSTONE loan, substantial
16 additional fees, costs, penalties, and interest are owed to BROWNSTONE including, but
17 not limited to, costs incurred by BROWNSTONE in conducting two separate trustee sales
18 that were ultimately thwarted by defendants' filing of bankruptcy actions;
- 19 (d) Substantial property taxes have been incorrectly assessed on LA CASA;
- 20 (e) MB CORP has incurred costs and attorney fees in connection with two bankruptcy
21 actions defendants caused to be filed on MB CORP's behalf;
- 22 (f) COMITE's corporate rights, privileges and powers have been suspended by the FTB
23 since July 2008 and tax penalties may have been assessed, which should be paid by the
24 individual defendants;
- 25 (g) MB CORP's status with the RCT is "delinquent" and suspension and/or revocation
26 proceedings against MB CORP have been initiated by the RCT; and
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1 (h) The RCT has notified the FTB to disallow MB CORP's tax exemption, which will
2 result in the assessment of tax penalties and interest against MB CORP, which should be
3 paid by the individual defendants.

4 38. Plaintiff is informed and believes and thereon alleges that, as a result of the breach of
5 the fiduciary duties of care and loyalty of the defendants as alleged in this cause of action, and as
6 a result of the failure of these defendants to operate COMITE and MB CORP in the manner
7 required by law, charitable assets have been improperly diverted from COMITE and/or MB
8 CORP. The Attorney General is entitled to an accounting from defendants for their expenditures
9 and disposition of all income and assets which they obtained from, or improperly diverted from,
10 COMITE and/or MB CORP, or otherwise wasted through their breach of fiduciary duty, fraud, or
11 other wrongful acts.

12 39. As a proximate result of defendants' breaches of fiduciary duty of care and loyalty,
13 COMITE and MB CORP and the beneficiaries of these charities have been damaged in an
14 amount presently unknown to Plaintiff and which cannot be ascertained without an accounting by
15 these defendants. The facts necessary to ascertain the exact amount of damages to COMITE and
16 MB CORP and their charitable beneficiaries are within the special knowledge of defendants in
17 this cause of action. However, Plaintiff estimates the total damages proximately caused by the
18 actions and omissions of these defendants as set forth in this cause of action exceed \$1.4 million.

19 40. The acts as alleged in this cause of action were undertaken with the intent to defraud
20 COMITE and MB CORP and their charitable beneficiaries and thus justify the awarding of
21 exemplary and punitive damages against the defendants in this cause of action. Plaintiff is also
22 entitled to payment of its attorney fees.

23 FOURTH CAUSE OF ACTION

24 **For Damages and Punitive Damages for Negligence**

25 **(Against Defendants MARTHA, RUBEN, VELASQUEZ, and DOES 1 through 50)**

26 41. Plaintiff re-alleges and incorporates by reference as though fully set forth herein each
27 of the allegations of paragraphs 1 through 31 of the Complaint.
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1 42. From at least January 2003 and continuing to the present, defendants voluntarily
2 undertook the duties and responsibilities of director and/or officer of defendant COMITE whether
3 or not formally elected as director or officer and whether or not they had resigned as such. The
4 voluntary undertaking of those duties and responsibilities created a duty on the part of these
5 defendants to exercise due care in the performance of those duties and responsibilities.

6 43. From at least January 2003 and continuing to the present, defendants voluntarily
7 undertook the duties and responsibilities of director and/or officer of defendant MB CORP
8 whether or not formally elected as director or officer and whether or not they had resigned as
9 such. The voluntary undertaking of those duties and responsibilities created a duty on the part of
10 these defendants to exercise due care in the performance of those duties and responsibilities.

11 44. Defendants breached the duty of due care owed to COMITE by committing the actions
12 and omissions set forth in paragraph 33 above, which are incorporated by this reference, and
13 committing other actions and omissions during the period of 2003 to the present of which
14 Plaintiff is currently unaware.

15 45. Defendants breached the duty of due care owed to MB CORP by committing the
16 actions and omissions set forth in paragraph 34 above, which are incorporated herein by this
17 reference, and committing other actions and omissions during the period of 2003 to the present of
18 which Plaintiff is currently unaware.

19 46. Plaintiff is informed and believes and thereon alleges that, as a result of defendants'
20 breach of duty of due care owed to COMITE and to MB CORP, and as a result of the failure of
21 defendants to operate the corporations in the manner required by law, charitable assets have been
22 improperly diverted from COMITE and/or MB CORP to individual defendant(s) and others. The
23 Attorney General is entitled to an accounting from defendants for their expenditures and
24 disposition of all income and assets which they obtained from, or improperly diverted from,
25 COMITE and/or MB CORP to one or more individual defendants or otherwise wasted through
26 their breach of duty of due care, fraud, or other wrongful or negligent acts.

27 47. As a proximate result of defendants' breaches of the duty of due care, COMITE and
28 MB CORP and the beneficiaries of these charities have been damaged in an amount presently

1 unknown to the Attorney General and which cannot be ascertained without an accounting by
2 defendants in this cause of action. The facts necessary to ascertain the exact amount of damages
3 to COMITE and MB CORP and their charitable beneficiaries are within the special knowledge of
4 the defendants. However, the Attorney General estimates the total damages proximately caused
5 by defendants' actions and omissions set forth in this cause of action exceed \$1.4 million.

6 48. The acts and omissions of defendants were undertaken with the intent to defraud
7 COMITE and MB CORP and their charitable beneficiaries and thus justify the awarding of
8 exemplary and punitive damages.

9 **FIFTH CAUSE OF ACTION**

10 **For Civil Penalties for Violating Government Code Sections 12585 and 12586**

11 **(Against Defendants MB CORP, COMITE, MARTHA,**

12 **RUBEN, VELASQUEZ, and DOES 1 through 50)**

13 49. Plaintiff re-alleges and incorporates by reference as though fully set forth herein each
14 of the allegations of paragraphs 1 through 14 of the Complaint.

15 50. Defendants COMITE, all named individual defendants, and DOES 1 through 50 failed
16 to register COMITE with the Registry of Charitable Trusts ("RCT") and failed to file any annual
17 reports for fiscal years 2003 through 2010 (and possibly other years), in violation of Government
18 Code sections 12585 and 12586. As a result, Plaintiff is entitled to civil penalties of at least
19 \$21,000.00 pursuant to Government Code section 12591.1.

20 51. Defendant MB CORP, all named individual defendants, and DOES 1 through 50 failed
21 to file annual reports with the RCT for fiscal years ending December 31, 2005, and December 31,
22 2010, in violation of Government Code section 12586. The Attorney General gave or sent the
23 required notice provided in Government Code section 12591.1, subdivision (d). As a result,
24 Plaintiff is entitled to civil penalties in the amount of \$3,500.00 pursuant to Government Code
25 section 12591.1.

26 52. Given that the individual defendants' breaches of the duty of care proximately caused
27 these penalties to be assessed, the penalties should be assessed against the individual defendants
28 only.

1 **SIXTH CAUSE OF ACTION**

2 **For Involuntary Dissolution Pursuant to Corporations Code Sections 6510 and 6511**

3 **(Against Defendant COMITE)**

4 53. Plaintiff re-alleges and incorporates by reference herein each and every allegation
5 contained in paragraphs 1 through 52 of the Complaint.

6 54. Plaintiff is informed and believes and thereon alleges that defendant COMITE has
7 abandoned its activity for more than one year. Additionally, defendant COMITE and the named
8 individual defendants and DOES 1 through 50, by committing and participating in the acts and
9 omissions alleged in this Complaint, have been guilty of, or have knowingly countenanced,
10 persistent and pervasive fraud and abuse of authority, have engaged in the mismanagement of the
11 charitable assets of COMITE, and have misapplied and wasted those assets. Further, COMITE,
12 through the actions and omissions alleged in this Complaint, has seriously offended against the
13 statutes regulating corporations and charitable organizations as more specifically alleged in this
14 Complaint.

15 55. Involuntary dissolution of COMITE is therefore necessary and appropriate pursuant to
16 Corporations Code section 6510, subdivisions (b)(1) and (b)(5), and section 6511, subdivision
17 (a)(1).

18 **SEVENTH CAUSE OF ACTION**

19 **For Involuntary Dissolution Pursuant to Corporations Code Sections 6510 and 6511**

20 **(Against Defendant MB CORP)**

21 56. Plaintiff re-alleges and incorporates by reference herein each and every allegation
22 contained in paragraphs 1 through 52 of the Complaint.

23 57. Plaintiff is informed and believes and thereon alleges that defendant MB CORP and the
24 named individual defendants and DOES 1 through 50, by committing and participating in the acts
25 and omissions alleged in this Complaint, have been guilty of, or have knowingly countenanced,
26 persistent and pervasive fraud and abuse of authority, have engaged in the mismanagement of the
27 charitable assets of MB CORP, and have misapplied and wasted those assets. Additionally, MB
28 CORP, through the actions and omissions alleged in this Complaint, has seriously offended

1 against the statutes regulating corporations and charitable organizations as more specifically
2 alleged in this Complaint. Furthermore, liquidation of MB CORP is reasonably necessary as the
3 corporation is failing and has continuously failed to carry out its purposes.

4 58. Involuntary dissolution of MB CORP is therefore necessary and appropriate pursuant
5 to Corporations Code section 6510, subdivisions (b)(5) and (b)(6), and section 6511, subdivision
6 (a)(1).

7 **WHEREFORE**, Plaintiff prays for judgment as follows:

8 A. For a preliminary and permanent injunction, enjoining defendants MARTHA,
9 RUBEN, VELASQUEZ, and DOES 1 through 50, their employees, agents, servants,
10 representatives, successors, and assigns, any and all persons acting in concert or participation
11 with them, and all other persons, corporations, or other entities acting under, by, through, or on
12 their behalf, from doing any of the following until they have first provided a full and complete
13 accounting for all funds received by, and disbursed from, any and all financial accounts of
14 COMITE and of MB CORP from January 1, 2003, to the present: (1) expending, disbursing,
15 transferring, encumbering, withdrawing or otherwise exercising control over any funds received
16 by or on behalf of COMITE and by or on behalf of MB CORP or rightfully due COMITE and/or
17 MB CORP, except as authorized by the Court; (2) conducting business of any kind on behalf of,
18 or relating to, COMITE and/or MB CORP, other than as necessary to assist the appointed
19 director(s) in winding up the affairs of, and dissolving, COMITE and MB CORP, to comply with
20 discovery requests and orders, and as permitted by the Court; and (3) controlling or directing the
21 operations and affairs of any California nonprofit public benefit corporation during the pendency
22 of this action;

23 B. For the removal of defendants MARTHA, RUBEN, VELASQUEZ and DOES 1
24 through 50 as officers and/or directors of COMITE and of MB CORP as provided by
25 Corporations Code section 5223 and as otherwise authorized by law and for an order prohibiting
26 each of them from exercising any control or influence in the operations and affairs of COMITE
27 and/or MB CORP during the existence of the corporations;

28

1 C. For appointment of a director or directors by this Court, to take over and manage
2 the affairs of COMITE and preserve its property pending the hearing and determination of the
3 Complaint and, upon a finding that dissolution is authorized, to wind up the affairs of the
4 corporation;

5 D. For appointment of a director or directors by this Court, to take over and manage
6 the affairs of MB CORP and preserve its property pending the hearing and determination of the
7 Complaint and, upon a finding that dissolution is authorized, to wind up the affairs of the
8 corporation;

9 E. On the First Cause of Action, that Grant Deed #4 be declared void; that defendants
10 deliver that written instrument to the clerk of the court for cancellation; that the Court issue an
11 order enjoining defendants from transferring or encumbering the property referenced herein as
12 LA CASA pending determination of this action; and that the Court award punitive and exemplary
13 damages according to proof;

14 F. On the Second Cause of Action, for a judgment that COMITE is the owner in fee
15 of LA CASA and that all defendants other than COMITE, BROWNSTONE (or BROWNSTONE
16 LP), and SMITHSTONE have no interest in the property adverse to COMITE; for an order
17 granting possession of LA CASA to COMITE; that all defendants and each of them other than
18 COMITE, BROWNSTONE (or BROWNSTONE LP) and SMITHSTONE be enjoined from
19 making any further claim to or interest in LA CASA adverse to COMITE, by legal action or
20 otherwise, on the basis of any fact or facts which were proved, or which might have been proved,
21 in this action; and for an order preliminarily enjoining defendants and their agents, servants, and
22 employees and all persons acting under or in concert with or for them, from causing any injury to
23 LA CASA and to Plaintiff's and COMITE's beneficial interest therein that would substantially
24 depreciate the market value of the property;

25 G. On the Third and Fourth Causes of Action, for damages due COMITE and MB
26 CORP and their charitable beneficiaries from all named individual defendants and defendants
27 DOES 1 through 50 resulting from the breaches of duty of these defendants in an amount to be
28

1 determined following an accounting from defendants, plus interest at the legal rate until the
2 judgment is paid, and for punitive and exemplary damages according to proof;

3 H. On the Fifth Cause of Action, pursuant to Government Code section 12591.1, that
4 the Court assess civil penalties of at least \$21,000 for the violations of section 12585 and 12586
5 by COMITE and at least \$3,500.00 for the violations of Government Code section 12586 by MB
6 CORP, and order that these penalties be paid by the named individual defendants;

7 I. That an order issue directing that all named individual defendants, and DOES 1-50
8 and each of them, render to the Court and to the Attorney General a full and complete accounting
9 of the financial activities and condition of COMITE and their dealings with COMITE from
10 January 1, 2003, to the present, to include the expenditure and disposition of all revenues and
11 assets received by or on behalf of COMITE. Upon the rendering of such accounting, that the
12 Court (1) determine the property, real or personal, or the proceeds thereof, to which COMITE and
13 the charitable beneficiaries thereof are lawfully entitled, in whatsoever form in whosoever hands
14 they may now be, (2) order and declare that all such property or the proceeds thereof is impressed
15 with a trust for charitable purposes, and (3) order and declare that defendants are constructive
16 trustees of all such charitable funds and assets in their possession, custody or control, and that the
17 same shall be deposited forthwith in Court by each and every defendant now holding or
18 possessing the same or claiming any rights, title or interest therein. In addition, that all named
19 individual defendants and defendants DOES 1 through 50 be surcharged and held liable and
20 judgment entered against each of them for any and all such assets for which they fail to properly
21 account, together with interest thereon at the legal rate from the date of liability thereon; and that
22 any and all expenses and fees incurred by defendants in this action be borne by the individual
23 defendants and each of them and not by COMITE or any other public or charitable corporation or
24 fund;

25 J. That an order issue directing that the named individual defendants and defendants
26 DOES 1 through 50 and each of them, render to the Court and to the Attorney General a full and
27 complete accounting of the financial activities and condition of MB CORP and their dealings
28 with MB CORP from January 1, 2003, to the present, to include the expenditure and disposition

1 of all revenues and assets received by or on behalf of MB CORP. Upon the rendering of such
2 accounting, that the Court (1) determine the property, real or personal, or the proceeds thereof, to
3 which MB CORP, and the charitable beneficiaries thereof are lawfully entitled, in whatsoever
4 form in whosoever hands they may now be, (2) order and declare that all such property or the
5 proceeds thereof is impressed with a trust for charitable purposes, and (3) order and declare that
6 defendants are constructive trustees of all such charitable funds and assets in their possession,
7 custody or control, and that the same shall be deposited forthwith in Court by each and every
8 defendant now holding or possessing the same or claiming any rights, title or interest therein. In
9 addition, that the named individual defendants and defendants DOES 1 through 50 be surcharged
10 and held liable and judgment entered against each of them for any and all such assets for which
11 they fail to properly account, together with interest thereon at the legal rate from the date of
12 liability thereon; and that any and all expenses and fees incurred by defendants in this action be
13 borne by the individual defendants and each of them and not by MB CORP or any other public or
14 charitable corporation or fund;

15 K. On the Sixth Cause of Action, that this Court order the involuntary dissolution of
16 COMITE pursuant to the provisions of Corporations Code section 6518, provide for satisfaction
17 of all of its lawful debts, and establish a procedure for determining the disposition of all
18 remaining assets of COMITE in a manner consistent with its charitable purpose and consistent
19 with any restrictions that have been placed upon any of COMITE'S remaining assets;

20 L. On the Seventh Cause of Action, that this Court order the involuntary dissolution
21 of MB CORP pursuant to the provisions of Corporations Code section 6518, provide for
22 satisfaction of all of its lawful debts, and establish a procedure for determining the disposition of
23 all remaining assets of MB CORP in a manner consistent with its charitable purpose and
24 consistent with any restrictions that have been placed upon any of MB CORP's remaining assets;

25 M. For plaintiffs' costs of suit and other costs pursuant to Government Code sections
26 12597 and 12598;

27 N. For attorney's fees as provided in Government Code section 12598 and Code of
28 Civil Procedure section 1021.8; and

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O. For such other and further relief as the Court may deem to be just and proper.

Dated: March 27, 2012

Respectfully Submitted,

KAMALA D. HARRIS
Attorney General of California
TANIA IBANEZ
Supervising Deputy Attorney General



SONJA K. BERNDT
Deputy Attorney General
*Attorneys for The People of the
State of California*

Pursuant to Code of Civil Procedure section 446, this Complaint need not be verified.

LA2011600573

EXHIBIT A

Handwritten: 25.30

PLACE



EUCLID HEIGHTS METHODIST CHURCH, who acquired title as Euclid Heights Methodist Episcopal Church, a religious corporation

in consideration of TEN AND NO DOLLARS

to COMITE DE BENEFICENCIA MEXICANA DE LOS ANGELES,

the real property in the City of Los Angeles, County of Los Angeles State of California, described as:

- PARCEL I: Lot 15 of Tract No. 2271, in the City of Los Angeles, as per map recorded in Book 22 Page 117 of Maps, in the office of the County Recorder of said County.
PARCEL II: Lot 6 of Tract No. 2271, in the City of Los Angeles, as per map recorded in Book 22 Page 117 of Maps, in the office of the County Recorder of said County.

SUBJECT TO: Taxes for the fiscal year, 1950-51; Covenants, conditions, restrictions, reservations, easements, rights, and rights of way of record, if any.

Dated: May 31, 1950
By: Charles V. Emerson, Chairman of Board of Trustees
By: James R. Kreutzer, Jr., Secretary-Treasurer of Board of Trustees

STATE OF CALIFORNIA COUNTY OF Los Angeles ss.
On this 31st day of May, A.D. 1950, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Charles V. Emerson, known to me to be Chairman of the Board of Trustees of the Euclid Heights Methodist Church, and James R. Kreutzer, Jr., Treasurer of the Board of Trustees of the Euclid Heights Methodist Church, the Corporation that executed the within instrument, known to me to be the persons who executed the within instrument, on behalf of the Corporation herein named, and acknowledged to me that such Corporation executed the same.
WITNESS my hand and official seal.
Katherine S. Carl, Notary Public in and for said County and State, My Commission Expires Jan. 8, 1952

SPACE BELOW FOR RECORDER'S USE ONLY

1403
DOCUMENT NO. 1403
RECORDED AT REQUEST OF TITLE INSURANCE & TRUST CO
JUN 23 1950 AT 3 A.M.
BOOK 33485 PAGE 98
OFFICIAL RECORDS
County of Los Angeles, California
Fees \$ 1.70
CLARENCE M. BEAUME, County Recorder
10/10/50

Recorded and compared: MAME B. BEAUME, County Recorder, By [Signature] Deputy

This is a true and certified copy of the record
if it bears the seal, imprinted in purple ink,
of the Registrar-Recorder/County Clerk

MAR 13 2012

Blanca Lopez REGISTRAR-RECORDER/COUNTY CLERK
LOS ANGELES COUNTY, CALIFORNIA



MBC - 00774

Know all Men by these Presents, That The Board of Home Missions and Church Extension of the Methodist Episcopal Church (formerly "The Board of Church Extension of the Methodist Episcopal Church"), a corporation under the Trust Bond and Laws of Pennsylvania, does hereby certify that one certain indenture of Mortgage made and executed by Euclid Helphes Methodist Episcopal Church of Los Angeles County of Los Angeles and State of California to the said Board of Home Missions and Church Extension of the Methodist Episcopal Church, and recorded in the office of the Recorder of said County and State, and particularly described as follows: one Mortgage bearing date the first day of July A. D. 1924 to secure the payment of Fifteen Hundred Dollars and recorded in said office on the 17th day of December A. D. 1926 in Book No. 6136 of Mortgages, page 236; one Mortgage bearing date the day of A. D. 19..... to secure the payment of Dollars and recorded in said office on the day of A. D. 19..... in Book No. of Mortgages, page; one Mortgage bearing date the day of A. D. 19..... to secure the payment of Dollars and recorded in said office on the day of A. D. 19..... in Book No. of Mortgages, covering the following described real estate, lying and being situate in the County of Los Angeles and State of California to wit:

All of Lot 15, Tract 2271, as per map recorded in Book 22, Page 117 of Maps, in the Office of the County Recorder of said County of Los Angeles.

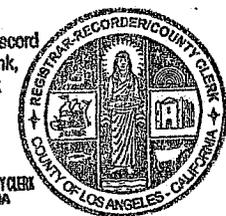
As fully satisfied and discharged. In Witness Whereof, The said The Board of Home Missions and Church Extension of the Methodist Episcopal Church has caused these presents to be signed by its Executive Secretary, and its corporate seal to be affixed hereunto as its act and deed, this twenty first day of March A. D. 1950.

Executed in the Presence of
Wm. G. McQuade
By Wm. M. Mullis
Executive Secretary

This is a true and certified copy of the record
if it bears the seal, imprinted in purple ink,
of the Registrar-Recorder/County Clerk

MAR 13 2012

Dean C. Logan REGISTRAR-RECORDER/COUNTY CLERK
LOS ANGELES COUNTY, CALIFORNIA



MBC - 00777

STATE OF PENNSYLVANIA
COUNTY OF PHILADELPHIA

On this 21st day of March, A. D. 1950 before me, a Notary Public, duly commissioned in and for said State and County, personally came Wm. Varnon Middleton, Executive Secretary of The Board of Home Missions and Church Extension of the Methodist Episcopal Church, with whom I am personally acquainted, and know to be such officer, who being by me, duly sworn, said that he is the Executive Secretary of The Board of Home Missions and Church Extension of the Methodist Episcopal Church, a corporation under the laws of Pennsylvania; that he knows the corporate seal of said Board; that the seal affixed to the foregoing instrument is such corporate seal; that it is by him affixed by order of said Board; and that he signed his name thereto by the like order, as Executive Secretary by virtue of the authority vested in him as such, by said The Board of Home Missions and Church Extension.

And the said Wm. Varnon Middleton, Executive Secretary aforesaid, acknowledged the said instrument to be his voluntary act and deed, and the voluntary act and deed of said The Board of Home Missions and Church Extension of the Methodist Episcopal Church.

Wm. Varnon Middleton

In testimony whereof, I have hereunto set my hand and affixed my Notarial Seal, at my office in Philadelphia, the day and year last above written.

John Howard Collins

Notary Public in and for the State of Pennsylvania
My Comm. Expires January 4, 1953

Satisfaction of Mortgage

THE BOARD OF HOME MISSIONS AND CHURCH EXTENSION
OF THE METHODIST EPISCOPAL CHURCH

Trustee, Methodist, Methodist, Episcopal Church, Los Angeles, California

Filed for record this day of
A. D. 19..... at o'clock
M. Recorded in Book
at page.....

5-571

1402

DOCUMENT No. 1402
RECORDED AT REQUEST OF
TITLE INSURANCE & TRUST CO.
JUN 23 1950 AT 8 A.M.

BOOK 33485 PAGE 99
OFFICIAL RECORDS
County of Los Angeles, California
Fee \$ 1.72
MAMIE B. BEATTY, County Recorder
By *[Signature]* Deputy

Mr. Freddie C. La Hogue
5913 Via Campo
Los Angeles 22, Calif.

RECEIVED RECORDED UNIT 101

3175118

L.A. A-1000-2-47

1402

Recorded and compared: MAMIE B. BEATTY, County Recorder, By *[Signature]* Deputy

This is a true and certified copy of the record
if it bears the seal, imprinted in purple ink,
of the Registrar-Recorder/County Clerk

MAR 13 2012

Deane C. Logan REGISTRAR-RECORDER/COUNTY CLERK
LOS ANGELES COUNTY, CALIFORNIA



MBC- 00777

EXHIBIT B

RECORDING REQUESTED BY

97 2047125

AND WHEN RECORDED MAIL TO
 NAME Mr. Giblert Castaneda
 STREET ADDRESS 2900 Calle Pedro Infante
 CITY Los Angeles
 STATE CA, 90063
 ZIP

RECORDED/FILED IN OFFICIAL RECORDS
 RECORDER'S OFFICE
 LOS ANGELES COUNTY
 CALIFORNIA
 9:21 AM DEC 31 1997

FEE \$30	P
A.F.N.F. 94	2

THIS SPACE FOR RECORDER'S USE ONLY

GRANT DEED

ASSESSOR'S PARCEL NO _____
 TITLE/ORDER NO _____
 ESCROW NO: _____
 TRA _____

The undersigned Grantor(s) declare(s) that the DOCUMENTARY
 TRANSFER TAX IS: \$ 0 County, \$ 0 City
 computed on the full value of the interest of property
 conveyed, or
 computed on the full value less the value of liens or
 encumbrances remaining thereon at the time of sale
 OR transfer is exempt from tax for the following reason:
This is a bonafide gift grantor received nothing in
 return R&T 11911

FOR A VALUABLE CONSIDERATION receipt of which is hereby acknowledged.

Grantor/Seller SAMUEL . MAGANA AND HORTENCIA MAGANA, HUSBAND AND WIFE AS JOINT TENANTS
 hereby GRANT(S) to
 Grantee/Buyer COMITE DE BENEFICENCIA MEXICANA, INC., A CALIFORNIA NON-PROFIT CORPORATION

all that real property situated in the city of Los Angeles
(name of city or unincorporated area)
 County of Los Angeles State of California described as
 LOT 7 OF TRACT NO.2271, AS PER MAP RECORDED IN BOOK 22 PAGE 117 OF MAPS, IN THE OFFICE
 OF THE COUNTY RECORDER OF SAID COUNTY

Dated November 25th, 1997

STATE OF CALIFORNIA
 COUNTY OF Los Angeles
 On NOV/25/97 before me Rodolfo Garcia
 a Notary Public
 personally appeared
 SAMUEL MAGANA

SAMUEL . MAGANA

HORTENCIA MAGANA

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 notary seal)

MAIL TAX STATEMENTS TO

MBC - 00764

NAME ADDRESS CITY, STATE & ZIP

THIS FORM FURNISHED COURTESY OF ORANGE COAST TITLE COMPANIES

NOTIFICATION SENT \$4



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

No. 5907

2

State of CALIFORNIA

County of LOS ANGELES

On december 29th, 1997 before me, Rodolfo Garcia, a Notary Public

DATE

NAME, TITLE OF OFFICER (E.G., JUDGE, DOCTOR, NOTARY PUBLIC)

personally appeared ----- HORTENCIA MAGANA -----

NAME(S) OF SIGNER(S)

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.

[Handwritten Signature]
SIGNATURE OF NOTARY

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

- INDIVIDUAL
- CORPORATE OFFICER

TITLE(S)

- PARTNER(S) LIMITED GENERAL
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: _____

DESCRIPTION OF ATTACHED DOCUMENT

-GRANT DEED-

TITLE OR TYPE OF DOCUMENT

-ONE-

NUMBER OF PAGES

-NOV-25-1997-

DATE OF DOCUMENT

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)

Samuel Magana
SIGNER(S) OTHER THAN NAMED ABOVE

**This is a true and certified copy of the record
if it bears the seal, imprinted in purple ink,
of the Registrar-Recorder/County Clerk**

MAR 5 2012

Glenn Logan REGISTRAR-RECORDER/COUNTY CLERK
LOS ANGELES COUNTY, CALIFORNIA



MBC - 00766

EXHIBIT C

This page is part of your document - DO NOT DISCARD

06 1271986

RECORDED/FILED IN OFFICIAL RECORDS
RECORDER'S OFFICE
LOS ANGELES COUNTY
CALIFORNIA
06/09/06 AT 08:00am

TITLE(S) : DEED



FEE

FEE \$30	Z
A.F.N.F. 94	2

D.T.T.
B

CODE
20

CODE
19

CODE
9

MBC - 00760

Assessor's Identification Number (AIN)

To be completed by Examiner OR Title Company in black ink.

Number of AIN's Shown

5185 - 019 - 010

002

THIS FORM IS NOT TO BE DUPLICATED

2

RECORDING REQUESTED BY:
COMMONWEALTH TITLE

AND WHEN RECORDED MAIL TO:

06 1271986

MARTHA SORIANO
COMITE DE BENEFICENCIA MEXICANA, INC.
2900 CALLE PEDRO INFANTE
LOS ANGELES, CA 90063

740 2264-03

THIS SPACE FOR RECORDER'S USE ONLY:

Title Order No.: 7402264-03

Escrow No.: 001-27207-AM1

GRANT DEED

THE UNDERSIGNED GRANTOR(S) DECLARE(S)

DOCUMENTARY TRANSFER TAX is \$NO CONSIDERATION**

- 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 LOS ANGELES AND

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

COMITE DE BENEFICENCIA MEXICANA DE LOS ANGELES, INC., a California Non-Profit Corporation,
who acquired title as **COMITE DE BENEFICENCIA MEXICANA, INC., a California Non-Profit Corporation.**

hereby GRANT(s) to:

COMITE DE BENEFICENCIA MEXICANA DE LOS ANGELES, INC., a California Non-Profit Corporation

the real property in the City of LOS ANGELES, County of Los Angeles, State of California, described as:
COMPLETE LEGAL DESCRIPTION DESCRIBED AS PER EXHIBIT "A" ATTACHED HERETO AND MADE A
PART HEREOF.

Also Known as: 529 EUCLID AVENUE and 2901 EAST 6TH STREET, LOS ANGELES, CA 90063
AP#: 5185-019-010 / 5185-019-011

**
"THIS CONVEYANCE CONFIRMS A CHANGE OF NAME, AND THE GRANTOR AND GRANTEE ARE THE
SAME PARTY, R&T 11911."

DATED May 26, 2006
STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
On MARCH 31, 2006
Before me, MONICA E. VEGA
A Notary Public in and for said State, personally appeared
MARTHA C. SORIANO, RUBEN SORIANO
AND MARTHA VELAZQUEZ

COMITE DE BENEFICENCIA MEXICANA DE LOS ANGELES, INC., a California Non-Profit Corporation

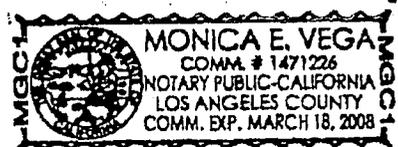
By: Martha Soriano
MARTHA C. SORIANO, PRESIDENT

By: Ruben Soriano
RUBEN SORIANO, SECRETARY

By: Martha Velazquez
MARTHA VELAZQUEZ, TREASURER

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) were 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 Monica E. Vega

(This area for official notarial seal)

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

0160190

MBC - 00761

LEGAL DESCRIPTION

EXHIBIT "A"

All that certain real property situated in the County of Los Angeles, State of California, described as follows:

Parcel 1:

Lot 15 of Tract No. 2271, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 22, Page 117, of Maps, in the Office of the County Recorder of said County.

Parcel 2:

Lot 6 of Tract No. 2271, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 22, Page 117, of Maps, in the Office of the County Recorder of said County.

Parcel 3:

Lot 7 of Tract No. 2271, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 22, Page 117, of Maps, in the Office of the County Recorder of said County.

Assessor's Parcel Number: **5185-019-010 / 5185-019-011**

INITIAL
~~MCS - MV~~
R A

06/00/90

This is a true and certified copy of the record
It bears the seal, imprinted in purple ink,
of the Registrar-Recorder/County Clerk

MAR 5 2012

Donna Lopez REGISTRAR-RECORDER/COUNTY CLERK
LOS ANGELES COUNTY, CALIFORNIA



MBC - 00763

EXHIBIT D

This page is part of your document - DO NOT DISCARD

06 1271987

RECORDED/FILED IN OFFICIAL RECORDS
RECORDER'S OFFICE
LOS ANGELES COUNTY
CALIFORNIA
06/09/06 AT 08:00am

TITLE(S) : _____



FEE	FEE \$572
	DAF \$6
	C-20 13

3T

D.T.T.

CODE
20

CODE
19

CODE
9

NOTIFICATION SENT \$4

Assessor's Identification Number (AIN)

To be completed by Examiner OR Title Company in black ink.

Number of AIN's Shown

MBC - 00745

THIS FORM IS NOT TO BE DUPLICATED

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TOGETHER with all buildings, improvements and tenements now or hereafter erected on the property, and all heretofore or hereafter vacated alleys and streets abutting the property, and all easements, rights, appurtenances, rents (subject however to the assignment of rents to Lender herein), royalties, mineral, oil and gas rights and profits, water, water rights, and water stock appurtenant to the property, and all fixtures, machinery, equipment, engines, boilers, incinerators, building materials, appliances and goods of every nature whatsoever now or hereafter located in, or on, or used, or intended to be used in connection with the property, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light; and all elevators, and related machinery and equipment, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, bath tubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, mirrors, cabinets, panelling, rugs, attached floor coverings, furniture, pictures, antennas, trees and plants, and

; all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the real property covered by this Instrument; and all of the foregoing, together with said property (or the leasehold estate in the event this Instrument is on a leasehold) are herein referred to as the "Property".

TO SECURE TO LENDER (a) the repayment of the indebtedness evidenced by Borrower's note dated MAY 25, 2006 (herein "Note") in the principal sum of ONE HUNDRED SEVENTY-FIVE THOUSAND AND 00/100 Dollars, with interest thereon, with the balance of the indebtedness, if not sooner paid, due and payable on JULY 1 2026, and all renewals, extensions and modifications thereof; (b) the repayment of any future advances, with interest thereon, made by Lender to Borrower pursuant to paragraph 33 hereof (herein "Future Advances"); (c) the performance of the covenants and agreements of Borrower contained in a Construction Loan Agreement between Lender and Borrower dated MAY 25, 2006, if any, as provided in paragraph 25 hereof; (d) the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Instrument; and (e) the performance of the covenants and agreements of Borrower herein contained.

Borrower covenants that Borrower is lawfully seised of the estate hereby conveyed and has the right to grant, convey and assign the Property (and, if this Instrument is on a leasehold, that the ground lease is in full force and effect without modification except as noted above and without default on the part of either lessor or lessee thereunder), that the Property is unencumbered, and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any easements and restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property.

Uniform Covenants. Borrower and Lender covenant and agree as follows:

1. PAYMENT OF PRINCIPAL AND INTEREST. Borrower shall promptly pay when due to principal of and interest on the indebtedness evidenced by the Note, any prepayment and late charges provided in the Note and all other sums secured by this Instrument.
2. FUNDS FOR TAXES, INSURANCE AND OTHER CHARGES. Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly installments of principal or interest are payable under the Note (or on another day designated in writing by Lender), until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of (a) the yearly water and sewer rates and taxes and assessments which may be levied on the Property, (b) the yearly ground rents, if any, (c) the yearly premium installments for fire and other hazard insurance, rent loss insurance and such other insurance covering the Property as Lender may require pursuant to paragraph 5 hereof, (d) the yearly premium installments for mortgage insurance, if any, and (e) if this Instrument is on a leasehold, the yearly fixed rents, if any, under the ground lease, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof. Any waiver by Lender of a requirement that Borrower pay such Funds may be revoked by Lender, in Lender's sole discretion, at any time upon notice in writing to Borrower. Lender may require Borrower to pay to Lender, in advance, such other Funds for other taxes, charges, premiums, assessments and impositions in connection with Borrower or the Property which Lender shall reasonably deem necessary to protect Lender's interests (herein "Other Impositions"). Unless otherwise provided by applicable law, Lender may require Funds for Other Impositions to be paid by Borrower in a lump sum or in periodic installments, at Lender's option.

The Funds shall be held in an institution(s) the deposits or accounts of which are insured or guaranteed by a Federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay said rates, rents, taxes, assessments, insurance premiums and Other Impositions so long as Borrower is not in breach of any covenant or agreement of Borrower in this Instrument. Lender shall make no charge for so holding and applying the Funds, analyzing said account or for verifying and compiling said assessments and bills, unless Lender pays Borrower interest, earnings or profits on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing at the time of execution of this Instrument that interest on the Funds shall be paid to Borrower, and unless such agreement is made or applicable law requires interest, earnings or profits to be paid, Lender shall not be required to pay Borrower any

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interest, earnings or profits on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds in Lender's normal format showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Instrument. 4

If the amount of the Funds held by Lender at the time of the annual accounting thereof shall exceed the amount deemed necessary by Lender to provide for the payment of water and sewer rates, taxes, assessments, insurance premiums, rents and Other Impositions, as they fall due, such excess shall be credited to Borrower on the next monthly installment or installments of Funds due. If at any time the amount of the Funds held by Lender shall be less than the amount deemed necessary by Lender to pay water and sewer rates, taxes assessments, insurance premiums, rents and Other Impositions, as they fall due. Borrower shall pay to Lender any amount necessary to make up the deficiency within thirty days after notice from Lender to Borrower requesting payment thereof.

Upon Borrower's breach of any covenant or agreement of Borrower in this Instrument, Lender may apply, in any amount and in any order as Lender shall determine in Lender's sole discretion, any Funds held by Lender at the time of application (i) to pay rates, rents, taxes, assessments, insurance premiums and Other Impositions which are now or will hereafter become due, or (ii) as a credit against sums secured by this Instrument. Upon payment in full of all sums secured by this Instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

3. APPLICATION OF PAYMENTS. Unless applicable law provides otherwise, all payments received by Lender from Borrower under the Note or this Instrument shall be applied by Lender in the following order of priority: (i) amounts payable to Lender by Borrower under paragraph 2 hereof; (ii) interest payable on the Note; (iii) principal of the Note; (iv) interest payable on advances made pursuant to paragraph 8 hereof; (v) principal of advances made pursuant to paragraph 8 hereof; (vi) interest payable on any Future Advance, provided that if more than one Future Advance is outstanding, Lender may apply payments received among the amounts of interest payable on the Future Advances in such order as Lender, in Lender's sole discretion, may determine; (vii) principal of any Future Advance, provided that if more than one Future Advance is outstanding, Lender may apply payments received among the principal balances of the Future Advances in such order as Lender, in Lender's sole discretion, may determine; and (viii) any other sums secured by this Instrument in such order as Lender, at Lender's option, may determine; provided, however, that Lender may, at Lender's option, apply any sums payable pursuant to paragraph 8 hereof prior to interest on and principal of the Note, but such application shall not otherwise affect the order of priority of application specified in this paragraph 3.

4. CHARGES; LIENS: Borrower shall pay all water and sewer rates, rents, taxes, assessments, premiums, and Other Impositions attributable to the Property at Lender's option in the manner provided under paragraph 2 hereof or, if not paid in such manner, by Borrower making payment, when due, directly to the payee thereof, or in such other manner as Lender may designate in writing. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph 4, and in the event Borrower shall make payment, directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has, or may have, priority over or equality with, the lien of this Instrument, and Borrower shall pay, when due, the claims of all persons supplying labor or materials to or in connection with the Property. Without Lender's prior written permission, Borrower shall not allow any lien inferior to this Instrument to be perfected against the Property.

5. HAZARD INSURANCE. Borrower shall keep the improvements now existing or hereafter erected on the Property insured by carriers at all times satisfactory to Lender against loss by fire, hazards included within the term "extended coverage", rent loss and such other hazards, casualties, liabilities and contingencies as Lender (and, if this Instrument is on a leasehold, the ground lease) shall require and in such amounts and for such periods as Lender shall require. All premiums on insurance policies shall be paid, at Lender's option, in the manner provided under paragraph 2 hereof, or by Borrower making payment, when due, directly to the carrier, or in such other manner as Lender may designate in writing.

All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard mortgage clause in favor of and in form acceptable to Lender. Lender shall have the right to hold the policies, and Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. At least thirty days prior to the expiration date of a policy, Borrower shall deliver to Lender a renewal policy in form satisfactory to Lender. If this Instrument is on a leasehold, Borrower shall furnish Lender a duplicate of all policies, renewal notices, renewal policies and receipts of paid premiums if, by virtue of the ground lease, the originals thereof may not be supplied by Borrower to Lender.

In the event of loss, Borrower shall give immediate written notice to the insurance carrier and to Lender. Borrower hereby authorizes and empowers Lender as attorney-in-fact for Borrower to make proof of loss, to adjust and compromise any claim under insurance policies, to appear in and prosecute any action arising from such insurance policies, to collect and receive insurance proceeds, and to deduct therefrom Lender's expenses incurred in the collection of such proceeds; provided however, that nothing contained in this paragraph 5 shall require Lender to incur any expense or take any action hereunder. Borrower further authorizes Lender, at Lender's option, (a) to hold the balance of such proceeds to be used to reimburse Borrower for the cost of reconstruction or repair of the Property or (b) to apply the balance of such proceeds to the payment of the sums secured by this Instrument, whether or not then due, in the order of application set forth in paragraph 3 hereof (subject, however, to the rights of the lessor under the ground lease of this Instrument is on a leasehold).

If the insurance proceeds are held by Lender to reimburse Borrower for the cost of restoration and repair of the Property, the Property shall be restored to the equivalent of its original condition or such other condition as Lender may approve in writing. Lender may, at Lender's option, condition disbursement of said proceeds on Lender's approval of such plans and specifications of an architect satisfactory to Lender, contractor's cost estimates, architect's certificates, waivers of liens, sworn statements of mechanics and materialmen and such other evidence of costs, percentage completion of construction, application of payments, and satisfaction of liens as Lender may reasonable require.



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If the insurance proceeds are applied to the payment of the sums secured by this Instrument, any such application of proceeds to principal shall not extend to postpone the due dates of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amounts of such installments. If the Property is sold pursuant to paragraph 27 hereof or if Lender acquires title to the Property, Lender shall have all of the right, title and interest of Borrower in and to any insurance policies and unearned premiums thereon and in and to the proceeds resulting from any damage to the Property prior to such sale or acquisition.

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6. PRESERVATION AND MAINTENANCE OF PROPERTY; LEASEHOLDS. Borrower (a) shall not commit waste or permit impairment or deterioration of the Property, (b) shall not abandon the Property, (c) shall restore or repair promptly and in a good and workmanlike manner all or any part of the Property to the equivalent of its original condition, or such other condition as Lender may approve in writing, in the event of any damage, injury or loss thereto, whether or not insurance proceeds are available to cover in whole or in part the costs of such restoration or repair, (d) shall keep the Property, including improvements, fixtures, equipment, machinery and appliances thereon in good repair and shall replace fixtures, equipment, machinery and appliances on the Property when necessary to keep such items in good repair, (e) shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property, (f) shall provide for professional management of the Property by a residential rental property manager satisfactory to Lender pursuant to a contract approved by Lender in writing, unless such requirement shall be waived by Lender in writing, (g) shall generally operate and maintain the Property in a manner to ensure maximum rentals, and (h) shall give notice in writing to Lender of and, unless otherwise directed in writing by Lender, appear in and defend any action or proceeding purporting to affect the Property, the security of this Instrument or the rights or powers of Lender. Neither Borrower nor any tenant or other person shall remove, demolish or alter any improvement now existing or hereafter erected on the Property or any fixture, equipment, machinery or appliance in or on the Property except when incident to the replacement of fixtures, equipment, machinery and appliances with items of like kind.

If this Instrument is on a leasehold, Borrower (i) shall comply with the provisions of the ground lease, (ii) shall give immediate written notice to Lender of any default by lessor under the ground lease or of any notice received by Borrower from such lessor of any default under the ground lease by Borrower, (iii) shall exercise any option to renew or extend the ground lease and give written confirmation thereof to Lender within thirty days after such option becomes exercisable, (iv) shall give immediate written notice to Lender of the commencement of any remedial proceedings under the ground lease by any party thereto and, if required by Lender, shall permit Lender as Borrower's attorney-in-fact to control and act for Borrower in any such remedial proceedings and (v) shall within thirty days after request by Lender obtain from the lessor under the ground lease and deliver to Lender the lessor's estoppel certificates required thereunder, if any. Borrower hereby expressly transfers and assigns to Lender the benefit of all covenants contained in the ground lease, whether or not such covenants run with the land, but Lender shall have no liability with respect to such covenants nor any other covenants contained in the ground lease.

Borrower shall not surrender the leasehold estate and interests herein conveyed nor terminate or cancel the ground lease creating said estate and interests, and Borrower shall not, without the express written consent of Lender, alter or amend said ground lease. Borrower covenants and agrees that there shall not be a merger of the ground lease, or of the leasehold estate created thereby, with the fee estate covered by the ground lease by reason of said leasehold estate or said fee estate, or any part of either, coming into common ownership, unless Lender shall consent in writing to such merger; if Borrower shall acquire such fee estate, then this Instrument shall simultaneously and without further action be spread so as to become a lien on such fee estate.

7. USE OF PROPERTY. Unless required by applicable law or unless Lender has otherwise agreed in writing, Borrower shall not allow changes in the use for which all or any part of the Property was intended at the time this Instrument was executed. Borrower shall not initiate or acquiesce in a change in the zoning classification of the Property without Lender's prior written consent.

8. PROTECTION OF LENDER'S SECURITY. If Borrower fails to perform the covenants and agreements contained in this Instrument, or if any action or proceeding is commenced which affects the Property or title thereto or the interest of Lender therein, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option may make such appearances, disburse such sums and take such action as Lender deems necessary, in its sole discretion, to protect Lender's interest, including, but not limited to, (i) disbursement of attorney's fees, (ii) entry upon the Property to make repairs, (iii) procurement of satisfactory insurance as provided in paragraph 5 hereof, and (iv) if this Instrument is on a leasehold, exercise of any option to renew or extend the ground lease on behalf of Borrower and the curing of any default of Borrower in the terms and conditions of the ground lease.

Any amounts disbursed by Lender pursuant to this paragraph 8, with interest thereon, shall become additional indebtedness of Borrower secured by this Instrument. Unless Borrower and Lender agree to other terms of payment, such amounts shall be immediately due and payable and shall bear interest from the date of disbursement at the rate stated in the Note unless collection from Borrower of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate which may be collected from Borrower under applicable law. Borrower hereby covenants and agrees that Lender shall be subrogated to the lien of any mortgage or other lien discharged, in whole or in part, by the indebtedness secured hereby. Nothing contained in this paragraph 8 shall require Lender to incur any expense or take any action hereunder.

9. INSPECTION. Lender may make or cause to be made reasonable entries upon and inspections of the Property.

10. BOOKS AND RECORDS. Borrower shall keep and maintain at all times at Borrower's address stated below, or such other place as Lender may approve in writing, complete and accurate books of accounts and records adequate to reflect correctly the results of the operation of the Property and copies of all written contracts, leases and other instruments which affect the Property. Such books, records, contracts, leases and other instruments shall be subject to examination and inspection at any reasonable time by Lender. Upon Lender's request,

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Borrower shall furnish to Lender, within one hundred and twenty days after the end of each fiscal year of Borrower, a balance sheet, a statement of income and expenses of the Property and a statement of changes in financial position, each in reasonable detail and certified by Borrower and, if Lender shall require, by an independent certified public accountant. Borrower shall furnish, together with the foregoing financial statements and at any other time upon Lender's request, a rent schedule for the Property, certified by Borrower, showing the name of each tenant, and for each tenant, the space occupied, the lease expiration date, the rent payable and the rent paid.

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11. CONDEMNATION. Borrower shall promptly notify Lender of any action or proceeding relating to any condemnation or other taking, whether direct or indirect, of the Property, or part thereof, and Borrower shall appear in and prosecute any such action or proceeding unless otherwise directed by Lender in writing. Borrower authorizes Lender, at Lender's option, as attorney-in-fact for Borrower, to commence, appear in and prosecute, in Lender's or Borrower's name, any action or proceeding relating to any condemnation or other taking of the Property, whether direct or indirect, and to settle or compromise any claim in connection with such condemnation or other taking. The proceeds of any award, payment or claim for damages, direct or consequential, in connection with any condemnation or other taking, whether direct or indirect, of the Property, or part thereof, or for conveyances in lieu of condemnation, are hereby assigned to and shall be paid to Lender subject, if this Instrument is on a leasehold, to the rights of lessor under the ground lease.

Borrower authorizes Lender to apply such awards, payments, proceeds or damages, after the deduction of Lender's expenses incurred in the collection of such amounts, at Lender's option, to restoration or repair of the Property or to payment of the sums secured by this Instrument, whether or not then due, in the order of application set forth in paragraph 3 hereof, with the balance, if any, to Borrower. Unless Borrower and Lender otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amount of such installments. Borrower agrees to execute such further evidence of assignment of any awards, proceeds, damages or claims arising in connection with such condemnation or taking as Lender may require.

12. BORROWER AND LIEN NOT RELEASED. From time to time, Lender may, at Lender's option, without giving notice to or obtaining the consent of Borrower, Borrower's successors or assigns or of any junior lienholder or guarantors, without liability on Lender's part and notwithstanding Borrower's breach of any covenant or agreement of Borrower in this Instrument, extend the time for payment of said indebtedness or any part thereof, reduce the payments thereon, release anyone liable on any of said indebtedness, accept a renewal note or notes therefor, modify the terms and time of payment of said indebtedness, release from the lien of this Instrument any part of the Property, take or release other or additional security, reconvey any part of the Property, consent to any of map or plan of the Property, consent to the granting of any easement, join in any extension or subordination agreement, and agree in writing with Borrower to modify the rate of interest or period of amortization of the Note or change the amount of the monthly installments payable thereunder. Any actions taken by Lender pursuant to the terms of this paragraph 12 shall not affect the obligation of Borrower or Borrower's successors or assigns to pay the sums secured by this instrument and to observe the covenants of Borrower contained herein, shall not affect the guaranty of any person, corporation, partnership or other entity for payment of the indebtedness secured hereby, and shall not affect the lien or priority of lien hereof on the Property. Borrower shall pay Lender a reasonable service charge, together with such title insurance premiums and attorney's fees as may be incurred at Lender's option, for any such action if taken at Borrower's request.

13. FORBEARANCE BY LENDER NOT A WAIVER. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any right or remedy. The acceptance by Lender of payment of any sum secured by this Instrument after the due date of such payment shall not be a waiver of Lender's right to either require prompt payment when due of all other sums so secured or to declare a default for failure to make prompt payment. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Instrument, nor shall Lender's receipt of any awards, proceeds or damages under paragraph 5 and 11 hereof operate to cure or waive Borrower's default in payment of sums secured by this Instrument.

14. ESTOPPEL CERTIFICATE. Borrower shall within ten days of a written request from Lender furnish Lender with a written statement, duly acknowledged, setting forth the sums secured by this Instrument and any right of set-off, counterclaim or other defense which exists against such sums and the obligations of this Instrument.

15. UNIFORM COMMERCIAL CODE SECURITY AGREEMENT. This Instrument is intended to be a security agreement pursuant to the Uniform Commercial Code for any of the items specified above as part of the Property which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code, and Borrower hereby grants Lender a security interest in said items. Borrower agrees that Lender may file this Instrument, or a reproduction thereof, in the real estate records or other appropriate index, as a financing statement for any of the items specified above as part of the Property. Any reproduction of this Instrument or of any other security agreement or financing statement shall be sufficient as a financing statement. In addition, Borrower agrees to execute and deliver to Lender, upon Lender's request, any financing statements, as well as extensions, renewals and amendments thereof, and reproductions of this Instrument in such form as Lender may require to perfect a security interest with respect to said items. Borrower shall pay all costs of filing such financing statements and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements Lender may reasonably require. Without the prior written consent of Lender, Borrower shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said items, including replacements and additions thereto. Upon Borrower's breach of any covenant or agreement of Borrower contained in this Instrument, including the covenants to pay when due all sums secured by this Instrument, Lender shall have the remedies of a secured party under the Uniform Commercial Code and, at Lender's option, may also invoke the remedies provided in paragraph 27 of this Instrument as to such items. In exercising any of said remedies, Lender may proceed against the items of real property and any items of personal property specified above as part of the Property separately or together and in any order whatsoever, without in any way affecting the availability of Lender's remedies under the Uniform Commercial Code or of the remedies provided in paragraph 27 of this Instrument.

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16. **LEASES OF THE PROPERTY.** As used in this paragraph 16, the word "lease" shall mean "sublease" if this Instrument is on a leasehold. Borrower shall comply with and observe Borrower's obligations as landlord under all leases of the Property or any part thereof. Borrower will not lease any portion of the Property for non-residential use except with the prior written approval of Lender. Borrower, at Lender's request, shall furnish Lender with executed copies of all leases now existing or hereafter made of all or any part of the Property, and all leases now or hereafter entered into will be in form and substance subject to the approval of Lender. All leases of the Property shall specifically provide that such leases are subordinate to this Instrument; that the tenant attorns to Lender, such attornment to be effective upon Lender's acquisition of title to the Property; that the tenant agrees to execute such further evidences of attornment as Lender may from time to time request; that the attornment of the tenant shall not be terminated by foreclosure; and that Lender may, at Lender's option, accept or reject such attornments. Borrower shall not, without Lender's written consent, execute, modify, surrender or terminate, either orally or in writing, any lease now existing or hereafter made of all or any part of the Property providing for a term of three years or more, permit an assignment or sublease of such a lease without Lender's written consent, or request or consent to the subordination of any lease of all or any part of the Property to any lien subordinate to this Instrument. If Borrower becomes aware that any tenant proposes to do, or is doing, any act or thing which may give rise to any right of set-off against rent, Borrower shall (i) take such steps as shall be reasonably calculated to prevent the accrual of any right to a set-off against rent, (ii) notify Lender thereof and of the amount of said set-offs, and (iii) within ten days after such accrual, reimburse the tenant who shall have acquired such right to set-off or take such other steps as shall effectively discharge such set-off and as shall assure that rents thereafter due shall continue to be payable without set-off or deduction.

Upon Lender's request, Borrower shall assign to Lender, by written instrument satisfactory to Lender, all leases now existing or hereafter made of all or any part of the Property and all security deposits made by tenants in connection with such leases of the Property. Upon assignment by Borrower to Lender of any leases of the Property, Lender shall have all of the rights and powers possessed by Borrower prior to such assignment and Lender shall have the right to modify, extend or terminate such existing leases and to execute new leases, in Lender's sole discretion.

17. **REMEDIES CUMULATIVE.** Each remedy provided in this Instrument is distinct and cumulative to all other rights or remedies under this Instrument or afforded by law or equity, and may be exercised concurrently, independently, or successively, in any order whatsoever.

18. **ACCELERATION IN CASE OF BORROWER'S INSOLVENCY.** If Borrower shall voluntarily file a petition under the Federal Bankruptcy Act, as such Act may from time to time be amended, or under any similar or successor Federal statute relating to bankruptcy, insolvency, arrangements or reorganizations, or under any state bankruptcy or insolvency act, or file an answer in an involuntary proceeding admitting insolvency or inability to pay debts, or if Borrower shall fail to obtain a vacation or stay of involuntary proceedings brought for the reorganization, dissolution or liquidation of Borrower, or if Borrower shall be adjudged a bankrupt, or if a trustee or receiver shall be appointed for Borrower or Borrower's property, or if the Property shall become subject to the jurisdiction of a Federal bankruptcy court or similar state court, or if Borrower shall make an assignment for the benefit of Borrower's creditors, or if there is an attachment, execution or other judicial seizure of any portion of Borrower's assets and such seizure is not discharged within ten days, then Lender may, at Lender's option, declare all of the sums secured by this Instrument to be immediately due and payable without prior notice to Borrower, and Lender may invoke any remedies permitted by paragraph 27 of this Instrument. Any attorney's fees and other expenses incurred by Lender in connection with Borrower's bankruptcy or any of the other aforesaid events shall be additional indebtedness of Borrower secured by this Instrument pursuant to paragraph 8 hereof.

19. **TRANSFERS OF THE PROPERTY OR BENEFICIAL INTERESTS IN BORROWER; ASSUMPTION.** On sale or transfer of (i) all or any part of the Property, or any interest therein, or (ii) beneficial interests in Borrower (if Borrower is not a natural person or person as but is a corporation, partnership, trust or other legal entity), Lender may, at Lender's option, declare all of the sums secured by this Instrument to be immediately due and payable, and Lender may invoke any remedies permitted by paragraph 27 of this Instrument. This option shall not apply in case of

- (a) transfers by devise or descent or by operation of law upon the death of a joint tenant or a partner;
- (b) sales or transfers when the transferee's creditworthiness and management ability are satisfactory to Lender and transferee has executed, prior to the sale or transfer, a written assumption agreement containing such terms as Lender may require, including, if required by Lender, an increase in the rate of interest payable under the Note;
- (c) the grant of a leasehold interest in a part of the Property of three years or less (or such longer lease term as Lender may permit by prior written approval) not containing an option to purchase (except any interest in the ground lease, if this Instrument is on a leasehold);
- (d) sales or transfers of beneficial interest in Borrower provided that such sales or transfers, together with any prior sales or transfers of beneficial interest in Borrower, but excluding sales or transfers under subparagraphs (a) and (b) above, do not result in more than 49% of the beneficial interests in Borrower having been sold or transferred since commencement of amortization of the Note; and
- (e) sales or transfers of fixtures or any personal property pursuant to the first paragraph of paragraph 6 hereof.

20. **NOTICE.** Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Instrument or in the Note shall be given by mailing such notice by certified mail addressed to Borrower at Borrower's address stated below or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Instrument or in the Note shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

21. **SUCCESSORS AND ASSIGNS BOUND; JOINT AND SEVERAL LIABILITY; AGENTS; CAPTIONS.** The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower,

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subject to the provisions of paragraph 19 hereof. All covenants and agreements of Borrower shall be joint and several. In exercising any rights hereunder or taking any actions provided for herein, Lender may act through its employees, agents or independent contractors as authorized by Lender. The captions and heading of the paragraphs of this Instrument are for convenience only and are not to be used to interpret or define the provisions hereof. 8

22. UNIFORM COMMERCIAL INSTRUMENT; GOVERNING LAW; SEVERABILITY. This form of multifamily instrument combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property and related fixtures and personal property. This Instrument shall be governed by the law of the jurisdiction in which the Property is located. In the event that any provision of this Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Instrument or the Note which can be given effect without the conflicting provisions, and to this end the provisions of this Instrument and the Note are declared to be severable. In the event that any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower is interpreted so that any charge provided for in this Instrument or in the Note, whether considered separately or together with other charges levied in connection with this Instrument and the Note, violates such law, and Borrower is entitled to the benefit of such law, such charge is hereby reduced to the extent necessary to eliminate such violation. The amounts, if any, previously paid to Lender in excess of the amounts payable to Lender pursuant to such charges, as reduced shall be applied by Lender to reduce the principal of the indebtedness evidenced by the Note. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower has been violated, all indebtedness which is secured by this Instrument or evidenced by the Note and which constitutes interest, as well as all other charges levied in connection with such indebtedness which constitute interest, shall be deemed to be allocated and spread over the stated term of the Note. Unless otherwise required by applicable law, such allocation and spreading shall be effected in such a manner that the rate of interest computed thereby is uniform throughout the stated term of the Note.

23. WAIVER OF STATUTE OF LIMITATIONS. Borrower hereby waives the right to assert any statute of limitations as a bar to the enforcement of the lien of this Instrument or to any action brought to enforce the Note or any other obligation secured by this Instrument.

24. WAIVER OF MARSHALLING. Notwithstanding the existence of any other security interests in the Property held by Lender or by any other party, Lender shall have the right to determine the order in which any or all of the Property shall be subjected to the remedies provided herein. Lender shall have the right to determine the order in which any or all portions of the indebtedness secured hereby are satisfied from the proceeds realized upon the exercise of the remedies provided herein. Borrower, any party who consents to this Instrument and any party who now or hereafter acquires a security interest in the Property and who has actual or constructive notice hereof hereby waives any and all right to require the marshalling of assets in connection with the exercise of any of the remedies permitted by applicable law or provided herein.

25. CONSTRUCTION LOAN PROVISIONS. Borrower agrees to comply with the covenants and conditions of the Construction Loan Agreement, if any, which is hereby incorporated by reference in and made a part of this Instrument. All advances made by Lender pursuant to the Construction Loan Agreement shall be indebtedness of Borrower secured by this Instrument, and such advances may be obligatory as provided in the Construction Loan Agreement. All sums disbursed by Lender prior to completion of the improvements to protect the security of this Instrument up to the principal amount of the Note shall be treated as disbursements pursuant to the Construction Loan Agreement. All such sums shall bear interest from the date of disbursement at the rate stated in the Note, unless collection from Borrower of interest at such rate would be contrary to applicable law in which event such amounts shall bear interest at the highest rate which may be collected from Borrower under applicable law and shall be payable upon notice from Lender to Borrower requesting payment therefor.

From time to time as Lender deems necessary to protect Lender's interests, Borrower shall, upon request of Lender, execute and deliver to Lender, in such form as Lender shall direct, assignments of any and all rights or claims which relate to the construction of the Property and which Borrower may have against any party supplying or who has supplied labor, materials or services in connection with construction of the Property. In case of breach by Borrower of the covenants and conditions of the Construction Loan Agreement, Lender, at Lender's option, with or without entry upon the property, (i) may invoke any of the rights or remedies provided in the Construction loan Agreement, (ii) may accelerate the sums secured by this Instrument and invoke those remedies provided in paragraph 27 hereof, or (iii) may do both. If, after the commencement of amortization of the Note, the Note and this Instrument are sold by Lender, from and after such sale the Construction loan Agreement shall cease to be a part of this Instrument and Borrower shall not assert any right of set-off, counterclaim or other claim or defense arising out of or in connection with the Construction Loan Agreement against the obligations of the Note and this Instrument.

26. ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION. As part of the consideration for the indebtedness evidenced by the Note, Borrower hereby absolutely and unconditionally assigns and transfers to Lender all the rents and revenues of the Property, including those now due, past due, or to become due by virtue of any lease or other agreement for the occupancy or use of all or any part of the Property, regardless of to whom the rents and revenues of the Property are payable. Borrower hereby authorizes Lender or Lender's agents to collect the aforesaid rents and revenues and hereby directs each tenant of the Property to pay such rents to Lender or Lender's agents; provided, however, that prior to written notice given by Lender to Borrower of the breach by Borrower of any covenant or agreement of Borrower in this Instrument, Borrower shall collect and receive all rents and revenues of the Property as trustee for the benefit of Lender and Borrower, to apply the rents and revenues so collected to the sums secured by this Instrument in the order provided in paragraph 3 hereof with the balance, so long as no such breach has occurred, to the account of Borrower, it being intended by Borrower and Lender that this assignment of rents constitutes an absolute assignment and not an assignment for additional security only. Upon delivery of written notice by Lender to Borrower of the breach by Borrower of any covenant or agreement of Borrower in this Instrument, and without the necessity of Lender entering upon and taking and maintaining full control of the Property in person, by agent or by a court-appointed receiver, Lender shall immediately be entitled to possession of all rents and revenues of the Property as specified

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in this paragraph 26 as the same become due and payable, including but not limited to rents then due and unpaid, and all such rents shall immediately upon delivery of such notice be held by Borrower as trustee for the benefit of Lender only; provided, however, that the written notice by Lender to Borrower of the breach by Borrower shall contain a statement that Lender exercises its rights to such rents. Borrower agrees that commencing upon delivery of such written notice of Borrower's breach by Lender to Borrower, each tenant of the Property shall make such rents payable to and pay such rents to Lender or Lender's agents on Lender's written demand to each tenant therefor, delivered to each tenant personally, by mail or by delivering such demand to each rental unit, without any liability on the part of said tenant to inquire further as to the existence of a default by Borrower.

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Borrower hereby covenants that Borrower has not executed any prior assignment of said rents, that Borrower has not performed, and will not perform, any acts or has not executed, and will not execute, any instrument which would prevent Lender from exercising its rights under this paragraph 26, and that at the time of execution of this Instrument there has been no anticipation or prepayment of any of the rents of the Property for more than two months prior to the due dates of such rents. Borrower covenants that Borrower will not hereafter collect or accept payment of any rents of the Property more than two months prior to the due dates of such rents. Borrower further covenants that Borrower will execute and deliver to Lender such further assignments of rents and revenues of the Property as Lender may from time to time request.

Upon Borrower's breach of any covenant or agreement of Borrower in this Instrument, Lender may in person, by agent or by a court-appointed receiver, regardless of the adequacy of Lender's security, enter upon and take and maintain full control of the Property in order to perform all acts necessary and appropriate for the operation and maintenance thereof including, but not limited to, the execution, cancellation or modification of leases, the collection of all rents and revenues of the Property, the making of repairs to the Property and the execution or termination of contracts providing for the management or maintenance of the Property, all on such terms as are deemed best to protect the security of this Instrument. In the event Lender elects to seek the appointment of a receiver for the Property upon Borrower's breach of any covenant or agreement of Borrower in this Instrument, Borrower hereby expressly consents to the appointment of such receiver. Lender or the receiver shall be entitled to receive a reasonable fee for so managing the Property.

All rents and revenues collected subsequent to delivery of written notice by Lender to Borrower of the breach by Borrower of any covenant or agreement of Borrower in this Instrument shall be applied first to the costs, if any, of taking control of and managing the Property and collecting the rents, including, but not limited to, attorney's fees, receiver's fees, premiums on receiver's bonds, costs of repairs to the Property, premiums on insurance policies, taxes, assessments and other charges on the Property, and the costs of discharging any obligation or liability of Borrower as lessor or landlord of the Property and then to the sums secured by this Instrument. Lender or the receiver shall have access to the books and records used in the operation and maintenance of the Property and shall be liable to account only for those rents actually received. Lender shall not be liable to Borrower, anyone claiming under or through Borrower or anyone having an interest in the Property by reason of anything done or left undone by Lender under this paragraph 26.

If the rents of the Property are not sufficient to meet the costs, if any, of taking control of and managing the Property and collecting the rents, any funds expended by Lender for such purposes shall become indebtedness of Borrower to Lender secured by this Instrument pursuant to paragraph 8 hereof. Unless Lender and Borrower agree in writing to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof and shall bear interest from the date of disbursement at the rate stated in the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate which may be collected from Borrower under applicable law.

Any entering upon and taking and maintaining of control of the Property by Lender or the receiver and any application of rents as provided herein shall not cure or waive any default hereunder or invalidate any other right or remedy of Lender under applicable law or provided herein. This assignment of rents of the Property shall terminate at such time as this Instrument ceases to secure indebtedness held by lender.

Non-Uniform Covenants. Borrower and Lender further covenant and agree as follow:

27. ACCELERATION; REMEDIES. Upon Borrower's breach of any covenant or agreement of Borrower in this Instrument, including, but not limited to, the covenants to pay when due any sums secured by this Instrument, Lender at Lender's option may declare all of the sums secured by this Instrument to be immediately due and payable without further demand, and may invoke the power of sale and any other remedies permitted by applicable law or provided herein. Borrower acknowledges that the power of sale herein granted may be exercised by lender without prior judicial hearing. Borrower has the right to bring an action to assert the non-existence of a breach or any other defense of Borrower to acceleration and sale. Lender shall be entitled to collect all costs and expenses incurred in pursuing such remedies, including, but not limited to, attorney's fees and costs of documentary evidence, abstracts and title reports.

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold and shall cause such notice to be recorded in each county in which the Property or some part thereof is located. Trustee shall give notice of default and notice of sale and shall sell the Property according to the laws of California. Trustee may sell the Property at the time and place and under the terms designated in the notice of sale in one or more parcels and in such order as Trustee may determine. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or Lender's designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property so sold without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all costs and expenses of the sale, including, but not limited to, Trustee's and attorney's fees and costs of title evidence; (b) to all sums secured by this Instrument in such order as Lender, in Lender's sole discretion, directs; and (c) the excess, if any, to the

06/09/06

person or persons legally entitled thereto.

28. **RECONVEYANCE.** Upon payment of all sums secured by the Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this instrument and all notes evidencing indebtedness secured by this Instrument to Trustee. Trustee shall convey the Property without warranty to the person or persons legally entitled thereto. Such person or persons shall pay Trustee's reasonable costs incurred in so reconveying the Property.

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29. **SUBSTITUTE TRUSTEE.** Lender, at Lender's option, may from time to time, by an instrument in writing, appoint a successor trustee to any Trustee appointed hereunder, which instrument, when executed and acknowledged by Lender and recorded in the office of the Recorder of the county or counties where the Property is situated, shall be conclusive proof of proper substitution of such successor trustee. The successor trustee shall, without conveyance of the Property, succeed to all the title, powers and duties conferred upon the Trustee herein and by applicable law. Said instrument shall contain the name of the original Lender, Trustee and Borrower hereunder, the book and page where this Instrument is recorded, and the name and address of the successor trustee. If notice of default has been recorded, this power of substitution cannot be exercised until after the costs, fees and expenses of the then acting Trustee have been paid to such Trustee who shall endorse receipt thereof upon such instrument of substitution. The procedure herein provided for substitution of trustee shall govern to the exclusion of all other provisions for substitution, statutory or otherwise.

30. **REQUEST FOR NOTICES.** Borrower requests that copies of the notice of default and notice of sale be sent to Borrower at Borrower's address stated below.

31. **STATEMENT OF OBLIGATION.** Lender may collect a fee not to exceed the maximum allowed by applicable law for furnishing the statement of obligation as provided in Section 2943 of the Civil Code of California.

32. **SPOUSE'S SEPARATE PROPERTY.** Any Borrower who is a married person expressly agrees that recourse may be had against his or her separate property.

33. **FUTURE ADVANCES.** Upon request of Borrower, Lender, at Lender's option so long as this Instrument secures indebtedness held by Lender, may make Future Advances to Borrower. Such Future Advances, with interest thereon, shall be secured by this Instrument when evidenced by promissory notes stating that said notes are secured hereby. At no time shall the principal amount of the indebtedness secured by this Instrument, not including sums advanced in accordance herewith to protect the security of this Instrument, exceed the original amount of the Note (US\$ 175,000.00) plus the additional sum of US \$ 0.00

IN WITNESS WHEREOF, BORROWER has executed this Instrument or has caused the same to be executed by its representatives thereunto duly authorized.

COMITE DE BENEFICENCIA MEXICANA DE LOS ANGELES, INC., A CALIFORNIA NON-PROFIT CORPORATION

✓ BY: Martha Soriano
MARTHA C. SORIANO, PRESIDENT
✓ BY: Martha Velazquez
MARTHA VELAZQUEZ, CHIEF FINANCIAL OFFICER

✓ BY: Ruben Soriano
RUBEN SORIANO, SECRETARY

Borrower's Address
2900 CALLE PEDRO INFANTE STREET
LOS ANGELES, CALIFORNIA 90063

Prepayment Rider attached hereto

06/50/90

ACKNOWLEDGEMENT

STATE OF CALIFORNIA, LOS ANGELES

County ss: LOS ANGELES

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On MAY 31, 2006

before me, MONICA E. VEGA, NOTARY PUBLIC

a Notary Public in and for said County and State, personally appeared MARTHA C. SORIANO, RUBEN SORIANO, MARTHA VELAZQUEZ

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/hers/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 Monica E. Vega



(This area reserved for official seal)

REQUEST FOR FULL RECONVEYANCE

TO TRUSTEE:

The undersigned is the holder of the note or notes secured by this Instrument. Said note or notes, together with all other indebtedness secured by this Instrument, have been paid in full. You are hereby directed to cancel said note or notes and this Instrument, which are delivered hereby, and to reconvey, without warranty, all the estate now held by you under this Instrument to the person or persons legally entitled thereto.

Dated: _____

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PREPAYMENT RIDER

Loan No.: 1634

Date: MAY 25, 2006

Borrower(s): COMITE DE BENEFICENCIA MEXICANA DE LOS ANGELES, INC., A CALIFORNIA NON-PROFIT CORPORATION

FOR VALUE RECEIVED, the undersigned ("Borrower") agree(s) that the following provisions shall be incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed of even date herewith (the "Security Instrument") executed by Borrower, as trustor or mortgagor, in favor of BROWNSTONE MORTGAGE CAPITAL CORPORATION, A CALIFORNIA CORPORATION ("Lender"), as beneficiary or mortgagee, and also into that certain promissory note of even date herewith (the "Note") executed by Borrower in favor of Lender. To the extent that the provisions of this Prepayment Rider (the "Rider") are inconsistent with the provisions of the Security Instrument and/or the Note, the provisions of this Rider shall prevail over and shall supersede any such inconsistent provisions of the Security Instrument and/or the Note.

Section 4 of the Note is amended to read in its entirety as follows:

4 "BORROWER'S RIGHT TO PREPAY; PREPAYMENT CHARGE

I have the right to make payments of principal at any time before they are due. A payment of principal only is known as a "prepayment." When I make a prepayment, I will tell the Note Holder in writing that I am doing so. The Note Holder will use all of my prepayments to reduce the amount of principal that I owe under this Note. If I make a partial prepayment, there will be no changes in the due dates of my monthly payments unless the Note Holder agrees in writing to those changes.

If within SIXTY (60) months from the date of execution of the Security Instrument I make a full or partial prepayment(s), I will pay a prepayment charge in an amount equal to a percentage of the principal so prepaid in accordance with the following schedule:

If paid during the first year from date hereof, FIVE percent (5.000 %) of the portion of such prepayment equal to the principal amount so prepaid.

If paid during the second year from date hereof, FOUR percent (4.000 %) of the portion of such prepayment equal to the principal amount so prepaid.

If paid during the third year from date hereof, THREE percent (3.000 %) of the portion of such prepayment equal to the principal amount so prepaid.

If paid during the fourth year from date hereof, TWO percent (2.000 %) of the portion of such prepayment equal to the principal amount so prepaid.

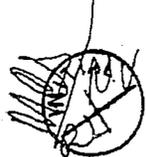
If paid during the fifth year from the date hereof, ONE percent (1.000 %)

PREPAYMENT RIDER

Document Systems, Inc. (800) 649-1362

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06/09/06



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of the portion of such prepayment equal to the principal amount so prepaid.

IN WITNESS WHEREOF, Borrower has executed the Rider on the 31st day of May, 2006

COMITE DE BENEFICENCIA MEXICANA DE LOS ANGELES, INC, A CALIFORNIA NON-PROFIT CORPORATION

✓ By: Martha Soriano 5/31/06
Borrower MARTHA C. SORIANO, Date
PRESIDENT

By: Ruben Soriano 5/31/06
Borrower RUBEN SORIANO, Date
SECRETARY

✓ By: Martha Velazquez 5/31/06
Borrower MARTHA VELAZQUEZ, Date
CHIEF FINANCIAL OFFICER

Borrower Date

Borrower Date

Borrower Date

THIS DOCUMENT CONTAINS NEITHER RECOMMENDATIONS NOR
SUGGESTIONS OF THE FEDERAL BUREAU OF INVESTIGATION
OF THE DEPARTMENT OF JUSTICE. IT IS THE PROPERTY OF THE
FEDERAL BUREAU OF INVESTIGATION AND IS LOANED TO YOUR
AGENCY; IT AND ITS CONTENTS ARE NOT TO BE DISTRIBUTED
OUTSIDE YOUR AGENCY.

06/09/06

PREPAYMENT RIDER

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This is a true and certified copy of the record
if it bears the seal, imprinted in purple ink,
of the Registrar-Recorder/County Clerk

MAR 15 2012

Donna Lynn
REGISTRAR-RECORDER/COUNTY CLERK
LOS ANGELES COUNTY, CALIFORNIA



MBC - 00759

EXHIBIT E

This page is part of your document - DO NOT DISCARD



20101452572



Pages:
0003

Recorded/Filed in Official Records
Recorder's Office, Los Angeles County,
California

10/12/10 AT 12:33PM

FEES:	22.00
TAXES:	0.00
OTHER:	0.00
PAID:	22.00



LEADSHEET



201010120050108

00003106587



002933832

SEQ:
01

DAR - Counter (Hard Copy)



MBC - 00741

THIS FORM IS NOT TO BE DUPLICATED

RECORDING REQUESTED BY:

2

AND WHEN RECORDED MAIL TO:

Martha Soriano
Mexican Benefit Corporation a non-profit
california tax except corporation
2900 Calle Pedro Infante
Lós Angeles, CA 90063



THIS SPACE FOR RECORDER'S USE ONLY:

GRANT DEED

THE UNDERSIGNED GRANTOR(S) DECLARE(S)

DOCUMENTARY TRANSFER TAX is \$NONE

- 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 Los Angeles **AND**

"This conveyance confirms a correction an error on the previous grant deed recorded on 6/9/06 instrument no. 06 1271986, and the grantor and grantee are the same party, R & T 11911."

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

COMITE DE BENEFICENCIA MEXICANA DE LOS ANGELES, INC. A CALIFORNIA NON-PROFIT CORPORATION

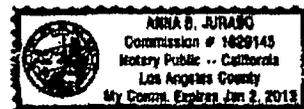
hereby GRANT(s) to:
Mexican Benefit Corporation a Non-profit California Corporation, Corp ID 1443407 FEIN 95-4176126

the real property in the County of Los Angeles, State of California, described as:
LEGAL DESCRIPTION ATTACHED HERETO AS EXHIBIT "A" AND MADE A PART HEREOF ✓
Also Known as: 529 Euclid Ave and 2901 East 6th Street, Los Angeles, CA 90063
AP#: 5185-019-010/ 5185-019-011

DATED August 27, 2010
STATE OF CALIFORNIA,
COUNTY OF Los Angeles
On August 27, 2010
before me, ANNA B. JURADO
A Notary Public in and for said State personally appeared
Martha C. Soriano, Ruben Soriano,
Martha Velazquez

Mexican Benefit Corporation a non-profit
california tax except corporation
BY: Martha C. Soriano
MARTHA C. SORIANO, PRESIDENT
BY: Ruben Soriano
RUBEN SORIANO, SECRETARY
BY: Martha Velazquez
MARTHA VELAZQUEZ, TREASURER

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 Anna B. Jurado

(Seal)

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

MBC - 00742

06/09/06

File No: 07402264

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LEGAL DESCRIPTION

EXHIBIT "A"

All that certain real property situated in the County of Los Angeles, State of California, described as follows:

Parcel 1:

Lot 15 of Tract No. 2271, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 22, Page 117, of Maps, in the Office of the County Recorder of said County.

Parcel 2:

Lot 6 of Tract No. 2271, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 22, Page 117, of Maps, in the Office of the County Recorder of said County.

Parcel 3:

Lot 7 of Tract No. 2271, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 22, Page 117, of Maps, in the Office of the County Recorder of said County.

Assessor's Parcel Number: **5185-019-010 / 5185-019-011**

*MBC - MV
RA*

90/60/90

06 1271986

This is a true and certified copy of the record
if it bears the seal, imprinted in purple ink,
of the Registrar-Recorder/County Clerk

MAR 7 5 2012

Diana C. Lopez REGISTRAR-RECORDER/COUNTY CLERK
LOS ANGELES COUNTY, CALIFORNIA



MBC - 00744

STATE OF CALIFORNIA
DEPARTMENT OF JUSTICE
LOS ANGELES RECEIVED

2012 MAR - 6 PM 12:00

RECEIVED